深圳市廣和通無線股份有限公司
Fibocom Wireless Inc.

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

Stock Code : 0638

GLOBAL OFFERING

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

CITIC SECURITIES

IMPORTANT

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

Fibocom Wireless Inc.

深圳市廣和通無線股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**135,080,200 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**13,508,200 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**121,572,000 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$21.50 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**0638**

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

CITIC SECURITIES

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

國證國際 SDICSI　　CMBI 招銀国际

Joint Bookrunners and Joint Lead Managers

ABCI 農銀國際　　華升證券 CHINA SUNRISE SECURITIES　　富途證券 FUTU Securities International

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

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Documents Delivered to the Registrar of Companies" in Appendix V, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission of Hong Kong nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) and us on or around Monday, October 20, 2025. The Offer Price will be no more than HK$21.50 per Offer Share and is currently expected to be not less than HK$19.88 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Monday, October 20, 2025, the Global Offering will not proceed and will lapse.

The Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that is stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. See "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for further details.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States, except pursuant to an available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

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

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

Tuesday, October 14, 2025

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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

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

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

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is an HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

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

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

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

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 200 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

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

No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
200	4,343.37	5,000	108,584.13	45,000	977,257.23	700,000	15,201,779.26
400	8,686.73	6,000	130,300.96	50,000	1,085,841.38	800,000	17,373,462.00
600	13,030.10	7,000	152,017.79	60,000	1,303,009.66	900,000	19,545,144.76
800	17,373.46	8,000	173,734.62	70,000	1,520,177.93	1,000,000	21,716,827.50
1,000	21,716.82	9,000	195,451.44	80,000	1,737,346.20	2,000,000	43,433,655.00
1,200	26,060.20	10,000	217,168.28	90,000	1,954,514.48	3,000,000	65,150,482.50
1,400	30,403.56	15,000	325,752.41	100,000	2,171,682.76	4,000,000	86,867,310.00
1,600	34,746.92	20,000	434,336.56	200,000	4,343,365.50	5,000,000	108,584,137.50
1,800	39,090.29	25,000	542,920.69	300,000	6,515,048.26	6,754,000(1)	146,675,452.94
2,000	43,433.65	30,000	651,504.83	400,000	8,686,731.00		
3,000	65,150.48	35,000	760,088.97	500,000	10,858,413.76		
4,000	86,867.31	40,000	868,673.10	600,000	13,030,096.50		

Notes:

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

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

*Should there be any changes to the dates mentioned in the following expected timetable of the Hong Kong Public Offering, an announcement will be made and published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com** of the revised timetable.*

Hong Kong Public Offering commences . . . . .9:00 a.m. on Tuesday, October 14, 2025

Latest time for completing electronic applications under the **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2] . . . . .11:30 a.m. on Friday, October 17, 2025

Application lists open[3] . . . . .11:45 a.m. on Friday, October 17, 2025

Latest time for (a) completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC . . . . .12:00 noon on Friday, October 17, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to apply for Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions, which may be different from the latest time as stated above.

Application lists close[3] . . . . .12:00 noon on Friday, October 17, 2025

Expected Price Determination Date[4] . . . . .on or before 12:00 noon, Monday, October 20, 2025

Announcement of the final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com** by[5] . . . . .11:00 p.m. on Tuesday, October 21, 2025

Results of allocation in the Hong Kong Public Offering to be available through a variety of channels as described in "How to Apply for Hong Kong Offer Shares — B. Publication of Results," including through:

(1) from the "Allotment Results" page at the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function on a 24-hour basis from function from	11:00 p.m. on Tuesday, October 21, 2025 to 12:00 midnight on Monday, October 27, 2025
(2) the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on	Wednesday, October 22, 2025, Thursday, October 23, 2025, Friday, October 24, 2025 and Monday, October 27, 2025
H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[6][7]	Tuesday, October 21, 2025
White Form e-Refund payment instructions or refund checks in respect of wholly or partially unsuccessful applications (or wholly successful applications, if applicable) to be dispatched on or before[8]	Wednesday, October 22, 2025
Dealings in H Shares on the Stock Exchange to commence at	9:00 a.m. on Wednesday, October 22, 2025

Notes:

(1) All dates and times refer to Hong Kong local dates and times.

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

(3) If there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, October 17, 2025, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements".

(4) The Offer Price is expected to be determined on or before Monday, October 20, 2025 (which, at the earliest, could be Friday, October 17, 2025) and in any event not later than 12:00 noon on Monday, October 20, 2025. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) and our Company by 12:00 noon on Monday, October 20, 2025, the Global Offering will not proceed and will lapse.

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

(6) Applicants being individuals must not authorize any other person to collect on their behalf. Applicants being corporations must attend by their respective authorized representative bearing a letter of authorization from the corporation stamped with the corporation's chop. Evidence of identity acceptable to the H Share Registrar, Computershare Hong Kong Investor Services Limited, must be produced at the time of collection. Uncollected H Share certificate(s) will be sent to the addresses specified in the relevant application instructions by ordinary post at the applicants' own risk. See "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies".

(7) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Wednesday, October 22, 2025, provided that the Global Offering has become unconditional in all respects and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(8) **White Form** e-Refund payment instructions or refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly successful applications in the event that the Offer Price is less than the price payable per H Share on application. Part of the applicant's Hong Kong identity card number, national identification document number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number, national identification document number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number, national identification document number or passport number before encashment of the refund check. Inaccurate completion of an applicant's Hong Kong identity card number, national identification document number or passport number may invalidate or delay encashment of the refund check.

The above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares," respectively.

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

Applicants who apply for the Hong Kong Offer Shares by giving electronic application instructions to HKSCC via HKSCC's FINI system should refer to "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" for details.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives or any other person or party involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Who we are

We are a leading wireless communication module provider. Our module products include (i) data transmission modules, (ii) smart modules and (iii) AI modules. Building on our module products and understanding of downstream application scenarios, we provide customized solutions to our customers, including (i) Edge AI solutions, (ii) robotic solutions and (iii) other solutions.

Our module products and solutions have a wide range of application scenarios, primarily including (i) automotive electronics, (ii) smart home, (iii) consumer electronics and (iv) smart retail. According to Frost & Sullivan:

- We are the second largest wireless communication module provider globally with a market share of 15.4%, in terms of our revenue from continuing operations in 2024.
- In the global wireless communication module market, we hold leading positions in market share rankings in multiple downstream application scenarios. In particular:
  - ***Automotive electronics***. We rank the second globally with a market share of 14.4%, in terms of our revenue from continuing operations. In 2024, with a market size of RMB11.7 billion by revenue, the automotive electronics application scenario accounted for 26.8% of the global wireless communication module market by downstream application sector.
  - ***Smart home***. We rank the first globally with a market share of 36.6%, in terms of our revenue from continuing operations in 2024. In 2024, with a market size of RMB6.6 billion by revenue, smart home application scenarios accounted for 15.1% of the global wireless communication module market by downstream application sector.
  - ***Consumer electronics***. We rank the first globally with a market share of 75.9%, in terms of our revenue from continuing operations in 2024. In 2024, with a market size of RMB2.2 billion by revenue, consumer electronics application scenarios accounted for 5.0% of the global wireless communication module market by downstream application sector.

The following table shows our ranking and business highlights among wireless communication module providers:

No. 2 globally Wireless communication module provider(1)	**No. 2 globally** Market share in automotive electronics application scenario(4)	**371** Number of invention patents(7)
One of the world's 1st Launch of 5G data transmission modules, smart modules and AI modules(2)	**No. 1 globally** Market share in smart home application scenario(5)	**67.9%** Percentage of R&D employees in total full-time employees(8)
One of the world's 1st Launch of Edge AI solutions(3)	**No. 1 globally** Market share in consumer electronics application scenario(6)	**8.8%** Percentage of R&D expenses in revenue(9)

Notes:

(1) Based on our market share of 15.4% in the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan.

(2) Based on our launch of 5G data transmission modules in 2019, launch of smart modules in 2017 and launch of AI modules in 2025, according to Frost & Sullivan.

(3) Based on our launch of Edge AI solutions in 2024, according to Frost & Sullivan.

(4) Based on our market share of 14.4% in the automotive electronics application scenario of the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. In 2024, with a market size of RMB11.7 billion by revenue, the automotive electronics application scenario accounted for 26.8% of the global wireless communication module market by downstream application sector.

(5) Based on our market share of 36.6% in the smart home application scenario of the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. In 2024, with a market size of RMB6.6 billion by revenue, smart home application scenarios accounted for 15.1% of the global wireless communication module market by downstream application sector.

(6) Based on our market share of 75.9% in the consumer electronics application scenario of the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. In 2024, with a market size of RMB2.2 billion by revenue, consumer electronics application scenarios accounted for 5.0% of the global wireless communication module market by downstream application sector.

(7) As of the Latest Practicable Date.

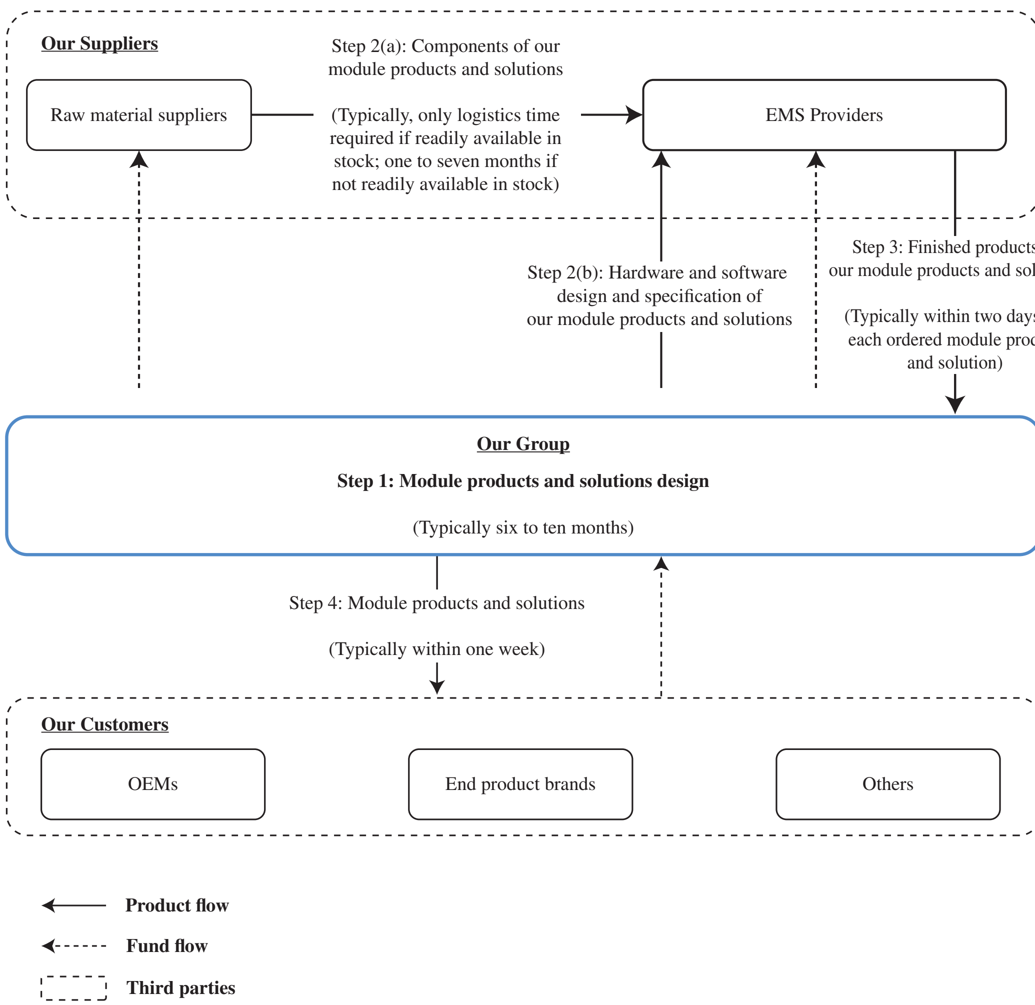
(8) As of April 30, 2025.

(9) Calculated by dividing our average R&D expenses from continuing operations in 2022, 2023 and 2024, and the annualized R&D expenses for the four months ended April 30, 2025 by our average revenue from continuing operations in 2022, 2023 and 2024, and the annualized revenue for the four months ended April 30, 2025.

OUR BUSINESS MODEL

Our business model focus on the R&D of our modules and solutions while outsourcing the manufacturing to professional third-party EMS providers. According to Frost & Sullivan, outsourcing the manufacturing of products to EMS providers aligns with the industry practices in wireless communication module industry in China, which allows module provider to allocate the necessary resource on R&D.

The following chart illustrates our business model:



For details of our business model, see "Business—Our Business Model."

OUR PRODUCTS AND SOLUTIONS

The following table sets forth a summary of our key module products and solutions as of the Latest Practicable Date:

No.	Type	Key feature	Key application scenario	Specific end products
1 . .	Data transmission modules	(i) Cellular wireless communication capability	Automotive electronics	• T-boxes, IVI and ADAS of automobiles
			Smart home	• Home cellular wireless modem
			Consumer electronics	• PCs
			Smart retail	• POS machines
			Others	• Industrial monitors • Gas, electricity and water meters
2 . .	Smart modules	(i) Cellular wireless communication capability (ii) Real-time data processing (iii) Multimedia functions	Automotive electronics	• Smart cockpit
			Smart home	• Home cellular wireless modem • Surveillance cameras
			Consumer electronics	• Translation devices • Media displays
			Smart retail	• POS machines • Food ordering machine
			Others	• Industrial barcode scanner • Industrial camera

No.	Type	Key feature	Key application scenario	Specific end products
3 . .	AI modules[1]	(i) Cellular wireless communication capability (ii) Computing capability (iii) Multimodal perception (iv) AI model on-device inference	Automotive electronics	• Smart cockpit
			Smart home	• AI speaker
			Consumer electronics	• Translation devices • Media boxes • AI toys
			Smart retail	• Mobile payment devices
			Others	• AI buddy
4 . .	Edge AI solutions[1]	(i) Cellular wireless communication capability (ii) Intelligent functions (iii) Real-time interaction (iv) Autonomous operation (v) AI model on-device inference (vi) Cloud-based AI training and inference (vii) Device operation and management	Automotive electronics Smart home Consumer electronics Smart retail	PCBAs • AI panoramic cameras • AI aerial cameras End products • AI toys • AI assistant • AI boxes • AI buddy
5 . .	Robotic solutions	(i) Multi-sensor fusion positioning (ii) Vision-based perception (iii) Autonomous navigation and motion control (iv) Natural language understanding (v) Real-time environmental perception	Smart home Smart manufacturing Industrial IoT	PCBAs • Lawn mower robots End products • Embodied AI robots
6 . .	Other solutions[1]	(i) Cellular wireless communication capability (ii) Real-time data processing and multimedia functions (iii) Device operation and management	Smart home Consumer electronics Smart retail Smart manufacturing	PCBAs & end products • Handheld devices

Note:

(1) AI modules, Edge AI solutions and other solutions do not necessarily provide cellular wireless communication capability based on customers' needs.

The following table sets forth a breakdown of our revenue from continuing operations by product and solution types, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Continuing operations										
Module products	**5,107,847**	**98.2**	**5,485,083**	**97.0**	**6,704,471**	**96.1**	**1,991,385**	**97.3**	**2,310,582**	**93.1**
Data transmission modules	2,259,515	43.5	2,567,413	45.4	3,049,693	43.7	964,044	47.1	789,589	31.8
Smart modules	2,848,332	54.7	2,917,670	51.6	3,654,778	52.4	1,027,341	50.2	1,520,993	61.3
Solutions	**71,910**	**1.4**	**130,944**	**2.3**	**203,914**	**3.0**	**42,254**	**2.1**	**144,275**	**5.8**
Edge AI solutions	–	–	–	–	81,244	1.2	13,762	0.7	24,548	1.0
Robotic solutions	–	–	–	–	1,032	0.0	–	–	3,367	0.1
Other solutions	71,910	1.4	130,944	2.3	121,638	1.8	28,492	1.4	116,360	4.7
Others[(1)]	**22,979**	**0.4**	**35,787**	**0.7**	**62,804**	**0.9**	**13,461**	**0.6**	**25,791**	**1.1**
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Primarily include (i) sales of complementary electronic components and (ii) IoT data connection services, which refer to the provision of supplementary cellular data connection plans to customers at comparable market prices.

The following table sets forth a breakdown of our revenue from continuing operations by application scenario in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Automotive electronics[(1)]	1,143,289	22.0	1,381,984	24.5	1,724,527	24.7	509,488	24.9	605,374	24.4
Smart home[(2)]	1,751,963	33.7	1,818,349	32.2	2,464,683	35.4	619,599	30.3	1,023,007	41.2
Consumer electronics[(3)]	1,306,402	25.1	1,571,635	27.8	1,765,030	25.3	617,678	30.2	478,867	19.3
Smart retail[(4)]	660,259	12.7	471,411	8.3	642,406	9.2	170,880	8.3	225,079	9.1
Others[(5)]	340,823	6.5	408,435	7.2	374,543	5.4	129,455	6.3	148,321	6.0
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Notes:

(1) Primarily including (i) in-vehicle infotainment systems ("IVI"), (ii) telematic control units ("T-box"), (iii) cellular vehicle-to-everything ("C-V2X") and (iv) advanced driver assistance systems ("ADAS"). During the Track Record Period, revenue from automotive electronics application scenarios primarily consisted of revenue generated from NEV front-fit application scenarios.

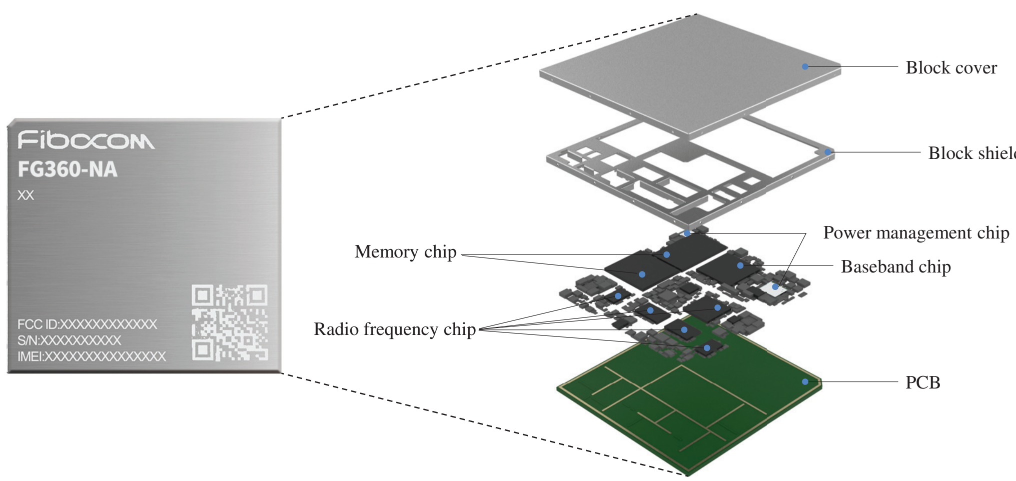
(2) Primarily including (i) fixed wireless access devices, such as home cellular wireless modems, (ii) surveillance cameras and (iii) media boxes.

(3) Primarily including (i) PCs, (ii) cameras, such as motion camera, aerial camera and panoramic camera, (iii) wearables, (iv) translation devices, (v) toys and (vi) drones.

(4) Primarily including (i) POS machines, (ii) mobile payment devices, (iii) handheld devices, (iv) food ordering machines, (v) cloud speakers, (vi) self-service vending machines and (vii) commercial displays.

(5) Primarily including (i) industrial IoT, such as industrial modems and industrial monitors, (ii) grid, such as grid data collectors, (iii) shared economy, such as shared bicycles and power banks, (iv) clean energy, such as device monitors and (v) remote meter reading in gas, electricity and water meters.

The following picture illustrates the components of our sample module product:



For further details of the components of our module products, see "Business—Our Products and Solutions—Our Module Products."

Our Market Opportunities

We have specialized in the wireless communication module industry since our establishment in 1999. Our strategic focus enables us to accurately identify the industry's development trends, deeply understand customer needs across diverse application scenarios and therefore, capture market opportunities.

On the demand side, the wireless communication module industry has the following trends:

- ***The wireless communication module market is growing.*** The wireless communication module market is undergoing a technological evolution from 4G to 5G. This technological evolution is driving a growth in the wireless communication module market. According to Frost & Sullivan, the global wireless communication module market size is expected to grow from RMB48.6 billion in 2025 to RMB72.6 billion in 2029, representing a CAGR of 10.6%. Notably, according to Frost & Sullivan, (i) the automotive electronics application scenario and (ii) the smart home application scenarios are the primary growth drivers for the wireless communication module market:

  - *Automotive electronics.* According to Frost & Sullivan, the global market size of automotive electronics application scenario is expected to grow from RMB13.2 billion in 2025 to RMB21.2 billion in 2029, representing a CAGR of 12.6%. Among the automotive electronics application scenario, NEVs are a key growth driver. According to Frost & Sullivan, the global market size of NEV front-fit application scenario is expected to grow from RMB4.5 billion in 2025 to RMB11.6 billion in 2029, representing a CAGR of 26.5%.

  - *Smart home.* According to Frost & Sullivan, the global market size of smart home application scenario is expected to grow from RMB7.4 billion in 2025 to RMB11.4 billion in 2029, representing a CAGR of 11.2%.

- ***Modules have become the carrier of Edge AI.*** The Edge AI market is growing rapidly. According to Frost & Sullivan, the global Edge AI market size is expected to grow from RMB321.9 billion in 2025 to RMB1,223 billion in 2029, representing a CAGR of 39.6%. The integration of wireless communication modules with AI has been an industry trend.

- ***Extending from module products to solutions.*** According to Frost & Sullivan, wireless communication module providers who are able to provide customers with bespoke solutions have advantages over their competitors. In particular, the market demand for robotic solutions that leverage advanced wireless communication modules for autonomous functions is especially significant.

On the supply side, our ability on the following three aspects enable us to identify and capitalize on industry trends:

- ***Industry-leading wireless communication technology***. Leveraging our R&D capabilities, we have achieved breakthroughs in the iteration of wireless communication technologies. For example, in 2019, we collaborated with Intel to jointly launch one of the world's first 5G data transmission modules and launched one of the world's first 5G data transmission modules embedded with integrated blockchain technology. In 2020, we collaborated with China Unicom to jointly launch one of the world's first 5G+eSIM modules and one of China's first 5G data transmission modules embedded with a domestic chip.

- ***The integration of AI technologies***. According to Frost & Sullivan, we are one of the first companies in the world to launch smart modules and AI modules. We have also extended our business vertically to provide Edge AI solutions and robotic solutions.

- ***Customized development based on customer requirements***. We have accumulate expertise in multiple application scenarios. We conduct customized product development based on our understanding of the specific needs of the relevant application scenario. For example, automotive electronics is one of the most demanding application scenarios due to the importance of safety, and therefore requires relatively higher quality standards for module products. Our module products designed for automotive electronics can operate efficiently and reliably, even in extreme temperature conditions ranging from as low as -40°C to as high as 85°C.

OUR CORE TECHNOLOGICAL CAPABILITIES

Our core technological capabilities enable us to develop, integrate and customize high-performance data transmission modules, smart modules and AI modules that cater to diverse downstream application scenarios, primarily including automotive electronics, smart home, consumer electronics and smart retail. Through years of R&D efforts, we have built our proprietary technologies upon two fundamental pillars: (i) module design and (ii) module-based solution development.

Module Design

We have extensive experience in developing high-performance and low-power consumption data transmission modules, smart modules and AI modules in line with global communication standards. Key strengths of our module design technology include: (i) enhanced radio frequency design supporting multiple frequency bands, (ii) stable performance in harsh environments across a broad temperature range of -40°C to 85°C, (iii) reliable connectivity, which reduce network access time and optimize real-time network selection and switching, (iv) multi-telecom operator compatibility, which enables our software to support compatibility with major global operators and (v) advanced network security integration, which embed security features like secure boot and firewalls into module.

Module-based solution development

Beyond standalone module development, we have developed a comprehensive technology stack to integrate our modules into complex, multi-device solutions and offer customized features to our customers. The technical expertise we have accumulated through the research and development of our module product can be efficiently applied to the research and development of our solutions. Our expertise in module integration ensures that our modules work effectively within a variety of hardware and software environments, addressing industry-specific needs and optimizing overall performance. Our strengths in module-based solution development include: (i) industry specific customization to meet specific hardware and software requirements of different application scenarios, (ii) multi-protocol communication and unified communication architecture, which enable compatibility and allow switching between protocols and operating systems and (iii) in-vehicle ethernet technology, which enables fast, real-time communication between vehicle systems.

For further details, see "Business—Our Core Technological Capabilities."

OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) leading wireless communication module provider; (ii) innovative technologies that continuously drive industry evolution; (iii) module products and solutions aligned with needs of specific application scenarios; (iv) long-term relationship with global industry-leading customers; and (v) visionary and experienced management team.

OUR STRATEGIES

We intend to implement the following strategies: (i) continuing to devote to the wireless communication module industry and reinforcing our leadership; (ii) increasing investment in Edge AI solutions and robotic solutions; (iii) deepening our global presence; (iv) reinforcing organizational capability to enhance managerial and operational efficiency; and (v) expanding our business landscape through investments and acquisitions.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, revenue generated from our five largest customers in each period amounted to RMB3,332.1 million, RMB3,610.9 million, RMB4,063.9 million and RMB1,567.3 million, respectively, accounting for 64.0%, 63.9%, 58.3% and 63.2% of our total revenue from continuing operations in the same periods, respectively. During the Track Record Period, revenue from our largest customer in each period accounted for 28.0%, 26.2%, 17.0% and 22.7% of our total revenue from continuing operations, respectively. For further details, see "Business—Our Customers—Our Major Customers."

During the Track Record Period, our suppliers primarily consisted of (i) raw material suppliers, and (ii) EMS providers. During the Track Record Period, purchases from our five largest suppliers in each period amounted to RMB3,150.0 million, RMB3,632.2 million, RMB4,524.1 million and RMB1,831.2 million, respectively, representing 76.1%, 81.4%, 79.3% and 89.7% of our total cost of goods sold from continuing operations, respectively. In addition, during the Track Record Period, purchases from our largest supplier in each period accounted for 34.3%, 40.5%, 34.3% and 54.6% of our total cost of goods sold from continuing operations, respectively. For further details, see "Business—Our Suppliers—Our Major Suppliers."

COMPETITION

The global wireless communication module industry features a tiered and concentrated competitive landscape, with companies in each tier exhibiting different levels of market influence and revenue. According to Frost & Sullivan, the top five market players accounted for 76.1% of the overall market share in the global wireless communication module industry in 2024. We operate in this competitive market, where key entry barriers include technical complexity and certification hurdles and high capital intensity and R&D investment. We are the second largest wireless communication module provider globally with a market share of 15.4%, in terms of our revenue from continuing operations in 2024. Leveraging our strengths in the innovation of products and solutions, our vertical industry application scenario coverage and our long-term stable customer base, we believe we are well-prepared to further penetrate the market, capitalize on the growth potential of global wireless communication module industry catalyzed by AI technology to remain at the forefront. For further details, see "Industry Overview."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Revenue	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**
Cost of goods sold	(4,136,956)	(79.5)	(4,464,939)	(79.0)	(5,704,274)	(81.8)	(1,638,586)	(80.0)	(2,041,797)	(82.3)
Gross profit	**1,065,780**	**20.5**	**1,186,875**	**21.0**	**1,266,915**	**18.2**	**408,514**	**20.0**	**438,851**	**17.7**
Other income, net	69,356	1.3	61,483	1.1	86,229	1.2	43,833	2.1	22,442	0.9
Other gains and losses, net	5,260	0.1	12,988	0.2	(8,426)	(0.1)	(3,535)	(0.2)	(1,230)	(0.1)
Research and development expenses	(542,563)	(10.4)	(540,156)	(9.6)	(582,684)	(8.4)	(193,933)	(9.5)	(182,250)	(7.4)
Selling and distribution expenses	(155,039)	(3.0)	(178,445)	(3.2)	(162,243)	(2.3)	(58,777)	(2.9)	(46,678)	(1.9)
Administrative expenses	(107,484)	(2.1)	(145,510)	(2.6)	(200,326)	(2.9)	(43,571)	(2.1)	(53,048)	(2.1)
Reversal/(Provision) of expected credit losses ("**ECL**") allowance of trade and bills receivables	(619)	(0.0)	2,813	0.1	(12,112)	(0.2)	(1,266)	(0.1)	(1,991)	(0.1)
Operating profit	**334,691**	**6.4**	**400,048**	**7.1**	**387,353**	**5.6**	**151,265**	**7.4**	**176,096**	**7.1**
Finance income	5,304	0.1	12,144	0.2	24,581	0.4	4,598	0.2	6,101	0.3
Finance costs	(24,183)	(0.5)	(29,387)	(0.5)	(37,447)	(0.5)	(10,677)	(0.5)	(10,510)	(0.4)
Finance costs, net	(18,879)	(0.4)	(17,243)	(0.3)	(12,866)	(0.2)	(6,079)	(0.3)	(4,409)	(0.2)
Share of result of associate	23,213	0.4	2,017	0.0	(3,898)	(0.1)	(2,466)	(0.1)	(1,282)	(0.1)
Profit before income taxes	**339,025**	**6.5**	**384,822**	**6.8**	**370,589**	**5.3**	**142,720**	**7.0**	**170,405**	**6.9**
Income tax credit/(expense)	13,240	0.3	(8,053)	(0.1)	52,562	0.8	(2,834)	(0.1)	(10,140)	(0.4)
Profit for the year/period from continuing operations	**352,265**	**6.8**	**376,769**	**6.7**	**423,151**	**6.1**	**139,886**	**6.8**	**160,265**	**6.5**
Discontinued operation										
Profit for the year/period from discontinued operation	12,568	0.2	188,219	3.3	253,687	3.6	93,458	4.6	–	–
Profit for the year/period	**364,833**	**7.0**	**564,988**	**10.0**	**676,838**	**9.7**	**233,344**	**11.4**	**160,265**	**6.5**
Other comprehensive income arising from continuing operations										

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Items that will not be reclassified subsequently to profit or loss										
Changes in fair value of financial assets at fair value through other comprehensive Income ("**FVTOCI**")	2,049	0.0	51,858	0.9	70,724	1.0	73,481	3.6	17,387	0.7
Items that will be reclassified subsequently to profit or loss										
Share of other comprehensive income of investment in associate	8,568	0.2	–	–	–	–	–	–	–	–
Currency translation difference	3,132	0.1	(689)	(0.0)	14,909	0.2	1,384	0.1	1,913	0.1
	13,749	0.3	51,169	0.9	85,633	1.2	74,865	3.7	19,300	0.8
Other comprehensive expense arising from discontinued operation										
Items that will not be reclassified subsequently to profit or loss										
Remeasurement of post-employment benefit obligations	(2,977)	(0.1)	1,874	0.0	1,104	0.0	(356)	0.0	–	–
Items that will be reclassified subsequently to profit or loss										
Currency translation difference	1,797	0.0	11,367	0.2	(13,165)	(0.2)	991	0.1	–	–
	(1,180)	(0.0)	13,241	0.2	(12,061)	(0.2)	635	0.0	–	–
Total comprehensive income for the year/period	**377,402**	**7.3**	**629,398**	**11.1**	**750,410**	**10.8**	**308,844**	**15.1**	**179,565**	**7.2**

Our profit for the year from continuing operations increased by 7.0% from RMB352.3 million in 2022 to RMB376.7 million in 2023, primarily attributable to an increase in revenue from continuing operations attributable to an increase in the sales of our module products, partially offset by (i) an increase in cost of goods sold, which was in line with our business growth; (ii) an increase in selling and distribution expenses due to an increase in employee compensation and business development expenses; and (iii) the income tax expense of RMB8.1 million recognized in 2023.

Our profit from the year from continuing operations increased by 12.3% from RMB376.7 million in 2023 to RMB423.2 million in 2024, primarily attributable to (i) an increase in revenue from continuing operations attributable to an increase in the sales of our module products; and (ii) the income tax credit of RMB52.6 million recognized in 2024, partially offset by (i) an increase in cost of goods sold, which was in line with our business growth; and (ii) an increase in administrative expenses due to an increase in employee compensation and impairment losses.

Our profit from the period from continuing operations increased by 14.6% from RMB139.9 million in the four months ended April 30, 2024 to RMB160.3 million in the four months ended April 30, 2025, primarily attributable to an increase in revenue from continuing operations attributable to an increase in the sales of our module products and solutions.

Revenue

The following table sets forth a breakdown of our revenue by product and solution types, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Continuing operations										
Module products	**5,107,847**	**98.2**	**5,485,083**	**97.0**	**6,704,471**	**96.1**	**1,991,385**	**97.3**	**2,310,582**	**93.1**
Data transmission modules	2,259,515	43.5	2,567,413	45.4	3,049,693	43.7	964,044	47.1	789,589	31.8
Smart modules	2,848,332	54.7	2,917,670	51.6	3,654,778	52.4	1,027,341	50.2	1,520,993	61.3
Solutions	**71,910**	**1.4**	**130,944**	**2.3**	**203,914**	**3.0**	**42,254**	**2.1**	**144,275**	**5.8**
Edge AI solutions	–	–	–	–	81,244	1.2	13,762	0.7	24,548	1.0
Robotic solutions	–	–	–	–	1,032	0.0	–	–	3,367	0.1
Other solutions	71,910	1.4	130,944	2.3	121,638	1.8	28,492	1.4	116,360	4.7
Others[1]	**22,979**	**0.4**	**35,787**	**0.7**	**62,804**	**0.9**	**13,461**	**0.6**	**25,791**	**1.1**
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Primarily include (i) sales of complementary electronic components and (ii) IoT data connection services.

Our revenue increased by 8.6% from RMB5,202.7 million in 2022 to RMB5,651.8 million in 2023, and further increased by 23.3% to RMB6,971.2 million in 2024, primarily attributable to an increase in revenue from data transmission modules and smart modules. Our revenue increased by 21.2% from RMB2,047.1 million in the four months ended April 30, 2024 to RMB2,480.6 million in the four months ended April 30, 2025, primarily attributable to an increase in the revenue from smart modules.

The following table sets forth a breakdown of our revenue by geographic region of the place of registration of counter-parties to our sales contracts, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Mainland China	2,096,271	40.3	2,354,952	41.7	2,831,447	40.6	862,609	42.1	1,016,393	41.0
Taiwan	1,602,862	30.8	1,661,522	29.4	1,967,367	28.2	588,630	28.8	884,361	35.7
United States	621,163	12.0	578,111	10.2	817,172	11.7	237,363	11.6	269,913	10.9
Singapore	370,601	7.1	419,265	7.4	380,903	5.5	170,457	8.3	115,640	4.7
Hong Kong	304,036	5.8	391,620	6.9	363,126	5.2	106,970	5.2	53,051	2.1
Others[(1)]	207,803	4.0	246,344	4.4	611,174	8.8	81,071	4.0	141,290	5.6
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Others primarily include India, Thailand and Brazil.

During the Track Record Period, we derived approximately 60% of our revenue from overseas markets. The revenue proportion of our major markets, including Mainland China, Taiwan, United States, Singapore and Hong Kong, remained relatively stable during the Track Record Period. The revenue proportion of other geographic region increased from 4.0% in 2022 to 4.4% in 2023, and further to 8.8% in 2024, primarily due to our expansion in new markets such as India and Thailand. The revenue proportion of Taiwan increased from 28.8% in the four months ended April 30, 2024 to 35.7% in the four months ended April 30, 2025, primarily attributable an increase in the demand from our customers in smart home and smart retail application scenarios.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Module products	**1,029,834**	**20.2**	**1,156,810**	**21.1**	**1,221,796**	**18.2**	**398,589**	**20.0**	**405,663**	**17.6**
Data transmission modules	572,078	25.3	571,013	22.2	598,390	19.6	191,341	19.8	158,117	20.0
Smart modules	457,756	16.1	585,797	20.1	623,406	17.1	207,248	20.2	247,546	16.3
Solutions	**32,972**	**45.9**	**26,432**	**20.2**	**39,558**	**19.4**	**6,849**	**16.2**	**29,498**	**20.4**
Edge AI solutions	–	–	–	–	23,221	28.6	3,787	27.5	9,152	37.3
Robotic solutions	–	–	–	–	272	26.4	–	–	1,251	37.2
Other solutions	32,972	45.9	26,432	20.2	16,065	13.2	3,062	10.7	19,095	16.4
Others[(1)]	**2,974**	**12.9**	**3,633**	**10.2**	**5,561**	**8.9**	**3,076**	**22.9**	**3,690**	**14.3**
Total	**1,065,780**	**20.5**	**1,186,875**	**21.0**	**1,266,915**	**18.2**	**408,514**	**20.0**	**438,851**	**17.7**

Note:

(1) Primarily include (i) sales of complementary electronic components and (ii) IoT data connection services, which refer to the provision of supplementary cellular data connection plans to customers at comparable market prices.

Our gross profit margin remained relatively stable at 20.5% in 2022 and 21.0% in 2023. Our gross profit margin of solutions decreased from 45.9% in 2022 to 20.2% in 2023, which was due to a decrease in gross profit margin of other solutions. Our other solutions generally include two phases, including (i) providing R&D services related to the development of PCBAs or end-products of these solutions, and (ii) providing PCBAs or end-products of these solutions. See "Business—Our Products and Solutions—Our Solutions" for details. The decrease in the gross profit margin of other solutions was primarily due to an increase in the proportion of the PCBA and end-products we delivered in 2023. PCBAs and end-products generally have lower gross profit margin than R&D services, which was in line with the industry, according to Frost & Sullivan.

Our gross profit margin decreased from 21.0% in 2023 to 18.2% in 2024, due to a decrease in the gross profit margin of data transmission modules and smart modules.

- The decrease in the gross profit margin of data transmission modules was primarily due to a decrease in the average selling price of our data transmission modules from 2023 to 2024. The decrease in the average selling price was primarily because our customers in application scenarios such as smart retail and consumer electronics purchased more cost-effective data transmission modules with lower average selling price. Some of these customers chose more cost-effective data transmission modules with basic functions and more competitive pricing that fulfill their business needs for modules with basic functions.

- The decrease in gross profit margin of smart modules was primarily due to a decrease in the average selling price of our smart modules. The decrease in the average selling price of our smart modules was primarily because we adjusted the price of the smart modules used in the smart home application scenario to enhance our competitiveness and boost our sales volume.

Our gross profit margin decreased from 20.0% in the four months ended April 30, 2024 to 17.7% in the four months ended April 30, 2025, primarily due to a decrease in the gross profit margin of smart modules. The decrease in the gross profit margin of smart modules was primarily due to an increase in the unit cost of goods sold of our smart modules, primarily attributable to an increase in the purchase price of raw materials.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	1,311,335	1,418,803	1,116,659	1,244,068
Total current assets	5,086,396	5,676,484	6,432,397	6,586,738
Total assets	**6,397,731**	**7,095,287**	**7,549,056**	**7,830,806**
Total non-current liabilities	662,761	477,846	289,413	204,539
Total current liabilities	3,306,722	3,488,832	3,646,682	3,816,987
Total liabilities	**3,969,483**	**3,966,678**	**3,936,095**	**4,021,526**
Net current assets	1,779,674	2,187,652	2,785,715	2,769,751
Net assets	**2,428,248**	**3,128,609**	**3,612,961**	**3,809,280**

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share capital	631,721	765,806	765,565	765,453
Share premium	598,877	633,918	631,909	634,163
Reserves	149,299	224,736	348,256	382,168
Retained profits	1,048,351	1,508,621	1,858,605	2,016,188
Equity attributable to owners of the Company	2,428,248	3,133,081	3,604,335	3,797,972
Non-controlling interests	–	(4,472)	8,626	11,308
Total equity	**2,428,248**	**3,128,609**	**3,612,961**	**3,809,280**

Our net current assets increased by 22.9% from RMB1,779.7 million as of December 31, 2022 to RMB2,187.7 million as of December 31, 2023, primarily due to (i) an increase in cash and cash equivalents of RMB202.8 million, (ii) an increase in inventories of RMB189.0 million and (iii) an increase in trade and other receivables of RMB41.2 million, partially offset by an increase in trade and other payables of RMB102.0 million.

Our net current assets increased by 27.3% from RMB2,187.7 million as of December 31, 2023 to RMB2,785.7 million as of December 31, 2024, primarily due to (i) an increase in financial assets at FVTPL of RMB504.3 million and (ii) an increase in trade and other receivables of RMB486.1 million, partially offset by (i) a decrease in inventories of RMB306.0 million and (ii) an increase in bank borrowings of RMB288.8 million.

Our net current assets remained relatively stable at RMB2,785.7 million as of December 31, 2024 and RMB2,769.8 million as of April 30, 2025.

Our net assets increased by 28.8% from RMB2,428.2 million as of December 31, 2022 to RMB3,128.6 million as of December 31, 2023, primarily due to (i) an increase in our retained earnings of RMB460.3 million primarily attributable to our profit for the year of RMB563.6 million; and (ii) an increase in our share capital of RMB134.1 million attributable to our script dividend of RMB126.3 million, partially offset by the shares we repurchased of RMB51.0 million in 2023.

Our net assets increased by 15.5% from RMB3,128.6 million as of December 31, 2023 to RMB3,613.0 million as of December 31, 2024, primarily due to (i) an increase in other reserve of RMB101.6 million; and (ii) an increase in our retained earnings of RMB350.0 million primarily attributable to our profit for the year of RMB668.0 million, partially offset by the dividends declared of RMB290.0 million in 2024. See Consolidated Statements of Changes in Equity in Accountants' Report in Appendix I to this prospectus.

Our net assets remained relatively stable at RMB3,613.0 million as of December 31, 2024 and RMB3,809.3 million as of April 30, 2025.

As of December 31, 2022, we had total equity of RMB2,428.2 million. Our total equity increased to RMB3,128.6 million as of December 31, 2023, primarily attributable to an increase in our retained profits of RMB460.3 million attributable to our profit for the year of RMB565.0 million. Our total equity increased to RMB3,613.0 million as of December 31, 2024, primarily due to an increase in retained profits of RMB350.0 million attributable to our profit for the year of RMB676.8 million. Our total equity increased by 5.5% from RMB3,613.0 million as of December 31, 2024 to RMB3,809.3 million as of April 30, 2025, primarily attributable to an increase in retained profits of RMB157.6 million attributable to our profit for the period of RMB157.6 million. See "Consolidated Statements of Changes in Equity" in the Accountants' Report in Appendix I to this prospectus.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net cash flows from/(used in) operating activities	291,593	581,099	429,366	119,998	(138,710)
Net cash flows used in investing activities	(233,952)	(199,353)	(210,719)	(80,063)	(23,195)
Net cash flows from/(used in) financing activities	258,620	(178,552)	(231,935)	(168,705)	(12,974)
Net increase/(decrease) in cash and cash equivalents	**316,261**	**203,194**	**(13,288)**	**(128,770)**	**(174,879)**
Cash and cash equivalents at the beginning of the year/period	434,135	775,468	978,262	978,262	980,120
Cash and cash equivalents at the end of the year/period	**775,468**	**978,262**	**980,120**	**852,034**	**807,073**

In the four months ended April 30, 2025, we had net cash flows used in operating activities of RMB138.7 million, which primarily consisted of profit before income taxes of RMB170.4 million, adjusted for (i) non-cash and non-operating items such as depreciation of right-of-use assets of RMB17.1 million and financial costs of RMB10.5 million; (ii) the effects of movement in working capital such as increase in inventories of RMB326.4 million; and (iii) income tax paid of RMB133.7 million.

In the four months ended April 30, 2025, we had net cash flows used in financing activities of RMB13.0 million, which primarily resulted from repayments of bank borrowings of RMB410.5 million, partially offset by proceeds from bank borrowings of RMB402.2 million.

In 2024, our net cash flows used in financing activities were RMB231.9 million, which primarily resulted from repayments of bank borrowings of RMB1,268.5 million and dividend of RMB290.0 million, partially offset by proceeds from bank borrowings of RMB1,347.2 million.

In 2023, our net cash flows used in financing activities was RMB178.6 million, which primarily resulted from repayments of bank borrowings of RMB1,201.0 million, partially offset by proceeds from bank borrowings of RMB980.2 million.

In 2022, our net cash flows from financing activities were RMB258.6 million, which primarily resulted from proceeds from bank borrowings of RMB1,508.2 million, partially offset by repayments of bank borrowings of RMB1,183.1 million.

KEY FINANCIAL RATIOS

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

	As of or for the year ended December 31,			As of or for the four months ended April 30,
	2022	2023	2024	2025
Quick ratio[(1)]	1.2	1.3	1.5	1.4
Current ratio[(2)]	1.5	1.6	1.8	1.7
Return on equity[(3)]	16.7%	20.3%	20.1%	NM[(5)]
Net debt to equity ratio[(4)]	25.6%	6.6%	8.0%	11.9%

Notes:

(1) Quick ratio equals to current assets less inventories divided by current liabilities as of the relevant year or period end.

(2) Current ratio equals to current assets of the respective year or period divided by current liabilities.

(3) Return on equity equals to profits for the year or period from continuing operations and discontinued operation divided by average balance of total equity at the beginning and the end of that year or period multiplied by 100%.

(4) Net debt to equity ratio equals total borrowings net of cash and cash equivalents at the end of the year or period divided by total equity at the end of the year or period.

(5) This ratio is not meaningful as numbers as of or for the four months ended April 30, 2025 are not comparable to the numbers as of or for the year ended December 31, 2022, 2023 and 2024.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to doing business in the country where we operate and (iii) risks relating to the Global Offering. These risks include, among others, the following:

- If we fail to manage our growth and expansion effectively, our business, financial condition and results of operations may be materially and adversely affected;
- New scientific and technological outcomes or trends could make our products and solutions uncompetitive and obsolete;
- Our products and solutions are used by end customers of multiple industries and sectors. Factors that adversely affect these industries and sectors may adversely impact our business, financial condition and results of operations;
- If our new products and solutions fail to receive market acceptance as we expected, or if we are unable to develop products and solutions that meet evolving market demand, our business, financial condition and competitive position would be materially and adversely affected;
- The industry in which we operate is highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected;
- We may not be able to implement our growth plan and our business and results of operations may be adversely affected;
- We depend on the continued services and contributions of our senior management and other key employees, including senior R&D personnel and skilled engineers;
- We have been and intend to continue investing in R&D activities, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve;
- We may not be able to obtain or maintain adequate intellectual property rights protection for our products and solutions, or the scope of such intellectual property rights protection may not be sufficiently broad;
- We are subject to customer concentration risk; and
- We rely on a limited number of suppliers for raw materials and the manufacture of our products.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

We may, from time to time, become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions. For further details, see "Business—Legal Proceedings and Compliance" and "Business—Licenses, Approvals and Permits." For more information about the laws and regulations that we are subject to, see "Regulatory Overview."

OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Mr. Zhang Tianyu, our executive Director and chairman of our Board, was interested in an aggregate of 281,512,495 A Shares, representing approximately 36.78% of our total issued share capital and approximately 36.90% of the voting power at general meetings of our Company (excluding the 2,627,960 A Shares held by our Company as treasury Shares). For further details of the treasury Shares, see "Share Capital—Our Shares" in this prospectus.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), Mr. Zhang will be entitled to exercise 31.35% of the voting power at general meetings of our Company (excluding the 2,627,960 A Shares held by our Company as treasury Shares). Therefore, upon Listing, Mr. Zhang will remain as our Controlling Shareholder under the Listing Rules. For further details of our corporate structure and the shareholding of our Controlling Shareholder, see "History and Corporate Structure—Corporate Structure" and "Relationship with Our Controlling Shareholder" in this prospectus.

MATERIAL ACQUISITIONS AND DISPOSALS

In July 2021, in order to expand our overseas in-vehicle front-fit wireless communication business and further strengthen our overseas market position, our Company entered into an equity purchase agreement to acquire an aggregate of 51% equity interest in Shenzhen Rolling. Subsequently, in light of the increasingly complex changes in the international market environment and the difficulties and costs associated with navigating such changes, we re-evaluated our strategic direction in international expansion and decided to dispose of our overseas in-vehicle front-fit wireless communication business segment operated through Hong Kong Rolling and Luxembourg Rolling in July 2024 (the "**Disposal**").

This decision was mainly driven by increasing regulatory risks associated with the automotive front-fit sector in U.S during the Track Record Period. On March 17, 2025, the U.S. implemented the final rule (the "**March 2025 Final Rule**") , which formally prohibits the import of (i) vehicle connectivity system ("**VCS**") hardware or connected vehicles containing such hardware and (ii) the import and sale of connected vehicles containing VCS software or software that supports the function of VCS or automated driving systems (the "**Covered Software**"), when such VCS hardware or Covered Software is designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of the PRC.

Although Shenzhen Rollings revenue from sales to the U.S. accounting for less than 5% of its total revenue in each respective year/period, the extraterritorial scope of the March 2025 Final Rule and the downstream exposure arising from customer supply chains into the U.S. market lead to indirect regulatory exposure. For further details on the regulatory background and the impact of the Disposal, see "History and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024" and "Business—Our Products and Solutions—Discontinued Operation and the Disposal of Shenzhen Rolling" in this prospectus.

OUR LISTING ON THE CHINEXT BOARD OF THE SHENZHEN STOCK EXCHANGE

Since April 2017, our A Shares have been listed on ChiNext Board of the Shenzhen Stock Exchange. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of our material non-compliance with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the Global Offering. Our PRC Legal Advisor is of the view that, (i) during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance of our Group with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations and (ii) our Company has complied with all laws and regulations, in all material respects, applicable to the A Share Listing throughout the two full financial years immediately preceding the new listing application and up to the Latest Practicable Date.

Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK$19.88 per Share	**Based on the Offer Price of HK$21.50 per Share**
Market capitalization of our Shares immediately after completion of the Global Offering(1)	HK$28,216.0 million	HK$28,434.8 million
Market capitalization of our H Shares(1)	HK$2,685.4 million	HK$2,904.2 million
Unaudited pro forma adjusted consolidated net tangible assets per Share(2)	HK$7.20	HK$7.43

Notes:

(1) The calculation of the market capitalization is derived through the aggregation of (i) the market capitalization of our H Shares immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) and (ii) the average market capitalization of our A Shares for the five trading days immediately preceding the Latest Practicable Date. The calculation is based on the assumption that 762,825,582 A Shares (excluding 2,627,960 A Shares as treasury Shares) have been in issue as of the Latest Practicable Date and that 135,080,200 H Shares are expected to be in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised). For the latest five trading days immediately preceding the Latest Practicable Date, the average closing price of our A Shares was RMB30.56 each and the average market capitalization of our A Shares was RMB23,308.9 million (approximately HKD25,530.6 million based on the exchange rate of RMB0.913: HKD1.00).

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

DIVIDENDS AND DIVIDEND POLICY

We declared dividends of RMB63.1 million, RMB290.0 million and RMB267.0 million in 2022, 2023 and 2024, respectively.

We do not have a fixed dividend distribution ratio. Pursuant to the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies—Cash Dividend Distribution of Listed Companies (2023 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2023年修訂)》), and the Articles of Association, our Dividend Policy sets forth that, we are required to pay the cash dividends of any fiscal year that account for not less than 15% of our net profits for the fiscal year which are available for distribution and pay cumulative cash dividends of any three fiscal years that account for not less than 30% of our average net profits for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that (i) our Group has recorded a net profit for the year and maintains a positive balance of accumulated undistributed profits, that (ii) the sustainable operation and long term development of the Company will not be impacted, and that (iii) there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Cash dividends are prioritized over stock dividends. If the conditions for cash dividends are met, cash dividends shall be used for profit distributions. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests, industry characteristics, development stage, business model, whether there is a significant capital expenditure arrangement and any other conditions that our Board may deem relevant.

FUTURE PLANS AND USE OF PROCEEDS

Assuming an Offer Price of HK$20.69 per Share (being the mid-point of the Offer Price Range stated in this prospectus), we estimate that we will receive net proceeds of approximately HK$2,689.4 million (equivalent to approximately RMB2,455.4 million) from the Global Offering after deducting the underwriting commission and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised.

In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 55.0% of the net proceeds, or HK$1,479.2 million, is expected to be allocated for R&D purpose, primarily including technical innovation and product development related to AI technologies and robotic technologies.

- approximately 15.0% of the net proceeds, or HK$403.4 million, is expected to be allocated over the next five years for the construction of a manufacturing facility in Shenzhen, China, mainly for the production of (i) module products and (ii) end products as part of our solutions.

- approximately 10.0% of the net proceeds, or HK$268.9 million, is expected to be allocated for the repayment of certain interest-bearing bank borrowings.

- approximately 10.0% of the net proceeds, or HK$268.9 million, is expected to be allocated for strategic investments and/or acquisitions. In particular, we plan to focus on companies in wireless communication, AI, robotics, and other fields that are complementary to or synergistic with our business. Through strategic investments or mergers and acquisitions, we aim to further enhance our forward-looking technological layout, expand our ecosystem and increase our market share. As of the Latest Practicable Date, we had not identified specific investment or acquisition targets.

- approximately 10.0% of the net proceeds, or HK$268.9 million, is expected to be used for working capital and other general corporate uses.

For details, see "Future Plans and Use of Proceeds."

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB96.2 million (at the Offer Price of HK$20.69 per Offer Share and no exercise of the Over-allotment Option), representing approximately 3.8% of the gross proceeds (based on the Offer Price of HK$20.69 per Offer Share and assuming that the Over-allotment Option is not exercised) of the Global Offering. We expect to incur listing expenses of approximately RMB96.2 million, of which approximately RMB5.5 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately RMB90.7 million is expected to be recognized as a deduction in equity directly upon the Listing. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our listing expenses are composed of (i) underwriting commission of approximately RMB63.8 million and (ii) non-underwriting-related expenses of approximately RMB32.4 million, which consist of fees and expenses of sole sponsor, legal advisors and the Reporting Accountant of approximately RMB22.6 million and other fees and expenses of approximately RMB9.8 million.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Our business has continued to experience strong growth momentum following the Track Record Period. In the two months ended June 30, 2025, we recorded sales volumes of 6.9 million and 1.3 million for our data transmission modules and smart modules, as compared to 6.1 million and 1.2 million in the two months ended June 30, 2024, respectively. In addition, both our revenue and net profit have shown an upward trend, while our gross profit margin has remained relatively stable at levels consistent with the four months ended April 30, 2025. These results reflect the continued demand for our products and the successful execution of our growth strategy.

Unaudited Financial Information for the Six Months Ended June 30, 2025

We are a public company listed on the Shenzhen Stock Exchange and we have disclosed unaudited key financial information as of and for the six months ended June 30, 2025 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS34, Interim Financial Reporting as of and for the six months ended June 30, 2025 in Appendix IA to this prospectus. Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2025 has been reviewed by our reporting accountant in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Specifically, Our revenue from continuing operations increased by 23.5% from RMB3,001.9 million for the six months ended June 30, 2024 to RMB3,707.0 million for the six months ended June 30, 2025, as a result of an increase in revenue from the sales of smart modules and other solutions. Our gross profit margin from continuing operations decreased from 20.0% for the six months ended June 30, 2024 to 16.4% for the six months ended June 30, 2025, primarily due to a decrease in the gross profit margin of smart modules. As a result of the foregoing, our profit for the period from continuing operations increased by 4.8% from RMB208.5 million for the six months ended June 30, 2024 to RMB218.5 million for the six months ended June 30, 2025. For further details, see "Financial Information—Unaudited Financial Information for the Six Months Ended June 30, 2025."

No Material Adverse Change

Our Directors have confirmed that up to the date of this prospectus there has been no material adverse change in our financial or trading position or prospects since April 30, 2025, being the date of our latest audited financial statements, and there has been no event since April 30, 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

Recent Regulations in Relation to Tariffs

In early 2025, the U.S. government initiated a series of escalating tariffs and trade policies primarily targeting China, leading to retaliatory measures from China. For details of (i) the changes in policies issued by the U.S. in relation to imports from China and (ii) the changes in policies issued by China in relation to imports of U.S. origin, see "Regulatory Overview—U.S. and China Tariff Policies."

We do not expect the recently implemented tariff changes by the U.S. government would have a material adverse effect on our business and financial conditions, primarily because the module products and solutions we directly ship to the U.S. generally represent a small portion of all module products and solutions we sell. Our overseas customers typically designate locations where we ship our module products and solutions. These designated locations mainly include ports or places where these customers' manufacturing facilities are located. In 2022, 2023, 2024 and the four months ended April 30, 2025, the revenue from our module products and solutions we directly shipped to the U.S. represented an insignificant amount of our total revenue, respectively.

Furthermore, we do not expect the recent measures implemented by Chinese government would have a material adverse effect on our business and financial conditions, primarily because raw materials of U.S. origin we import, which refer to raw materials we imported that are manufactured in the U.S., generally represent a tiny proportion of all raw materials we purchase. In 2022, 2023, 2024 and the four months ended April 30, 2025, the raw materials of U.S. origin we imported represented an insignificant amount of our total purchase amount, respectively.

See "Risk Factors—Risks Relating to Our Business and Industry—We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected."

For a detailed analysis of the recent regulatory changes in tariffs, see "Business—Recent Regulations in Relation to Tariff."

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

"2021 Share Option Incentive Plan and Restricted Share Incentive Plan"	our share option incentive plan and restricted share incentive plan approved by our Shareholders on April 13, 2021
"2022 Restricted Share Incentive Plan"	our restricted share incentive plan approved by our Shareholders on July 8, 2022
"2023 Restricted Share Incentive Plan"	our restricted share incentive plan approved by our Shareholders on July 31, 2023
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the ChiNext Board of the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of our A Share(s)
"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as included in Appendix I to this prospectus
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on April 11, 2025 with effect from the Listing Date, as amended, supplemented, or otherwise modified from time to time, a summary of which is set out in Appendix III to this prospectus
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of our Company
"Board of Supervisors"	the board of Supervisors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

"Capital Market Intermediaries"	the capital market intermediaries as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China," "mainland China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and except where the context requires otherwise, references in this prospectus to "China," "mainland China" or the "PRC" do not apply to Hong Kong, Macao and Taiwan, China
"Chuanglian Technology" or "Shenzhen Rolling"	Shenzhen Chuanglian Future Wireless Technology Co., Ltd. (深圳市創聯未來無線技術有限公司) (previously known as Rolling Wireless Technology Co., Ltd. (深圳市銳凌無線技術有限公司)), a limited liability company established under the laws of the PRC on July 7, 2020, and our direct wholly-owned subsidiary
"CNIPA"	the China National Intellectual Property Administration (中華人民共和國國家知識產權局)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
"Company," "our Company," "we," "our" or "us"	Fibocom Wireless Inc. (深圳市廣和通無線股份有限公司), a limited liability company established under the laws of the PRC on November 11, 1999 and converted into a joint stock company with limited liability on December 25, 2014, whose A Shares have been listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300638)
"comprehensive bonded zones"	comprehensive bonded zones (綜合保稅區), which are special customs-supervised areas in China designed to facilitate foreign trade and investment, which offer a range of preferential policies, including tax exemptions and streamlined customs procedures, to promote activities like bonded processing, logistics and services

"Controlling Shareholder"	has the meaning given to it under the Listing Rules and, unless the context otherwise requires, refers to the person named in "Relationship with Our Controlling Shareholder" in this prospectus
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC securities markets and overseas securities activities of PRC entities
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EU Fibocom"	FIBOCOM Wireless EU GmbH (廣和通無線(歐洲)有限責任公司), a limited liability company established under the laws of Germany on February 9, 2018, and our direct wholly-owned subsidiary
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"Favalon Technology"	Shenzhen Favalon Technology Co., Ltd. (深圳市廣通遠馳科技有限公司), a limited liability company established under the laws of the PRC on August 23, 2018, and our indirect non-wholly-owned subsidiary
"FIA"	FIA Inc. (深圳市廣和通無線科技有限公司), a limited liability company established under the laws of the PRC on July 4, 2018, and our direct wholly-owned subsidiary
"Fibocom Auto"	Fibocom Auto Software Inc. (深圳市廣通遠馳軟件有限公司), a limited liability company established under the laws of the PRC on December 2, 2022, and our indirect non-wholly-owned subsidiary
"Fibocom Investment"	Fibocom Investment Development Inc. (深圳市廣和通投資發展有限公司), a limited liability company established under the laws of the PRC on March 26, 2018, and our direct wholly-owned subsidiary

"Fibocom Software"	Fibocom Wireless Software Inc. (深圳市廣和通無線通信軟件有限公司), a limited liability company established under the laws of the PRC on March 13, 2012, and our direct wholly-owned subsidiary
"Fibocom Technology"	Fibocom Technology Co., Ltd. (深圳市廣和通科技有限公司), a limited liability company established under the laws of the PRC on June 2, 2022, and our direct wholly-owned subsidiary
"FINI"	"Fast Interface for New Issuance," an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"France Rolling"	Rolling Wireless France, a simplified joint-stock company established under the laws of France on September 7, 2020
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the industry consultant
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Germany Rolling"	Rolling Wireless Germany GmbH, a limited liability company established under the laws of Germany on January 8, 2020
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we", "our" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the content may require), or where the context so requires, in respect of the periods before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

"Guanghe Chuanghong"	Xinyu Guanghe Chuanghong Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (新餘市廣和創虹創業投資合夥企業(有限合夥) (previously known as Shenzhen Guanghe Chuangtong Investment Enterprise (Limited Partnership) (深圳市廣和創通投資企業(有限合夥)), a limited partnership established under the laws of the PRC on June 26, 2013, and one of our Shareholders
"Guangtong Yilian"	Shenzhen Guangtong Yilian Technology Co., Ltd (深圳市廣通億聯科技有限公司), a limited liability company established under the laws of the PRC on August 5, 2019, and our direct wholly-owned subsidiary
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, modified and/or otherwise supplemented from time to time
"H Share(s)"	overseas listed foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Shareholder(s)"	holder(s) of our H Share(s)
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant(s)"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Fibocom"	Fibocom Wireless (H.K.) Limited (廣和通實業(香港)有限公司), a private company limited by shares incorporated under the laws of Hong Kong on March 12, 2010, and our direct wholly-owned subsidiary
"Hong Kong Offer Shares"	the 13,508,200 H Shares being initially offered for subscription in the Hong Kong Public Offering, subject to reallocation as described in "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions described in this prospectus, as further described in "Structure of the Global Offering — Hong Kong Public Offering" in this prospectus
"Hong Kong Rolling"	LINK FUTURE WIRELESS (H.K.) LIMITED (創聯未來(香港)有限公司) (previously known as Rolling Wireless (H.K.) Limited (銳凌無線(香港)有限公司)), a private company limited by shares incorporated under the laws of Hong Kong on July 13, 2020, and our indirect wholly-owned subsidiary

"Hong Kong Rolling Technology"	Rolling Wireless Technology (H.K.) Limited, a private company limited by shares incorporated under the laws of Hong Kong on September 3, 2020
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated Sunday, October 12, 2025 relating to the Hong Kong Public Offering and entered into by, among others, our Company, the Sole Sponsor, the Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement" in this prospectus
"Hungary Rolling"	Rolling Wireless Hungary, a limited liability company established under the laws of Hungary in 2022
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	person(s) or company(ies) who/which, to the best of our Directors' knowledge, information and belief, is/are not a connected person of our Company
"International Offer Shares"	the 121,572,000 H Shares being initially offered for subscription under the International Offering together with, where relevant, any additional H Shares that may be issued by our Company pursuant to any exercise of the Over-allotment Option, subject to reallocation as described in "Structure of the Global Offering" in this prospectus
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S in each case on and subject to the terms and conditions of the International Underwriting Agreement, or any other available exemption from the registration requirements under the U.S. Securities Act, as further described in "Structure of the Global Offering" in this prospectus

"International Underwriters"	the underwriters of the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering, which is expected to be entered into by, among others, our Company, the Sole Sponsor, the Overall Coordinators and the International Underwriters on or about Monday, October 20, 2025, as further described in "Underwriting — Underwriting Arrangements and Expenses — International Offering — International Underwriting Agreement" in this prospectus
"Japan Rolling"	Rolling Wireless J.P. Limited, a limited liability company established under the laws of Japan on September 18, 2020
"Joint Bookrunners"	the joint bookrunners as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Korea Rolling"	Rolling Wireless (K.R.) Limited, a limited liability company established under the laws of South Korea on September 21, 2020
"Latest Practicable Date"	October 6, 2025, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about Wednesday, October 22, 2025, on which the H Shares are to be listed on the Stock Exchange and on which dealings in the H Shares are to be first permitted to commence on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Luxembourg Rolling"	Rolling Wireless S.à r.l., a limited liability company established under the laws of Luxembourg on January 7, 2020
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Board
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in "Structure of the Global Offering — Pricing and Allocation" in this prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 20,262,000 additional H Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, details of which are described in "Structure of the Global Offering — Over-allotment Option" in this prospectus

"Overall Coordinators"	the overall coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	Jingtian & Gongcheng, our legal advisor as to PRC laws
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"Price Determination Date"	the date, expected to be on or before Monday, October 20, 2025 and in any event no later than 12:00 noon on Monday, October 20, 2025, on which the Offer Price is to be fixed for the purposes of the Global Offering
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"Restricted Share Incentive Plans"	the 2022 Restricted Share Incentive Plan and the 2023 Restricted Share Incentive Plan, the principal terms of which are set out in "Statutory and General Information — D. Share Incentive Plans" in Appendix IV to this prospectus
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Faiot"	Faiot Co., Ltd (上海廣翼智聯科技有限公司), a limited liability company established under the laws of the PRC on January 2, 2020, and our indirect non-wholly-owned subsidiary

"Shanghai Sevenfold Universe"	Shanghai Sevenfold Universe Digital Technology Co., Ltd. (上海七重宇宙數字科技有限公司), a limited liability company established under the laws of the PRC on March 7, 2022, and our indirect non-wholly-owned subsidiary
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen Yaboda"	Shenzhen Yaboda Technology Co., Ltd (深圳市亞博達科技有限公司) a limited liability company established under the laws of the PRC on March 23, 2020, and our direct wholly-owned subsidiary
"Singapore Rolling"	Rolling Wireless Pte. Ltd., a private company limited by shares established under the laws of Singapore on March 7, 2024
"Sole Sponsor"	the sole sponsor as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Sponsor-Overall Coordinator"	the sponsor-overall coordinator as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"STA"	State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
"Stabilization Manager"	CLSA Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy and Investment Committee"	the strategy and investment committee of the Board
"Supervisor(s)"	the supervisor(s) of our Company

"Taiwan Fibocom"	Fibocom Wireless Taiwan Co., Ltd (台灣廣和通電子股份有限公司), a limited liability company established under the laws of Taiwan on March 30, 2021, and our direct wholly-owned subsidiary
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC
"Track Record Period"	the years ended December 31, 2022, 2023, 2024, and the four months ended April 30, 2025
"U.S. dollars" or "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Fibocom"	Fibocom Wireless USA Inc. (廣和通無線(美國)股份有限公司), a limited liability company established under the laws of the United States on October 28, 2015, and our direct wholly-owned subsidiary
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"VAT"	value-added tax
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website of the **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Xi'an Fibocom Software"	Xi'an Fibocom Wireless Software Inc. (西安廣和通無線軟件有限公司), a limited liability company established under the laws of the PRC on May 14, 2018, and our direct wholly-owned subsidiary

"Xi'an Fibocom Wireless"	"Xi'an Fibocom Wireless Inc. (西安廣和通無線通信有限公司), a limited liability company established under the laws of the PRC on May 11, 2018, and our direct wholly-owned subsidiary
"Zhejiang Nodecom"	Zhejiang Nodecom Technology Co., Ltd. (浙江諾控通信技術有限公司), a limited liability company established under the laws of the PRC on November 18, 2010, and our direct wholly-owned subsidiary
"%"	percent

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

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

Unless otherwise specified, in this prospectus, certain amounts and percentage figures have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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

"3G"	third generation wireless mobile telecommunications technology
"3GPP"	Third Generation Partnership Project, a global collaboration of telecommunication standards organizations that develops and maintains standards for mobile telecommunications systems
"4G"	fourth generation wireless mobile telecommunications technology
"5G"	fifth generation wireless mobile telecommunications technology
"5G Redcap"	reduced-capability 5G
"ADAS"	advanced driver assistance system, a system designed to assist drivers in the operation and safety of vehicles, by utilizing various sensors, cameras, and software algorithms to provide additional functionalities and enhance the driving experience
"AI"	artificial intelligence
"AIoT"	the integration of artificial intelligence technologies with Internet-of-things infrastructure to enable intelligent, automated decision-making at the device level
"Bluetooth"	a short-range wireless technology standard for data exchange between fixed and mobiles devices over short distances
"CAT"	user equipment category for communication device used to specify the performance capabilities of devices in terms of data rates, connection quality and signal handling
"CO_2e"	carbon dioxide equivalent

"CPU"	central processing unit, the general-purpose processor that fetches, decodes and executes program instructions, orchestrating virtually all computational tasks in a computer system
"CRM"	customer relationship management
"C-V2X"	cellular vehicle-to-everything, referring to the low latency communication system between vehicles and vehicles, vehicles and pedestrians, vehicles and road infrastructure, and vehicles and networks
"DSP"	digital signal processor, a specialized microprocessor chip, with its architecture optimized for the operational needs of digital signal processing
"DRAM"	a volatile semiconductor memory primarily used for temporary data storage
"DMIPS"	dhrystone millions of instructions per second, a performance metric used to compare the computational ability of embedded processors and microcontrollers
"ECCN"	Export Control Classification Number
"Edge AI"	combination of artificial intelligence models with edge computing, allowing inference to run directly on local devices close to the data source for ultra-low latency processing
"Embodied intelligence"	embodied intelligence is an intelligent system that realizes the perception, cognition and behavioral control of the world through the dynamic interaction between the body and the environment
"EMS"	electronic manufacturing service, an accepted term for a contract manufacturer in the electronics industry
"FLOPS"	floating point operations per second, a measure of computing performance, particularly in AI computing tasks
"Gbps"	gigabit per second, a unit of data transfer rate digital commonly used to measure data transfer speed

"GFA"	gross floor area
"GHG"	greenhouse gas
"GNSS"	global navigation satellite system
"GPS"	global positioning system
"GPU"	graphic processing unit, a microprocessor designed to handle graphics-related tasks. With continual advances in software and hardware technologies, GPU have also become one of the primary microprocessors used for accelerated computing in the AI era
"Heterogeneous computing capabilities"	the use of multiple types of processors, such as CPUs, GPUs within a system to optimize performance and efficiency for different computing tasks
"IC"	integrated circuit
"IEC"	International Electrotechnical Commission, a global, non-governmental organization that prepares and publishes international standards for electrical, electronic and related technologies
"IEC 17025"	an international standard that specifies the general requirements for the competence of testing and calibration laboratories
"IEC 62443"	a series of standards that address the security of operational technology in automation and control systems
"IoT"	Internet of things, a network that connects any item to the Internet via information sensing devices, in accordance with agreed protocols, to enable information exchange and communication, thereby achieving intelligent identification, localization, tracking, monitoring, and management
"ISO"	the International Organization for Standardization, an independent, non-governmental organization that develops and publishes international standards

"ISO 9001"	Quality Management Systems — Requirements, an international standard on quality management systems developed by the ISO
"ISO 14001"	Environmental Management Systems — Requirements with Guidance for Use, a standard for environmental management systems published by the ISO
"ISO 45001"	Occupational Health and Safety Management System — Requirements with Guidance for Use, an international standard for occupational health and safety management systems
"IVI"	in-vehicle information system, the electronic systems within a vehicle designed to provide various forms of information, entertainment, navigation and communication
"JIRA"	a project management and issue tracking software used for defect tracking, customer service, task tracking, project tracking and agile management
"LLM"	large language model, an AI model trained on extensive text data to understand and generate human language, capable of tasks such as translation, summarization, and question answering
"LTE"	a communication type of fourth generation wireless mobile telecommunications technology
"Mbps"	megabits per second, a unit of data transfer speed
"MES"	manufacturing execution system, a software system used in manufacturing operations to monitor, control, and optimize the production process in real-time
"mmWave"	millimeter wave, electromagnetic waves with frequencies between 30 GHz and 300 GHz used for high-speed data transmission in 5G networks and other technologies om the context of wireless communication

"module"	an integrated hardware unit that packages baseband chip, radio frequency chip and related components to give end products ready-to-use cellular or short-range wireless communication capabilities
"MWh"	megawatt-hour, a measure of energy used to quantify how much electricity is consumed or generated within a one-hour period
"NB-IoT"	narrowband internet-of-things, a low-power, wide-area network technology specifically designed to connect IoT devices that require small amounts of data transmission over long distances
"NEV"	new energy vehicle, comprising battery electric vehicles, plug-in hybrid electric vehicles and fuel cell electric vehicles
"NIST"	National Institute of Standards and Technology, a U.S. federal agency that develops and promotes measurement standards, innovation, and technology to enhance economic security
"NIST.IR.8259"	a foundational framework that provides cybersecurity guidance for IoT device manufacturers to enhance device security and mitigate risks
"NPU"	neural processing unit, a microprocessor that specializes in the acceleration of machine learning algorithms, typically by operating on predictive models
"OEM"	acronym for original equipment manufacturing, a business that manufactures goods or equipment for branding and resale by customers
"PC"	personal computer
"PCB"	printed circuit board, a medium used to connect or wire components to one another in a circuit
"PCBA"	printed circuit board assembly, a completed PCB assembly that contains electronic components, or the process of assembling electronic components on to a PCB

"PFMEA"	process failure mode and effect analysis, a risk management tool that assesses potential failures of a process
"PLM"	product lifecycle management
"POS"	point of sale
"REACH"	registration, evaluation, authorization and restriction of chemicals, the main European Union law to protect human health and the environment from the risks that can be posed by chemicals
"RoHS"	restriction of hazardous substances in electrical and electronic equipment, the European Union rules restricting the use of hazardous substances in electrical and electronic equipment to protect the environment and public health
"RTK"	real-time kinematic positioning, the application of surveying to correct for common errors in navigation systems
"T-Box"	an in-vehicle electronic component that manages two-way wireless communication for emergency call, over-the-air updates, vehicle tracking and other connected-car functions telematics-box
"Token"	basic unit used for data processing and transmission in computer systems, typically representing a byte of data or an information fragment
"TOPS"	tera operations per second, a metric used to measure the computational performance of hardware
"SAP"	Systems, Applications, and Products in Data Processing, an enterprise software used to manage business operations and customer relations
"SDK"	software development kit, a set of software tools and programs provided by hardware and software vendors that developers can use to build applications for specific platforms

"SoC"	system-on-chips, an integrated circuit that integrates most or all components of a computer or other electronic system such as CPU, GPU and NPU
"SRM"	Supplier Relationship Management, a system that manages interactions and communications with suppliers
"Sub-6"	sub-6 GHz, referring to radio frequency bands below six gigahertz that are used for wireless communication
"V2X"	vehicle to everything, refers to direct communication between vehicles, as well as between vehicles and other traffic elements, and is a key technology for future intelligent transportation systems. It enables communication between vehicles, between vehicles and base stations, and between base stations, allowing for the exchange of real-time traffic conditions, road information, pedestrian data, and other traffic-related information
"VPU"	vision processing unit, a dedicated accelerator designed to run machine vision workloads, such as real-time image and video analysis, using parallel, low-power computation
"Wi-Fi"	a wireless networking technology that uses radio waves to provide wireless Internet access

This prospectus contains certain forward-looking statements and information relating to our Company and its subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "target," "will," "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business and operating strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment, operating conditions and general outlook in the industry and geographical markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our financial condition and performance;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

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

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

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

An investment in the Shares involves various risks. You should consider carefully all the information set out in this prospectus and, in particular, the risks described below before making an investment in the Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition and results of operations. If any of these events occurs, the trading price of the Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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

Our revenue from continuing operations increased by 8.6% from RMB5,202.7 million in 2022 to RMB5,651.8 million in 2023, and further increased by 23.3% to RMB6,971.2 million in 2024. Our revenue from continuing operations increased by 21.2% from RMB2,047.1 million in the four months ended April 30, 2024 to RMB2,480.6 million in the four months ended April 30, 2025. We may not be able to continue growing at the same rate as we did during the Track Record Period, or as expected, or at all. Our results of operations depend to a large extent on our ability to execute our growth plan and manage our expansion and growth successfully. The successful growth of our business depends on our ability to:

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

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

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

Our success depends on our ability to develop and integrate our core technologies, including module design and module-based solution development, to support our products and solutions. To remain competitive, we must maintain and enhance our core technologies to meet the latest downstream market needs, technological advancement and industry standards. The development activities related to our core technologies may involve significant time, risks and uncertainties. For example, our R&D team may not be able to coordinate and manage the development projects, the expenses associated with these investments may affect our margins and operating results and these investments may not generate sufficient revenue to offset related liabilities and expenses.

New technological trends may make our products and solutions obsolete. For example, with the rapid advancement of semiconductor manufacturing techniques, the performance of integrated circuits has improved significantly, enabling microprocessors to support an increasing array of functions. This has led to a higher level of integration and enhanced functionality in smart terminal devices. Currently, some semiconductor manufacturers have introduced integrated chips with built-in wireless communication capabilities. If these integrated chips achieve widespread adoption in terminal devices of IoT, it could pose potential challenges to our business of module products and solutions.

Moreover, our products and solutions are used in a variety of end-use application scenarios, primarily including automotive electronics, smart home, consumer electronics and smart retail. Technological advancement and new industry standards in these downstream industries may affect the application requirements of our end customers and their products and solutions. If we fail to develop new products and solutions or refine our technologies to match the different or additional requirements of our end customers, the sale of our products may decrease, and our business, financial condition and results of operation may be adversely affected.

Our products and solutions are used by end customers of multiple industries and sectors. Factors that adversely affect these industries and sectors may adversely impact our business, financial condition and results of operations.

Our products and solutions are primarily offered to downstream end customers of multiple industries, primarily including automotive electronics, smart home, consumer electronics and smart retail. Factors that adversely affect these industries could also materially and adversely affect our business, financial condition, results of operations and prospects. These factors include, among others:

- a decline in demand for, or negative perception of, or publicity about, our products and solutions;

- the reduction or elimination of preferential tax treatments, economic incentives and other favorable government policies on wireless communication module providers;

- regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that may have the effect of limiting exports of these industries from China;

- a downturn in general economic conditions of major countries and regions that import our products and solutions; and

- the macroeconomic condition which affects the consumption habits of end consumers.

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

If our new products and solutions fail to receive market acceptance as we expected, or if we are unable to develop products and solutions that meet evolving market demand, our business, financial condition and competitive position would be materially and adversely affected.

Our success depends on our ability to meet customer expectations and increase the sale of our products and solutions. If we cannot offer products and solutions that cater to our customers' evolving demand, or if our competitors are able to offer products and solutions with more competitive quality and parameters, our ability to retain our customers may be adversely affected. In particular, we launched a range of new products and solutions in 2024 and 2025, including (i) AI modules, (ii) Edge AI solutions and (iii) robotic solutions. We cannot assure you that such new products and solutions would receive market acceptance as we expected, or generate profits within our expected timeframe. The success and profitability of our new products and solutions are subject to various factors such as market demand, macroeconomic conditions and the pace of technical advancements, which we may not estimate accurately.

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

Further, our ability to increase the sale of our products and solutions depends on our ability to effectively market our products and solutions, respond to customer requests properly and offer appropriate after-sale services. If we fail to conduct or enhance our sales and marketing activities in a cost-effective manner, we may incur considerable selling and distribution expenses. Our brand promotion and marketing activities may not be well received by customers and may not generate any anticipated increase in sales. We may not generate sufficient revenue to offset the increase in selling and distribution expenses. As a result, our business, financial condition and results of operations may be adversely affected.

The industry in which we operate is highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected.

The wireless communication module industry in which we operate is highly competitive. We primarily compete with other companies that focus on developing and commercializing similar products and solutions. If we compete with players that offer competitive products and solutions at lower prices, or if we do not have or in the future fail to gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than our competitors, we may not be able to respond as quickly and effectively to new opportunities, technologies, industry standards, customer demand or regulatory requirements as our competitors.

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

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

We may not be able to implement our growth plan and our business and results of operations may be adversely affected.

The success of our business initiatives and strategies depends on various factors, such as economic condition, market condition, competition, regulatory requirements, technological advancement and customer preferences. These factors may be difficult to predict or control. If they do not develop as we expect, our business initiatives and strategies may not be successful in enhancing our business as anticipated.

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

We depend on the continued services and contributions of our senior management and other key employees, including senior R&D personnel and skilled engineers.

Our continued success depends and will continue to depend to a significant extent on our efforts and abilities to retain the key members of our management team including Mr. Zhang Tianyu, the Executive Director and chairman of the board; Mr. Ying Lingpeng, the Executive Director and general manager; Mr. Xu Ning, the Executive Director and vice general manager; Mr. Chen Shijiang, the Vice general manager and secretary of the Board; and Ms. Wang Hongyan, the Finance director and vice general manager. Our continued success also depends on and will continue to depend on our efforts and abilities to make sure each of them is and will continue to be actively engaged in our management and our strategic planning. Our future performance will also depend on their continuing services contributions to formulate and execute our business plan and to identify and pursue new opportunities. The loss of services of any of these individuals, or the ineffective management of any leadership transitions, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, results of operations and prospects.

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

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

We invest in R&D activities to develop and introduce new and enhanced products and solutions. In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, our R&D expenses from continuing operations were RMB542.6 million, RMB540.2 million, RMB582.7 million, RMB193.9 million and RMB182.3 million, respectively, accounting for 10.4%, 9.6%, 8.4%, 9.5% and 7.3% of our total revenue for the respective periods. The industry in which we operate is subject to rapid technological innovations. To expand our product portfolio and to remain competitive in the industry, we need to continue investing resources in R&D activities. As a result, we may continue to incur significant R&D expenses in the future.

However, we cannot guarantee that our efforts will be successful or deliver the effects, functions or benefits we expect. R&D activities are inherently uncertain. We may not be able to obtain sufficient resources, including qualified R&D personnel and R&D equipment to support the R&D of new or enhanced products and solutions. Even if we succeed in our R&D efforts and generate the results we expect, we may still encounter practical difficulties in commercializing our R&D outcomes. R&D activities are time-consuming and by the time our products and solutions are due for commercialization, new technologies could render our products and solutions obsolete, in which case we may not be able to recover related R&D expenses, which could result in a decline in our revenue, profitability and market share.

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

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

Our success depends in a large part on our ability to protect our proprietary technology as well as our products and solutions from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications in China and other jurisdictions. As of the Latest Practicable Date, we had 541 granted patents in China and overseas, including 371 invention patents, as well as 767 patent applications. As of the Latest Practicable Date, we had 183 software copyrights, 58 registered trademarks, and 10 domain names in China and overseas. See "Business—Intellectual Property." The intellectual property application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner, if at all. In addition, we may however fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products and solutions in any or all such fields.

Even if we have identified, filed and prosecuted our intellectual property applications, our applications may not be granted or our intellectual property may be invalidated for multiple reasons, including known or unknown prior deficiencies in the intellectual property application or the lack of novelty of the underlying technology. As such, we cannot assure you that we will be able to discern the scope of the intellectual property protection or obtain adequate intellectual property protection with respect to our products and solutions.

Even if our intellectual property applications are approved, they may not be approved in a form that will provide us with any meaningful protection from competition or with any competitive advantage. For instance, our competitors may be able to circumvent our patents by developing similar or alternative technologies, products or solutions in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in China and other jurisdictions. Further, although various extensions may be available, the life of a patent and the protection it affords is limited. For example, in China, invention patents and utility model patents are valid for 20 years and 10 years from the date of application, respectively. If we fail to extend the life of our patents, we may face competition for any approved products and solutions even if we successfully obtain patent protection once the patent life has expired for the product.

The governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events, including failure to respond to official actions within prescribed time limits, non-payment of periodic maintenance fees and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the relevant patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdiction. If our patent rights are compromised, we may lose market share to our competitors, which would materially and adversely affect our business.

Any of the foregoing could materially and adversely affect our business, results of operations, financial condition, competitive position and prospects.

We are subject to customer concentration risk.

During the Track Record Period, the aggregate revenue generated from our five largest customers in each period was RMB3,332.1 million, RMB3,610.9 million, RMB4,063.9 million and RMB1,567.3 million, respectively, accounting for 64.0%, 63.9%, 58.3% and 63.2% of our total revenue from continuing operations, respectively. During the Track Record Period, revenue from our largest customer in each period were RMB1,456.0 million, RMB1,481.6 million, RMB1,187.4 million and RMB562.9 million, accounting for 28.0%, 26.2%, 17.0% and 22.7% of our total revenue from continuing operations in the same periods, respectively. For details, see "Business—Our Customers—Our Major Customers." As a result, we may be subject to concentration risks related to these major customers. If we fail to maintain our relationships with our major customers in the future due to factors such as perceived decline in the quality of our products and solutions and changes in the customers' own business model, our sales to these major customers may be adversely affected. If any of our major customers substantially reduce their demand for our products and solutions, delay their payments or terminate our business relationship, we may not be able to timely or successfully secure new business from other customers to mitigate such reduction in sales demand or loss of business. As a result, our business, financial condition and results of operation will be adversely affected.

We have business in a number of countries and regions, which are subject to legal, regulatory, operational and other risks inherent in internal and cross-border operations.

In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, our revenue from continuing operations generated from overseas sales was RMB3,106.5 million, RMB3,296.9 million, RMB4,139.7 million, RMB1,184.5 million and RMB1,464.3 million, respectively, representing 59.7%, 58.3%, 59.4%, 57.9% and 59.0% of our total revenue from continuing operations, respectively.

In addition, in July 2021, we entered into an equity purchase agreement in respect of the acquisition of an aggregate of 51% equity interest in Shenzhen Rolling, a limited liability company incorporated in the PRC and principally engaged in overseas in-vehicle front-fit wireless communication business, and the relevant acquisition had been completed in

November 2022. In July 2024, we disposed of the assets related to Shenzhen Rolling's overseas in-vehicle front-fit wireless communication business, which consisted of 100% of the equity interest in Luxembourg Rolling and certain assets and liabilities of Hong Kong Rolling (together represented all of our operation of overseas in-vehicle front-fit wireless communication business segment at the relevant time). We made such disposal primarily in light of the increasingly complex changes in the international market environment and the difficulties and costs associated with navigating such changes. See "History and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024." We expect to expand further into international markets. We may be further affected by the international market environment in the future and may decide to discontinue or restrict the development our overseas business.

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

- challenges in providing products, solutions and customer support, in recruiting personnel in international markets and in managing sales channels effectively;

- challenges in commercializing our products and solutions in new markets where we have limited experience with the local market dynamics and no existing or developed sales and marketing infrastructure;

- increased costs associated with maintaining the ability to understand local markets and follow their trends, as well as develop and maintain an effective marketing and distribution presence;

- difficulties in dealing with regulatory regimes, regulatory bodies and government policies, in order to obtain or maintain permits, licenses and approvals necessary to manufacture, market and sell our products and solutions in or to various countries or jurisdictions;

- adverse changes in, or our failure or the failure of our suppliers or customers to comply with customs laws, regulations, tariffs, trade policies and quotas set by the local government and PRC government when we import raw materials and components or export our products and solutions among the different countries or jurisdictions where we do business;

- potentially reduced protection for our intellectual property rights and potential breach of third-party intellectual property rights;

- differences in accounting treatment in different countries and jurisdictions, uncertainties in interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions and foreign exchange losses;

- exposure to litigation or third-party claims in different jurisdictions and inability to effectively enforce contractual or legal rights, and difficulty in obtaining or enforcing legal rights and judgements, including intellectual property rights, and rights to overdue receivables under commercial agreements;

- instability or unavailability of international transportation or logistics services due to macroeconomics, geopolitical and other factors;

- changes in laws, regulations and policies as well as political, economic and market instability, geopolitical risks or civil unrest in the relevant countries and jurisdictions;

- changes in international trade policies and regulations including those in relation to economic sanctions, export controls, and import restrictions, as well in trade barriers such as imposition of tariffs;

- changes in and difficulty in compliance with foreign country regulatory requirements, including data privacy laws, foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws; and

- unfavorable market conditions, intense competition, unattractive products and services, downward pressure on our selling price and any other inherent risks associated with our international business operations.

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

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

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

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and/or in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If certain of our customers or suppliers, including our EMS providers, are listed on the Entity List and are subject to restrictions from sourcing or selling technologies, software, or components from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers.

During the Track Record Period, our products and solutions are offered to our downstream customers in China and overseas. However, we cannot assure you that our downstream customers will not engage in the export of their goods incorporating our products and solutions into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other states and political entities. Furthermore, if we export our products and solutions to other countries and regions which are or become subject to sanctions or export controls, our business, financial condition and results of operations may be materially and adversely affected.

In 2025, the United States government announced a series of tariff increases on imports from China. Beginning in February, 2025, a baseline 10% tariff was imposed on all imports from China, followed by successive adjustments in March and April 2025. As of April 11, 2025, the tariff rate on imports from China introduced by the U. S. government had increased to 145%. In response to the tariff tensions initiated by the United States, China implemented a series of measures, including raising tariffs on imported goods of U.S. origin to as high as 125%. On May 12, 2025, following bilateral discussions in Geneva, the United States and China issued a joint statement announcing a temporary easing of trade tensions. Both sides agreed to a 90-day reduction in tariffs, effective May 14. The U.S. reduced its reciprocal tariffs on Chinese goods from 145% to 10%, aligning with the baseline rate applied to other trade partners. In return, China lowered its retaliatory tariffs from 125% to 10%, effective May 14, 2025, by suspending 24% of the retaliatory tariffs for 90 days. On August 12, 2025, China extended the suspension of the 24% retaliatory tariffs for another 90 days. As of the Latest Practicable Date, it remained uncertain how the Sino-U.S. and the global trade tension will develop. In the event that our customers reduce their orders, be such due to a decrease in overall demand of our products and solutions, replacing us with other suppliers, downturn of the macro-economy or other reasons, our business, financial conditions and results of operation will be adversely affected. Also, in the event that we are required to lower our prices to secure orders from our customers, our business, financial conditions and results of operation will be adversely affected. We cannot assure you that our sales to the U.S. in the future will remain unaffected or how our sales will be affected in light of the uncertainties relating to the geopolitical landscape and the development of the trade tension and tariff imposition. Any trade restrictions imposed by the U.S. on our products and solutions may increase our U.S. customers' purchase costs of our products and hence lower our competitiveness.

Furthermore, we have no control over the countries to which the downstream customers will sell or export their end products and solutions. If the export sales of the downstream customers' end products and solutions are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, the downstream customers' demand for our products and solutions may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to fully maintain quality control over our products and solutions.

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

In addition, the quality of our products or services provided by our suppliers, including our EMS providers, is beyond our control. We cannot assure you that the products manufactured by our suppliers are safe and free of defects or can meet the relevant quality standards. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from our suppliers. See "—Our products and solutions may be subject to warranty, indemnity and product liability claims, which could result in significant costs and damage to our business, reputation and downstream customer relationships, market acceptance of our products and solutions, financial condition, results of operations and prospects." If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcome. Any such issues may materially and adversely affect our business, financial condition and results of operations.

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

We rely on a limited number of suppliers for raw materials and the manufacture of our products and solutions. During the Track Record Period, the aggregate purchases from our five largest suppliers in each period were RMB3,150.0 million, RMB3,632.2 million, RMB4,524.1 million and RMB1,831.2 million, respectively, accounting for 76.1%, 81.4%, 79.3% and 89.7% of our total cost of goods sold from continuing operations in the same periods, respectively. During the Track Record Period, purchases from our largest supplier in each period accounted for 34.3%, 40.5%, 34.3% and 54.6% of our total cost of goods sold from continuing operations in the same periods, respectively. For details, see "Business—Our Suppliers—Our Major Suppliers." We may not be able to maintain our business relationships with our suppliers due to factors such as geopolitical and trade tensions, unsatisfactory quality or significant increase in the prices of the raw materials and services related to the manufacture of our products. In particular, certain of our suppliers are agents and distributors. See "Business—Our Suppliers—Our Major Suppliers." Their agency or distributorship relationships may be terminated by the raw material manufacturers for reasons beyond our control. If that happens, we may need to secure alternative sources for the raw materials. Accordingly, if any of our suppliers, especially any of the five largest suppliers, fails to provide raw materials in a timely and satisfactory manner, or terminates their relationship with us during the Track Record Period, and if we are unable to secure alternative sources on a timely basis, our business and results of operation may be adversely affected.

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

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

We may make acquisitions of, or investments in, businesses or technologies that are complementary to our business in the future. The process of identifying and consummating acquisitions, investments, and the subsequent integration of new assets and businesses into our existing business, requires attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Investments, acquired assets or businesses may not generate the expected financial results, strengthen our competitive position or achieve our goals and business strategy. Acquisitions or investments could require significant cash and result in dilutive issuances of equity securities, goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business or investment. We may also incur costs and management time on transactions that are ultimately not completed.

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

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

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

Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our R&D and management personnel, and harm our business. In addition, if any of our products contain defects, or have reliability, quality or compatibility problems that cannot be resolved, we may lose existing customers and fail to attract potential customers. Furthermore, our reputation could be adversely impacted in the event of a significant product defect. Given the association of our individual products and solutions with our brand, any issue with one of our products or solutions could negatively affect the demand for other products and solutions of ours or our reputation as a whole, which could have an adverse impact on our business, results of operations and financial condition.

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

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

Generally, we do not accept sales returns except for limited reasons, such as product design defects or quality issues. On average, the value of products returned by customers accounted for less than 0.2% of our total revenue of respective periods during the Track Record Period. We cannot assure you that we will not encounter material product recall, cancellation of orders or become subject to warranty claims due to product defects. If this happens, our business, financial condition and results of operations may be adversely affected. Furthermore, our reputation could be adversely impacted in the event of a material product recall. For example, if we recall one type of our products, such action could negatively affect the demand for other products of ours or our reputation as a whole, which could have an adverse impact on our business, financial condition and results of our operations.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding us, our Directors, employees, branding or products and solutions. Any negative publicity, whether warranted or not, could adversely affect our business.

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

We depend on EMS providers to manufacture the hardware of our modules and solutions.

During the Track Record Period, we engaged a group of industry-leading multinational EMS providers to manufacture the hardware of our modules and solutions. We had 10, nine, 11 and 10 EMS providers in 2022, 2023, 2024 and the fourth months ended April 30, 2025, respectively. See "Business—Our Suppliers—EMS providers." We cannot assure that our EMS providers will not increase their service prices, deliver defective products, experience delays or shortages in product delivery, or cease operations due to factors such as raw material shortages, shutdowns of manufacturing facilities or natural disasters. Given the complex and proprietary nature of our products and solutions, any disruption at the facilities of our EMS providers could significantly impact our operations. Transitioning to alternative EMS providers would require a substantial amount of time and resources, which could adversely affect our inventory levels.

In addition, our ability to receive a stable and sufficient supply of finished products from our EMS providers could be adversely affected by natural disasters, including earthquakes, drought and typhoons, in locations where our EMS providers operate, disruptions at manufacturing facilities, international trade policies, and geopolitics and trade protection measures, including imposition of trade restrictions and sanctions. See "—We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected."

Moreover, increased regulation or stakeholder expectations regarding responsible business practices could increase our compliance costs. Any failure by our EMS providers to comply with such regulations or meet such expectations could result in negative publicity that adversely affects our reputation. Given that we do not directly control the procurement or employment practices of our EMS providers, we could be subject to financial or reputational risks as a result of their conducts. To the extent we are unable to manage these risks, our ability to timely supply competitive products and solutions may be hindered, our costs may increase, and our business, financial condition and results of operations may be adversely affected.

We may be exposed to risks relating to cost fluctuations of raw materials.

Our raw material costs represent a substantial portion of our total cost of goods sold. In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, raw material costs accounted for 95.4%, 95.8%, 95.5%, 95.4% and 95.7% of our cost of goods sold from continuing operations for the respective periods. We may be subject to fluctuations in the prices of raw materials, as well as in transportation and other necessary supplies or services, due to factors beyond our control, such as fluctuations in foreign currency exchange rates, changes in the geopolitical environment and economic conditions, natural disasters or changes in the supply and demand for raw materials, transportation and other necessary supplies or services.

For example, the price of memory chips, one of the raw materials we procure, fluctuated in recent years. We cannot assure you that the price of our raw materials will not increase significantly in the future. If that occurs, we may not be able to offset price increases by raising the prices of our products, in which case our profit margin will decrease. On the other hand, if the prices of our products increase significantly, we may lose our competitive advantage in the market. This in turn could result in loss of sales and customers. In both cases, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to protect our trade secrets.

We rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and solutions and thus maintain our competitive position. However, we cannot guarantee you that an employee or a third party will not intentionally or inadvertently make an unauthorized use or disclose our proprietary confidential information. If a competitor gains access to and makes use of such information, our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Furthermore, enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial financial and human resource costs.

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

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

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

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products or solutions involved.

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

We may not be able to identify or avoid intellectual property infringement activities, primarily because whether a product infringes a patent involves an analysis of complex legal and factual issues and the conclusion of such analysis is often uncertain. For example:

- We may hire employees who have previously worked for our competitors and cannot assure that such employees will not use their previous employers' proprietary know-how, technology and other proprietary information in their work for us, which could result in litigation against us; and

- Our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claimed trademark rights that have not been revealed through our searches of relevant public records.

Therefore, our efforts to identify and avoid infringement on third parties' intellectual property rights may not always be successful.

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

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

We are exposed to credit risks related to delays and defaults of our trade, bills and other receivables due from our customers or related parties in the ordinary course of our business. We typically grant credit terms of one to three months to our customers. As of December 31, 2022, 2023, 2024 and the four months ended April 30, 2025, our trade receivables were RMB2,235.7 million, RMB1,974.8 million, RMB1,993.4 million and RMB2,071.4 million, respectively. In 2022, 2023, 2024 and the four months ended April 30, 2025, our average trade receivables turnover days were 107.1 days, 97.7 days, 86.6 days and 97.3 days, respectively. Fluctuations and extension of trade, bills and other receivables turnover may adversely affect our cash flow and liquidity. See "Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Trade and other receivables" for details. We make periodic collective and individual assessment on the recoverability of trade and other receivables based on historical settlement records and past experience as well as current external information, and may provide for impairment when there is no reasonable expectation of recovery. If the credit-worthiness of our customers deteriorates or if our customers fail to settle their trade and bills receivables for any reason, we may incur additional impairment loss. We may not be able to recover our trade receivables in a timely manner, or at all. As a result, our financial condition and results of operations may be adversely affected.

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

We cannot assure you that the policies on preferential tax treatment will not change or that any preferential tax treatment we enjoy or are entitled to enjoy will not be terminated. According to the applicable PRC tax regulations, the statutory corporate income tax rate in the PRC is 25%. We and certain of our subsidiaries were approved as "High and New Technology Enterprises" and, accordingly, enjoy a preferential income tax rate of 15% during the Track Record Period. For details, see Note 9 to the Accountants' Report in Appendix I to this prospectus. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by PRC tax authorities, the termination of any of the various types of preferential tax treatment we enjoy could adversely affect our business, financial condition and results of operations.

In addition, during the Track Record Period, we benefited from government subsidies. Some of such government subsidies are non-recurring in nature. We recorded government subsidies under net other income from continuing operations of RMB68.9 million, RMB58.8 million, RMB63.6 million, RMB25.0 million and RMB21.6 million in 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, respectively. For details, see Note 6 to the Accountants' Report in Appendix I to this prospectus. Any discontinuation, reduction or delay of any government subsidies would have an adverse impact on our business, financial condition and results of operations.

Fair value change for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income may adversely affect our results of operations and financial condition.

We made investments in certain financial products during the Track Record Period and recorded a carrying amount of financial assets at fair value through profit or loss ("**FVTPL**") of RMB86.5 million, RMB104.1 million, RMB608.5 million and RMB575.8 million as of December 31, 2022, 2023 and 2024, and April 30, 2025, respectively. Our financial assets consist of cash management products and contingent consideration. See Note 22 to the

Accountants' Report in Appendix I to this prospectus for further details. Our financial assets at fair value through other comprehensive income ("**FVTOCI**") were RMB314.1 million, RMB541.7 million, RMB693.3 million and RMB679.9 million as of December 31, 2022, 2023 and 2024, and April 30, 2025. See Note 17 to the Accountants' Report in Appendix I to this prospectus for further details.

We face exposure to fair value change for the financial assets at FVTPL and the financial assets at FVTOCI. Going forward, we may continue to invest in financial products. We cannot assure you that factors beyond our control, such as general economic and market conditions, changes in market interest rates, stability of the capital markets and regulatory environment, will result in fair value gains on the financial products we invest in or we will not incur any fair value losses on our investments in the financial products in the future. If we incur such fair value losses, our results of operations and financial condition may be materially and adversely affected. Even if we generate fair value gains, our investments may earn yields substantially lower than anticipated. In addition, the fair value of these financial products may fluctuate significantly, which contributes to the uncertainties in valuation. Any failure to realize the benefits we expected from these financial products may materially and adversely affect our business and financial condition.

We may be subject to inventory obsolescence risk.

Our inventories primarily consist of (i) raw materials, (ii) consigned processing materials, (iii) finished goods, (iv) goods in transit and (v) contract cost. As of December 31, 2022, 2023 and 2024, and April 30, 2025, we had inventories of RMB1,096.6 million, RMB1,285.6 million, RMB979.7 million and RMB1,306.2 million, respectively. Failure to adequately manage inventory risks may lead to inventory obsolescence, decline in inventory value or inventory write-offs. In 2022, 2023, 2024 and the four months ended April 30, 2025, our average inventory turnover days were 77.0 days, 72.8 days, 62.6 days and 68.1 days, respectively. Any fluctuation and extension of inventory turnover may adversely affect our cash flow and liquidity. See "Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Inventories" for details.

In addition, we manage our inventory levels based on market forecast and a first-in, first-out policy and maintain a safety stock level. It may be difficult to accurately forecast demand and determine the appropriate levels of inventory we should maintain. Any change in customer demand for our products or the occurrences of catastrophic events may have an adverse impact on our product sales and business prospects. If the actual demand is lower than our forecast demand, we may be subject to overstock, resale of the inventories at less favorable terms, or even write-downs of inventories. If we are required to lower sale prices to increase the demand for our product sales to reduce inventory level, our profit margins might be adversely affected. If the actual demand is higher than our forecast demand, we may not be able to fulfill all the orders we receive to maximize our revenue. As a result, the market share of our products may be adversely affected. Any of the above may adversely affect our business, financial condition and results of operations.

Failure to fulfill our contractual liabilities could adversely affect our liquidity and financial condition.

Our contract liabilities primarily arise from advance payments made by our customers to us before we fulfill our performance obligations. Our contract liabilities were RMB67.1 million, RMB49.4 million, RMB27.9 million and RMB44.0 million as of December 31, 2022, 2023 and 2024, and April 30, 2025. See "Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Contract liabilities." There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the fulfillment of our performance obligations is subject to various factors, including the market demand, the stability of supply and price of raw materials, the quality and price of service provided by and the production capacity of our EMS providers. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial condition may be adversely affected.

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

We have established share incentive plans to grant shares to selected participants. We recorded share-based payments of RMB2.1 million, RMB8.8 million, RMB2.1 million and RMB1.4 million in 2022, 2023, 2024 and the four months ended April 30, 2025, respectively. The fair value of shares granted to participants under the share incentive plan is recognized as an expense over the vesting period, being the period over which all of the vesting conditions are satisfied. The fair value is determined based on the market price of our shares at the respective grant date. We have also established share option schemes to grant options to our employees for the purpose of attracting and retaining talents. All share options will be settled in equity. See Note 36 to Accountants' Report in Appendix I to this prospectus.

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

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

As of December 31, 2022, 2023 and 2024, and April 30, 2025, our intangible assets were RMB373.1 million, RMB367.5 million, RMB248.0 million and RMB244.0 million, respectively, which primarily consist of patents, development platform, customer relationships, software and development cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized on straight-line basis over their estimated useful lives. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at the end of each reporting period. See Note 2 and Note 20 to the Accountants' Report in Appendix I to this prospectus. If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

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

According to our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other relevant factors. Therefore, actual results may differ from these accounting estimates. As of December 31, 2022, 2023 and 2024, and April 30, 2025, we recorded deferred tax assets of RMB95.1 million, RMB119.7 million, RMB156.6 million and RMB150.8 million, respectively.

Based on our accounting policies, deferred tax assets are recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition, other than in a business combination, of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill. The realization of deferred tax assets mainly depends on our management's judgment as to whether future taxable amounts will be available to utilize those temporary differences and losses. If sufficient profits or taxable temporary differences are not expected to be generated or are less than expected, a material reversal of deferred income tax assets may arise in future periods.

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

During the Track Record Period, we primarily engaged in two types of intra-group transactions, namely (i) intra-group transactions from continuing operations and (ii) intra-group transactions from discontinued operation. In 2022, 2023, 2024 and the four months ended April 30, 2025, the amount of intra-group transactions from continuing operations were RMB8,260.5 million, RMB9,293.9 million, RMB15,407.5 million and RMB4,428.4 million, respectively, while the amount of intra-group transactions from discontinued operation were RMB1,195.3 million, RMB1,849.3 million, RMB2,277.0 million and nil, respectively.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. Our global operations are structured through subsidiaries across multiple jurisdictions. See "Business—Transfer Pricing Arrangement." We could face material and adverse tax consequences if the relevant tax authorities determine that the certain intra-group transactions of ours are not conducted on an arm's length basis and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. In the event of a transfer pricing adjustment, our tax liabilities could increase. Furthermore, if we fail to rectify our transfer pricing arrangement within the limited timeframe as required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

We face risks in connection with Third-party Payment Arrangements.

During the Track Record Period, we accepted payments made on behalf of certain customers (the "**Relevant Customer(s)**") through the accounts of third-party payors designated by the Relevant Customers (the "**Third-Party Payment Arrangement(s)**"). In 2022, 2023, 2024 and the four months ended April 30, 2025, the number of the Relevant Customers was 12, 13, five and two, respectively. In 2022, 2023, 2024 and the four months ended April 30, 2025, the aggregate amount they settled under the Third-Party Payment Arrangements was RMB3.8 million, RMB3.3 million, RMB20.1 million and RMB0.8 million, respectively, which accounted for 0.07%, 0.06%, 0.29% and 0.03% of our total revenue in the same periods, respectively. During the Track Record Period, third party payment arrangements primarily comprise two scenarios: (i) payments from supply chain payment service providers and (ii) payments from employees of the Relevant Customers. During the Track Record Period, payments made under these two scenarios accounted for over 99.5% of the total payments settled under Third-Party Payment Arrangements. For details, see "Business—Legal Proceedings and Compliance—Third Party Payment Arrangements."

We were subject to various risks relating to such Third-party Payment Arrangements, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential money-laundering risks as we have limited knowledge about the source of the funds utilized by the third-party payors and their identities. In the event of any claims from third-party payors or their liquidators, or legal proceedings, including civil, criminal or regulatory actions, instituted or brought against us to demand return of the relevant payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims, legal proceedings or regulatory actions, and we may be forced to comply with the court ruling or order and return the payment for the products that we sold and services that we provided.

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdiction where we operate, our business, financial condition and results of operations may be materially and adversely affected.

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

In addition, certain licenses, permits or registrations we hold are subject to periodic renewal. We may not be able to maintain or timely renew our licenses and certificates when their current term expires. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations or filings we hold may be deemed insufficient by the relevant government. If we fail to apply for, maintain or renew the licenses, permits, or registrations required for our operations, we may be subject to fines and additional penalties. Resolving such deficiencies and enhancing compliance may require additional operational expenses and divert our management attention. Additionally, we may experience negative publicity due to such deficiencies. As a result, our business, financial condition and results of operations may be adversely affected.

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

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

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

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

We may need to raise additional capital in the future to further expand our business and sustain our growth. For example, in the four months ended April 30, 2025, we had net cash flows used in operating activities of RMB138.7 million. If we continue to record net operating cash outflows in the future, our working capital may be constrained. As a result, our financial condition may be adversely affected and we may need to raise additional funds. We may raise additional funds through the issuance of equity or debt related securities, or through obtaining credit from government or financial institutions. Our ability to obtain additional capital is impacted by factors including, but not limited to, our market position, future profitability, financial position, and the general macroeconomic condition in China. We may not be able to raise additional funds on favorable terms, or at all. If additional funds cannot be obtained when needed and on favorable terms, our business, financial condition and results of operations may be adversely affected. Fundraising through the issuance of debt securities or through loan arrangements may contain terms that require significant interest payments, covenants that restrict our business, or other terms unfavorable to us. In addition, to the extent we raise funds through the sale of additional equity securities, our shares will experience additional dilution.

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

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

These information technology systems are subject to certain risks, such as malfunction, natural disasters and malware attacks. Our cybersecurity measures may not timely detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks that may disrupt the operation of the information technology systems. Any breach of our cybersecurity measure, or malfunction, damages, disruptions or shut down of our information technology systems may result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. In cases of malware attacks, we may also be asked to make a lump-sum payment in order to resume the operation of our systems. There is no assurance that we will not be subject to any of these cyber security issues in the future. If we cannot effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be adversely affected.

Furthermore, we need to constantly upgrade and improve our information technology systems to keep up with the continuous growth of our operations and business. We may not always be successful in installing, running or implementing new software or advanced information technology systems as required by our business development. All of the above may have an adverse impact on our business, financial condition and results of operations.

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

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

Our risk management and internal control systems may not be adequate or effective.

We have designed and implemented risk management and internal control systems in relation to our business operations, financial reporting and general compliance which we believe are appropriate for our business operations. See “Business—Internal Control and Risk Management” for details. We cannot assure you that these systems are sufficiently effective in ensuring, among other things, accurate report of our financial results and prevention of fraud. Since our risk management and internal control systems depend on the implementation by our employees, we cannot assure you that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

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

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

We may be affected by legal or administrative proceedings and claims in the future. If one or more legal or administrative matters were resolved against us or an indemnified third party, we may incur additional expenses to cover compensatory or punitive monetary damages, disgorge any relevant profits, establish remedial measures or comply with injunctions or specific performance. As a result, our business, financial condition and results of operations may be materially and adversely affected.

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

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. The amount we are required to contribute for each of our employees under such plan should be calculated between the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions.

As advised by our PRC Counsel, pursuant to relevant PRC laws and regulations, if we fail to make social insurance contributions in compliance with the relevant PRC laws and regulations in the future, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the outstanding social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management center may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. If these enforcement actions were taken by relevant authorities, our financial condition and results of operations could be materially and adversely affected.

Failure to renew our leases or comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business.

We lease properties mainly for office purposes. As of the Latest Practicable Date, we had 24 leased properties in China. As of the Latest Practicable Date we had not received real estate ownership certificates or proof of authorizations from lessors of 12 of our leased properties proving their right to lease those properties to us. If the lessor is not the owner of the property and the lessor has not obtained consent from the owner or their lessor for sub-lease, or if the property was mortgaged before it was leased to us, our lease could be invalidated or terminated as a result of challenges by third parties. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, we had not completed the lease registration for the vast majority of our leased properties with the relevant land and real estate administration authorities, with a GFA of approximately 23,250 sq.m.. As advised by our PRC Counsel, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements. However, we may be subject to fines ranging from RMB1,000 to RMB10,000 if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities.

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

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, public health hazards, such as the outbreaks of widespread epidemics, public security hazards or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. We cannot assure you that any backup systems will be adequate to protect us from the effects of natural disasters, public health and public security hazards or other events. Any of the foregoing events may give rise to interruption, breakdowns, system failures or internet failures, which may result in the loss or corruption of data, malfunctions of software and hardware, and adversely affect our ability to produce our products and solutions. As a result, our business, financial condition and results of operations may be adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN COUNTRIES WHERE WE OPERATE

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

Our operations are subject to a number of market, business and financial risks and uncertainties, including those related to geopolitical and economic instability, foreign currency exchange and interest rate fluctuations, competitive product offerings, local product preferences and requirements. Such risks and uncertainties may adversely impact our ability to implement our growth strategy in these jurisdictions.

In addition, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets and inflation all affect the business and economic environment, the growth of the wireless communication module industry and ultimately, the profitability of our business. Any future catastrophes, such as natural disasters or outbreak of contagious diseases, may cause a decrease in the level of economic activities in the respective jurisdictions where we operate. As a result, our business, financial condition, results of operations and prospects may be adversely affected.

Our business is primarily based in China and is susceptible to any policy changes in China affecting the wireless communication module industry and the end markets of our module products and solutions which may materially and adversely affect our business.

Changes in the regulatory requirements concerning the wireless communication module industry and the end markets of our module products and solutions, including the industries of automotive electronics, smart home, consumer electronics and smart retail, may affect our business, financial condition, results of operations and prospects.

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

Development in the legal system of certain geographic markets in which we operate could materially and adversely affect us. The legal systems in these geographic markets vary significantly from one jurisdiction to another.

We conduct business in multiple geographic markets that adopt different legal systems. These jurisdictions in which we operate adopt either the civil law system or the common law system. In the civil law system, prior court decisions may be cited for reference and may have limited precedential value. Certain of the laws and regulations in the jurisdictions in which we operate are relatively new. Therefore, you may need to assess the level of legal protection we have in many of the geographic markets in which we operate. Any failure to comply with these laws and regulations may result in substantial costs and the diversion of resources and management attention, thereby adversely affecting our business, financial condition and results of operations.

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

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

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

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

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

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

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on May 13, 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region ("HKSAR") for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) issued by the STA effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

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

Any decrease or discontinuation of tax rebate for our exported products may have a negative effect on our profitability.

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

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

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

The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or other countries. On January 18, 2019, the Supreme People's Court and the Hong Kong Special Administrative Region Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"). The New Arrangement was issued on January 25, 2024 and came into effect on January 29, 2024, seeking to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and mainland China. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. There may be uncertainties in the enforcement of a judgment rendered by a Hong Kong court in mainland China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of judgments by non-PRC courts, including a Hong Kong court, in mainland China.

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

Under SAFE regulations, PRC residents who participate in a share incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See "Regulatory Overview—Applicable Laws and Regulations to Our Business in the PRC—Regulations Relating to Overseas Investment." We and our PRC resident employees who participate in our share incentive plans are subject to these regulations as we are publicly listed in Hong Kong. We are in the process of registration with the local counterparts of SAFE for our PRC resident employees who participate in our share incentive plans as required under the relevant rules. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

Filing with the CSRC is required in connection with our future offerings, and we cannot predict whether we will be able to complete such filing.

On February 17, 2023, the CSRC released Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and five relevant guidelines, which became effective on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies which, after the overseas offering and listing, offers subsequent securities in the same overseas market or conducts offering and listing in other overseas markets (the "Future Offerings"), shall complete the filing procedures of, and report relevant information to, the CSRC.

Based on the foregoing, for the Future Offerings after the proposed Listing, we are required to comply with the filing procedures of the CSRC. It is uncertain whether we can, or how long it will take us to, complete filings procedures in connection with the Future Offerings. We may be subject to approval, filing or other requirements by other PRC government authorities under the PRC laws in the future. Any failure to complete the relevant procedures may have an adverse effect on the Future Offerings.

RISKS RELATED TO THE GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of mainland China and Hong Kong.

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be listed on the Hong Kong Stock Exchange, we will be required to comply with the applicable listing rules and other regulatory regimes of both jurisdictions unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources to ensure our compliance with the listing rules of both jurisdictions.

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

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

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

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

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in mainland China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of mainland China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards mainland China-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares.

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

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Certain amount of the Shares controlled by our Largest Group of Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Hong Kong Stock Exchange. We cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

In addition, while investors subscribing shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares they subscribed, they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the Global Offering for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the Listing Date. Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

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

Immediately upon the completion of the Global Offering, without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, our Controlling Shareholder will control approximately 31.35% of the voting rights at our general meetings. Our Controlling Shareholder will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholder may not act in the best interests of our minority Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

Mr. Zhang may cease to be a Controlling Shareholder of our Company in the event that the Share Pledge is enforced.

As of the Latest Practicable Date, an aggregate of 31,669,300 A Shares held by Mr. Zhang Tianyu, representing approximately 4.14% of our total issued share capital, were subject to pledges granted in favor of an investment institution as security for debt obligation under certain collaborative investment with Mr. Zhang (the "**Share Pledge**"). The Share Pledge is subject to the warning line requirement, which would be triggered by a material decrease in the value of our A Shares. Nevertheless, Mr. Zhang may provide additional collaterals or repay a portion of the relevant outstanding loans in the event that such warning line requirement is triggered to avoid enforcement of the Share Pledge. For details, see "Substantial Shareholders—Share Pledge by Mr. Zhang Tianyu". In the event that the Share Pledge is enforced which causes Mr. Zhang's shareholding to fall below 30% of the total issued share capital of our Company, Mr. Zhang will cease to be a Controlling Shareholder and therefore result in change in our shareholding structure.

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

We declared dividends of RMB63.1 million, RMB290.0 million and RMB267.0 million in 2022, 2023 and 2024, respectively. We protect our Shareholders' interest by ensuring a consistent dividend policy. There is no assurance that we will be able to declare or distribute dividends of any amount in any year in the future. Under the applicable PRC laws and regulations, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations. See "Financial Information—Dividends and Dividend Policy" for further details of our dividend policy. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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

You should not place any reliance on any information released by us in connection with the listing of our A Shares on Shenzhen Stock Exchange.

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

You should read the entire document carefully and only rely on the information included in this document to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the Global Offering.

We strongly caution our investors not to rely on any information contained in press articles or other media regarding us, our Shares and the Global Offering. Prior to the publication of this document, there may be press and media coverage regarding the Global Offering and us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our investors should not rely on such information.

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

Certain facts, forecast and other statistics in this document are derived from various government and official resources. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, and the Joint Bookrunners or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics.

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

MANAGEMENT PRESENCE IN HONG KONG

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

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

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives (the "**Authorized Representatives**") are Mr. Zhang Tianyu ("**Mr. Zhang**"), our executive Director and chairman of our Board, and Mr. Chen Shijiang ("**Mr. Chen**"), our vice general manager, secretary of our Board and one of our joint company secretaries. In addition, Ms. Yung Mei Yee ("**Ms. Yung**"), who is ordinarily resident in Hong Kong, has been appointed as an alternate to the Authorized Representatives in order to assist the Authorized Representatives to communicate with the Stock Exchange. Each of the Authorized Representatives and the alternate authorized representative will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the Authorized Representatives and the alternate authorized representative is authorized to communicate on behalf of our Company with the Stock Exchange;

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

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

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

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

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

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

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

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

In assessing "relevant experience," the Stock Exchange will consider the individual's:

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

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

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

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

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

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

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

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "Waiver Period") and on the following conditions:

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

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

We have appointed Mr. Chen as one of our joint company secretaries. Mr. Chen joined our Group in March 2015 and is our vice general manager and secretary of our Board. Mr. Chen is primarily responsible for overseeing the Board affairs, corporate governance, capital management, investor relations and securities affairs of our Group. Although our Company believes, having regard to Mr. Chen's past experience in handling corporate matters, that he has a thorough understanding of our Company and the Board, he does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Yung, who is a Hong Kong resident and possesses such qualifications, to be a joint company secretary to assist Mr. Chen in the compliance matters for the Listing as well as other Hong Kong regulatory requirements for a period of three years commencing from the Listing Date. For the biographies of our joint company secretaries, please see "Directors, Supervisors and Senior Management — Joint Company Secretaries" in this prospectus. Over such three-year period, we will implement measures to assist Mr. Chen to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

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

(a) Mr. Chen must be assisted by Ms. Yung, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and

(b) the waiver is valid for a period of three years from the Listing Date and will be revoked immediately if and when Ms. Yung ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

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

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

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

(i) no securities are offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities: and

(ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides that, without the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Our A Shares have been listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300638) since April 13, 2017. As such, our A Shares are widely held and actively traded.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 of, and consent under Paragraph 1C(2) of Appendix F1 to, the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of our Company's voting rights prior to the completion of the Global Offering; and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons (as defined in the Listing Rules) of our Company or the close associates of any such core connected person (together, the "**Existing Minority Shareholders**," and each an "**Existing Minority Shareholder**") on the following conditions:

(i) each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of our Company's voting rights prior to the completion of the Global Offering;

(ii) each Existing Minority Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(iii) none of the Existing Minority Shareholders has the right to appoint any Directors and/or any other special rights;

(iv) allocation to the Existing Minority Shareholders and/or their close associates will not affect our Company's ability to satisfy the public float requirement as prescribed under Rule 8.08 of the Listing Rules (as amended and replaced by Rule 19A.13A(2)) or otherwise approved by the Stock Exchange;

(v) our Company shall confirm to the Stock Exchange in writing that:

(a) in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, nor is the Existing Minority Shareholder in a position to exert influence on our Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or

(b) in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on our Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;

(vi) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche;

(vii) the Sole Sponsor shall confirm to the Stock Exchange that based on (a) its discussions with our Company and the Overall Coordinators; and (b) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (confirmations (v) and (vi) above), and to the best of their knowledge and belief, they have no reason to believe that any of the Existing Minority Shareholders received any preferential treatment, or is in a position to exert influence on our Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Applicants, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of our Company immediately prior to the completion of the Global Offering will be disclosed in the prospectus and/or the allotment results announcement, as the case may be.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

The CSRC issued a notification on September 18, 2025 confirming our completion of the filing procedures for the Listing and the Global Offering. In issuing such notification, the CSRC accepts no responsibility for our financial soundness or the accuracy of any of the statements made or opinions expressed in this prospectus.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to our Company and the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

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

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

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

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in "Structure of the Global Offering" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his or her acquisition of Hong Kong Offer Shares to, confirm that he or she is aware of the restrictions on the offer and sales of the Hong Kong Offer Shares described in this prospectus.

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

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option). Dealings in the H Shares on the Stock Exchange are expected to commence on Wednesday, October 22, 2025. Other than our A Shares, which are currently listed on and dealt in on the ChiNext Board of the Shenzhen Stock Exchange and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our equity or debt securities is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

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

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

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

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

H SHARE REGISTER AND STAMP DUTY

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

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

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

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in Renminbi or U.S. dollars have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following exchange rates: RMB0.9130: HK$1.00 and US$1.00: HK$7.7828.

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

ROUNDING

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

LANGUAGE

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

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zhang Tianyu (張天瑜)	No. 307, T23/F CITIC Redwoods Bay Garden South Phase I No. 307, Shahe East Road Shahe Subdistrict Nanshan District, Shenzhen Guangdong PRC	Chinese
Mr. Ying Lingpeng (應凌鵬)	B-602, Building 12 Shahe CITIC Mangrove Bay Huacheng 8 Baishi 2nd Road Nanshan District, Shenzhen Guangdong PRC	Chinese
Mr. Xu Ning (許寧)	2902, Building 2 Area AB, Phase III, Vanke Cloud City Intersection of Dashi 1st Road and Shigu Road Nanshan District, Shenzhen Guangdong PRC	Chinese
Independent non-executive Directors		
Mr. Wang Ning (王寧)	103A, Building 30 Daxidi District 1 6 Baotaibei Road Fengtai District, Beijing PRC	Chinese
Ms. Zhao Jing (趙靜)	No. 1 Anli East Lane Jun'an Shatouju Shunde District, Foshan Guangdong PRC	Chinese
Mr. Wu Chenggang (吳承剛)	Flat E, 16/F Block 6, Mantin Heights 28 Sheung Shing Street Ho Man Tin Kowloon Hong Kong	Chinese

SUPERVISORS

Name	Address	Nationality
Ms. Chen Qihua (陳綺華)	Room 702, Block A, Building 1 Liyuan Yayuan 187 Zhongshanyuan Road, Nantou Street Nanshan District, Shenzhen Guangdong PRC	Chinese
Ms. Sun Xiaojing (孫曉婧)	2503, Unit 1, Building 6 Zhuoyue Weilan Garden 10 Dapinglitang 3rd Road, Tangxiazhen Dongguan Guangdong PRC	Chinese
Ms. Du Yingying (杜瑩瑩)	Room 1110, Building 1A ZTE Talent Apartment Xili Subdistrict Nanshan District, Shenzhen Guangdong PRC	Chinese

For details with respect to our Directors and Supervisors, see “Directors, Supervisors and Senior Management” in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**CITIC Securities (Hong Kong) Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Sponsor-Overall Coordinator	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Overall Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	SDICS International Securities (Hong Kong) Limited 39/F One Exchange Square Central Hong Kong
	CMB International Capital Limited 45th Floor Champion Tower 3 Garden Road Central Hong Kong
Joint Global Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	SDICS International Securities (Hong Kong) Limited 39/F One Exchange Square Central Hong Kong

CMB International Capital Limited
45th Floor
Champion Tower
3 Garden Road
Central
Hong Kong

Joint Bookrunners

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

SDICS International Securities (Hong Kong) Limited
39/F
One Exchange Square
Central
Hong Kong

CMB International Capital Limited
45th Floor
Champion Tower
3 Garden Road
Central
Hong Kong

(Below in alphabetical order)

ABCI Capital Limited
11/F
Agricultural Bank of China Tower
50 Connaught Road
Central
Hong Kong

China Sunrise Securities (International) Limited
Rooms 1501 & 1503
YF Life Centre
38 Gloucester Road
Wanchai
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F
United Centre
No. 95 Queensway
Admiralty
Hong Kong

Joint Lead Managers

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

SDICS International Securities (Hong Kong) Limited
39/F
One Exchange Square
Central
Hong Kong

CMB International Capital Limited
45th Floor
Champion Tower
3 Garden Road
Central
Hong Kong

(Below in alphabetical order)

ABCI Securities Company Limited
13/F
Fairmont House
8 Cotton Tree Drive
Central
Hong Kong

China Sunrise Securities (International) Limited
Rooms 1501 & 1503
YF Life Centre
38 Gloucester Road
Wanchai
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F
United Centre
No. 95 Queensway
Admiralty
Hong Kong

Capital Market Intermediary

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

SDICS International Securities (Hong Kong) Limited
39/F
One Exchange Square
Central
Hong Kong

CMB International Capital Limited
45th Floor
Champion Tower
3 Garden Road
Central
Hong Kong

(Below in alphabetical order)

ABCI Capital Limited
11/F
Agricultural Bank of China Tower
50 Connaught Road
Central
Hong Kong

ABCI Securities Company Limited
13/F
Fairmont House
8 Cotton Tree Drive
Central
Hong Kong

China Sunrise Securities (International) Limited
Rooms 1501 & 1503
YF Life Centre
38 Gloucester Road
Wanchai
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F
United Centre
No. 95 Queensway
Admiralty
Hong Kong

Legal Advisors to our Company

As to Hong Kong and U.S. laws:

Paul Hastings (Hong Kong) LLP
22/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

As to PRC law:

Jingtian & Gongcheng
Room 1401A, Tower 2
Qianhai Kerry Center
Qianhai Avenue
Nanshan District, Shenzhen
Guangdong
PRC

Legal Advisors to the Sole Sponsor and the Underwriters	*As to Hong Kong and U.S. laws:* **Sullivan & Cromwell (Hong Kong) LLP** 20/F, Alexandra House 18 Chater Road Central Hong Kong *As to PRC law:* **JunHe LLP** 26/F, HKRI Centre One HKRI Taikoo Hui 288 Shimen Road (No. 1) Shanghai PRC
Auditor and Reporting Accountant	**Grant Thornton Hong Kong Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 11th Floor, Lee Gardens Two 28 Yun Ping Road Causeway Bay Hong Kong
Transfer Pricing Consultant	**Grant Thornton Tax Services Limited** 11th Floor, Lee Gardens Two 28 Yun Ping Road Causeway Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504, Wheelock Square No. 1717, Nanjing West Road Jingan District, Shanghai PRC
Receiving Banks	**CMB Wing Lung Bank Limited** 14/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong

Registered Office	Room 1101, Tower A Building 6, Shenzhen International Innovation Valley Dashi 1st Road, Xili Community, Xili Subdistrict Nanshan District, Shenzhen Guangdong PRC
Headquarters and Principal Place of Business in the PRC	Floor 10-14, Tower A Building 6, Shenzhen International Innovation Valley Dashi 1st Road, Xili Community, Xili Subdistrict Nanshan District, Shenzhen Guangdong PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Company's Website	www.fibocom.com *(The information on the website does not form part of this prospectus)*
Joint Company Secretaries	**Mr. Chen Shijiang (陳仕江)** Floor 11, Tower A Building 6, Shenzhen International Innovation Valley Dashi 1st Road, Xili Community, Xili Subdistrict Nanshan District, Shenzhen Guangdong PRC **Ms. Yung Mei Yee (翁美儀)** *(FCIS, FCS)* 40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong

Authorized Representatives	**Mr. Zhang Tianyu (張天瑜)** Floor 11, Tower A Building 6, Shenzhen International Innovation Valley Dashi 1st Road, Xili Community, Xili Subdistrict Nanshan District, Shenzhen Guangdong PRC
	Mr. Chen Shijiang (陳仕江) Floor 11, Tower A Building 6, Shenzhen International Innovation Valley Dashi 1st Road, Xili Community, Xili Subdistrict Nanshan District, Shenzhen Guangdong PRC
Audit Committee	Ms. Zhao Jing (趙靜) *(Chairperson)* Mr. Wang Ning (王寧) Mr. Wu Chenggang (吳承剛)
Remuneration and Appraisal Committee	Ms. Zhao Jing (趙靜) *(Chairperson)* Mr. Zhang Tianyu (張天瑜) Mr. Wang Ning (王寧)
Nomination Committee	Ms. Zhao Jing (趙靜) *(Chairperson)* Mr. Zhang Tianyu (張天瑜) Mr. Wang Ning (王寧)
Strategy and Investment Committee	Mr. Zhang Tianyu (張天瑜) *(Chairperson)* Mr. Ying Lingpeng (應凌鵬) Mr. Wang Ning (王寧)
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

Compliance Advisor	**Somerley Capital Limited** 20th Floor China Building 29 Queen's Road Central Hong Kong
Principal Banks	**Bank of Ningbo Co., Ltd.** **Shenzhen Caifugang Branch** Room 101, 103, 2201 and 2202, Block D Caifugang Building Baoyuan Road, Xixiang Sub-district Bao'an District, Shenzhen Guangdong PRC
	China Merchants Bank Co., Ltd., **Shenzhen Nanshan Kechuang Branch** No. 162-169, F1 Floor West Building of Coastal City No. 34 Wenxin 4th Road Nanshan District, Shenzhen Guangdong PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors and advisers or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

ANALYSIS OF MACRO BACKGROUND AND KEY DOWNSTREAM DEMAND

Driven by the wave of digitalization and intelligence, wireless communication modules have increasingly become a vital bridge connecting hardware and networks, data and services. Their emergence stems from the growing demand for mobile and real-time data transmission, evolving from basic voice calls and SMS to today's high-speed data connectivity and diversified application scenarios. As information technologies have advanced, communication modules have progressed from early 2G/3G/4G standards to the current 5G, enabling faster, more stable, and more secure wireless connections for application scenarios such as automotive electronics, smart home, consumer electronics and smart retail. Entering the era of intelligent connectivity, the demand for data transmission and processing has expanded further, prompting a shift from basic data transmission modules to smart modules with built-in computing capabilities. These smart modules not only support higher bandwidth and lower latency networks, integrating CPUs, operating systems, and development environments, but also enable terminal devices to perform real-time data processing and multimedia functions.

With the rapid evolution and widespread application of artificial intelligence, the industry is moving toward cloud-edge-device collaboration to support deeper AI integration. As a result, AI modules have emerged — embedding powerful algorithms and computing capabilities into wireless communication modules. These modules can perform tasks such as machine learning inference, image recognition, or voice interaction directly on the device side, relieving cloud pressure and improving response speed. In this transformation, the wireless communication module market has grown substantially alongside the shift from intelligent connectivity to the AI era, unlocking new growth opportunities and innovation potential across a wide range of application scenarios.

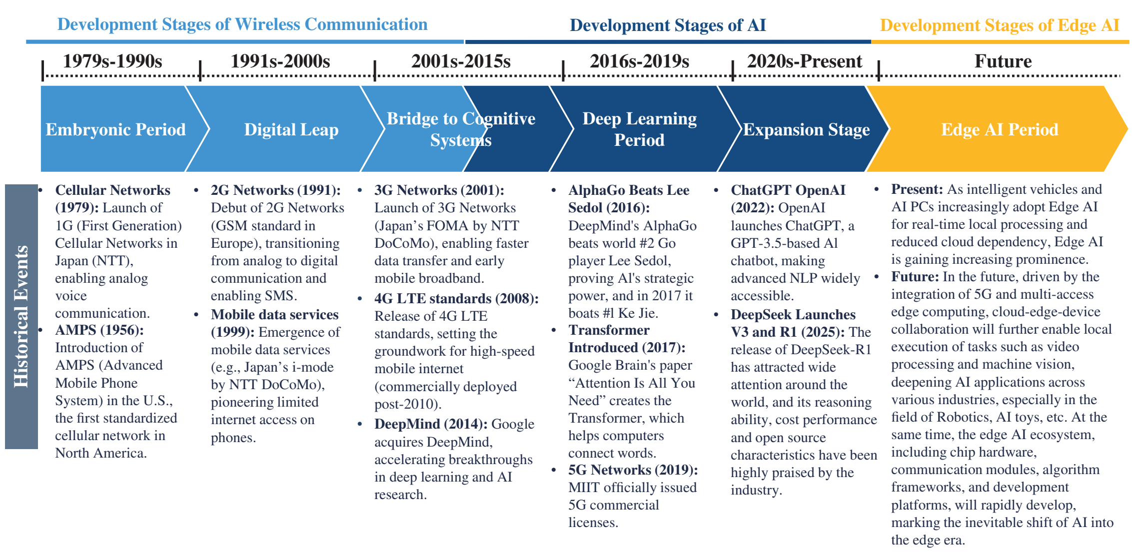
Analysis of Development of Wireless Communication, Artificial Intelligence and Edge AI

Since the late 20th century, the widespread adoption of cellular networks (2G/3G) has driven the rapid development of mobile internet, resulting in a surge in device connectivity demands. Data transmission modules emerged to provide standardized wireless access, mainly supporting basic data communication in Machine-to-Machine scenarios. With the maturation of

4G/5G and the explosive growth of IoT, terminals began requiring stronger local processing and control capabilities, driving the rise of smart modules. These modules combine cellular connectivity with high-performance processors and OS, enabling complex algorithm execution and multi-protocol support, and are widely used in automotive electronics, smart home, consumer electronics, smart retail, etc.

As entering the AI era, demands for low-latency and efficient on-device inference surged, leading to the emergence of the "cloud-edge-device" architecture. AI modules, the next evolution of smart modules, integrate NPUs and advanced computing units to deliver powerful heterogeneous computing for local AI inference in industrial, urban, and home scenarios. Combining communication and AI processing, AI modules are ideal enablers of Edge AI, with broad potential across AIoT applications — such as real-time image recognition in smart homes or ADAS in vehicles. Their high integration and adaptability position them as a cornerstone of future Edge AI.

The Development of Wireless Communication, Artificial Intelligence and Edge AI

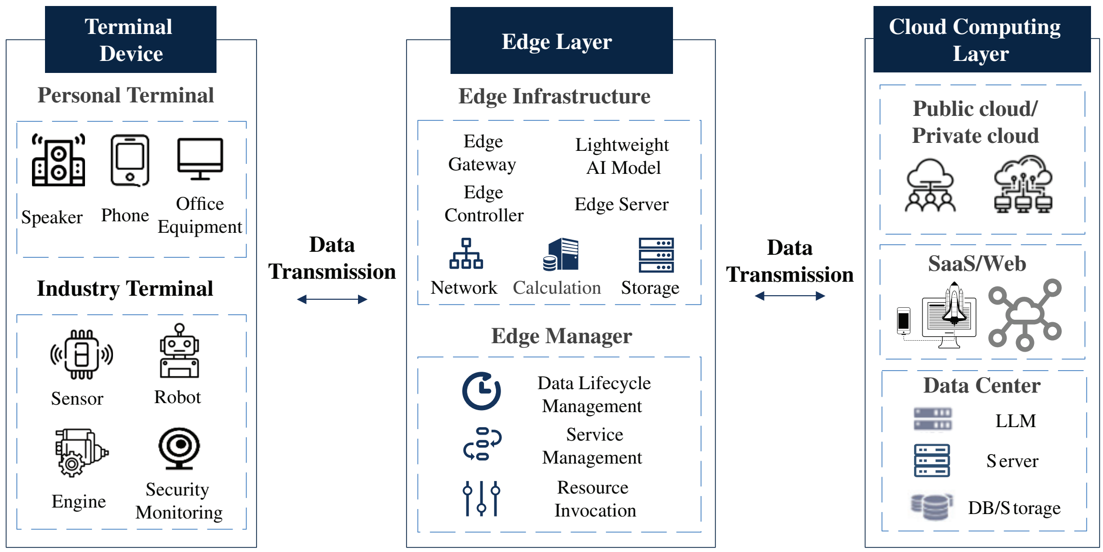


Source: Frost & Sullivan

Introduction to Cloud-Edge-Device Framework

The cloud-edge-end architecture is a distributed model that integrates cloud computing, edge computing, and end devices. The cloud side is responsible for handling complex computations and big data storage (such as AI model training), and the edge layer completes real-time analysis locally (such as industrial quality inspection and autonomous driving decision-making). The end layer is further subdivided into personal end products (such as speakers, phones, and office equipment) and industry end devices (such as industrial sensors, robots, and medical equipment).

Cloud-Edge-Device Architecture Analysis



Source: Frost & Sullivan

Market Size of Edge AI

Edge AI is a technology that deploys artificial intelligence capabilities on various end devices such as sensors and IoT terminals, enabling localized data processing and decision-making. It supports devices to execute AI tasks independently or coordinate in a hybrid manner with the cloud. It can process data at the source, thus reducing latency, enhancing privacy, optimizing bandwidth, and maintaining compatibility with the cloud architecture at the same time. The core differences between edge AI and traditional AI mainly lie in three aspects: First, in terms of deployment architecture, edge AI prioritizes local processing on terminal devices, often with cloud collaboration for model optimization, while traditional AI mainly relies on cloud servers for centralized processing. Second, in terms of data dimensions, edge AI can achieve the integrated application of local real-time sensor data and cloud historical data, whereas traditional AI mainly relies on data in cloud databases for processing. Finally, in terms of application scenarios, edge AI can enable local large model inference and autonomous decision-making, while traditional AI is better suited for handling large-scale data analysis tasks in the cloud. For example, edge AI applications include AI phone, AIPC, and embodied intelligent robot, while traditional AI includes customer behavior analysis in enterprise-level SaaS services and financial risk control modeling. The global Edge AI market has demonstrated explosive growth, expanding from RMB90.2 billion in 2020 to RMB251.7 billion in 2024, achieving a CAGR of 29.3%. This momentum is projected to accelerate further, with the market expected to surge from RMB321.9 billion in 2025 to RMB1,223.0 billion by 2029, reflecting an even higher CAGR of 39.6%. Meanwhile, China's Edge AI market has mirrored this upward trajectory, rising from RMB23.6 billion in 2020 to RMB61.4 billion in 2024. Looking ahead, China's market is forecast to outpace global growth, climbing from RMB80.2 billion in 2025 to RMB307.7 billion by 2029 at a remarkable CAGR of 39.9%. These figures underscore the rapid adoption of Edge AI technologies worldwide, driven by demand for real-time data processing, IoT integration, and decentralized computing solutions.

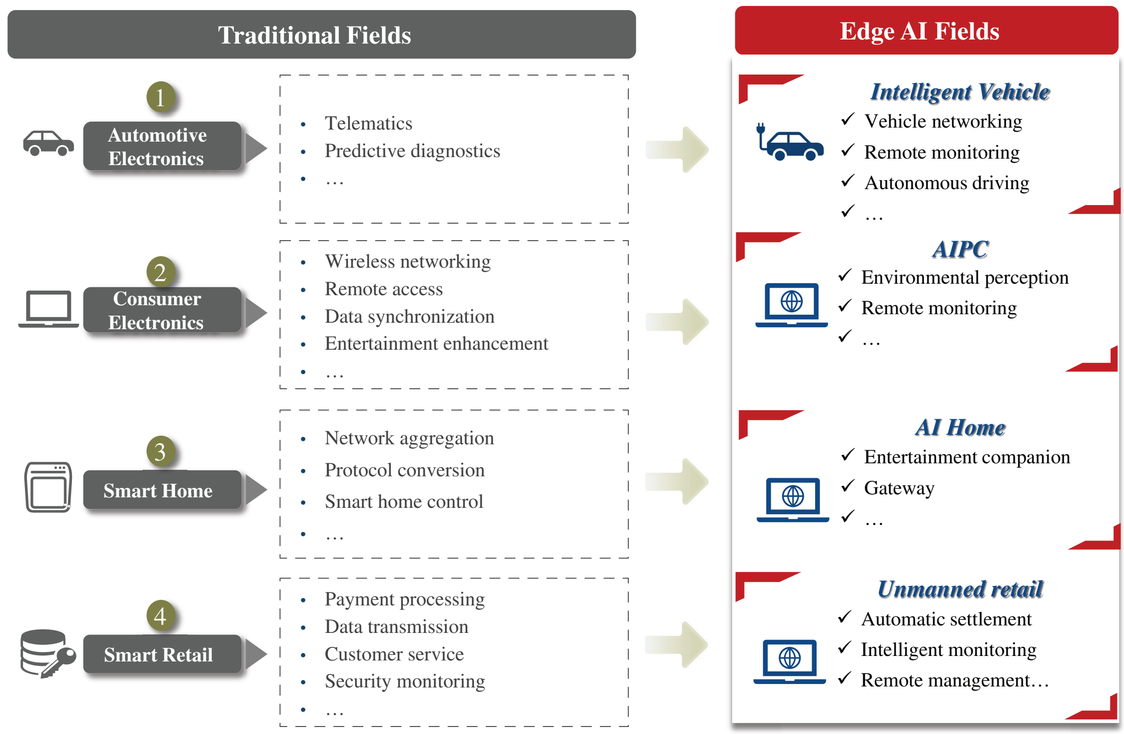
Demand Analysis of Communication Modules for Artificial Intelligence Development

Driven by AI technology, wireless communication modules are upgrading from traditional "data transmission pipelines" to "edge computing nodes" with intelligent decision-making capabilities. AI empowers wireless communication modules mainly through four technical paths to achieve upgrades: edge computing power integration, intelligent resource management, multimodal data fusion, and security enhancement. The core application scenarios cover industrial quality inspection, autonomous driving, and smart home. Through the "cloud-edge-device" collaborative architecture, the transformation from a data transmission pipeline to an intelligent decision-making node is realized. With the development of 5G and lightweight large models, AI modules are becoming the core carriers of the intelligent interconnection of all things.

Downstream Applications Analysis of Wireless Communication Modules

Wireless communication modules have emerged as foundational enablers across industries, bridging physical devices with digital intelligence through seamless connectivity. Their versatility spans automotive electronics, smart home, consumer electronics and smart retail serving as the nervous system of our increasingly interconnected world. In edge AI domains, these modules play a critical role in enabling robotic systems with autonomous decision-making capabilities, powering AI PCs, driving collaborative robotics with real-time environmental awareness. Beyond core AI applications, their influence extends to traditional sectors: enhancing conventional automotive electronics with predictive maintenance capabilities, optimizing legacy PC architectures through intelligent resource allocation, and modernizing consumer electronics with localized AI processing. The modules' evolving architecture integrates AI chips and positions them as cross-industry enablers, transforming basic connectivity into adaptive cognitive networks that respond to operational demands. As industries merge physical and digital workflows, wireless communication modules evolve from passive data conduits into intelligent nodes capable of localized analytics, protocol-independent optimization, and edge-to-cloud coordination — effectively serving as the foundational "smart terminal" empowering intelligent automotive systems, AI-ready PCs, autonomous robotics, smart home networks, and next-generation retail infrastructure.

Overview of Downstream Application Scenarios for Wireless Communication Modules



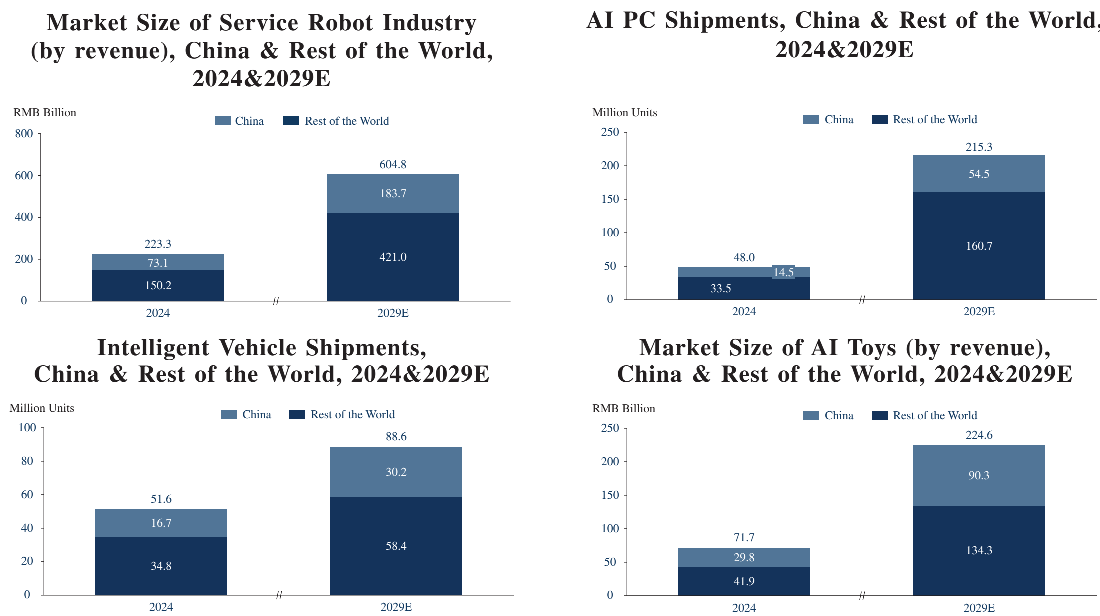
Source: Frost & Sullivan

Analysis of Development Trends of the Edge AI Market

The Edge AI market is experiencing explosive growth by combining miniaturized computing, advanced neural networks, and ubiquitous connectivity. It enables real-time decisions through NLP-enhanced interfaces and computer vision for autonomous systems, while reducing cloud dependence. Deployed in vehicles, robotics and computing architectures, Edge AI delivers localized intelligence that optimizes responsiveness and privacy. Emerging hybrid architectures balance accuracy and latency using vision transformers and CNNs, while reinforcement learning improves wireless communication module operations. Key trends include vertical-specific AI chips, federated learning frameworks, and self-evolving models. With 5G-Advanced and Wi-Fi 7, Edge AI leverages wireless communication modules' split computing capabilities to dynamically allocate tasks between local and cloud resources.

The following figure shows the market size of key downstream industries for Communication Modules in the field of edge AI.

The Market Size of Key Downstream Industries for Communication Modules in the Field of Edge AI



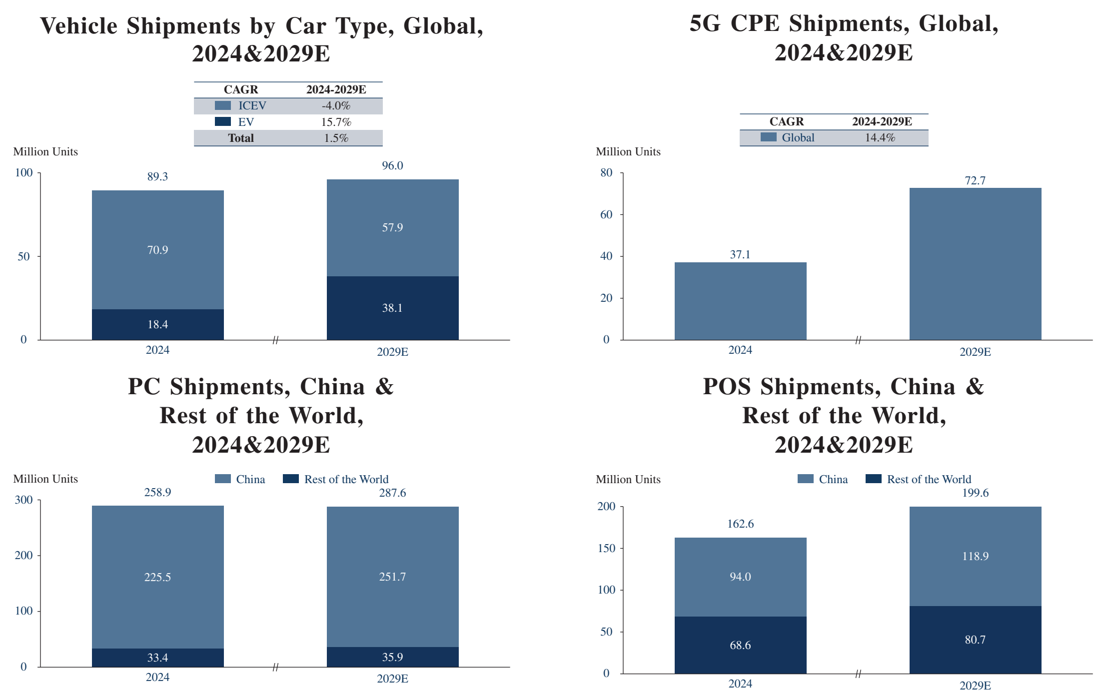
Source: CPCA, IMF, Frost & Sullivan

Analysis of Market Demand in Other Downstream Markets for Wireless Communication Modules

AI-powered wireless communication modules revolutionize industries by embedding intelligent connectivity. They enable real-time V2X traffic analysis in autos, support AR/VR with bandwidth allocation, provide industrial IoT noise filtering and POS fraud detection, and optimize drone networks with AI signal prediction. 5G CPE equipped with high-performance wireless communication modules can convert 5G signals into local networks for homes and businesses. Delivering 30% maintenance savings and city efficiency, these modules process critical data at source through context-aware connectivity, becoming the essential interface between physical and digital worlds in the cognitive computing era.

The following figure shows the market size of key downstream industries for communication modules in other fields:

Market Size of Other Downstream Markets for Wireless Communication Modules



Source: CPCA, IMF, Frost & Sullivan

ANALYSIS OF WIRELESS COMMUNICATION MODULE MARKET IN THE GLOBAL AND CHINA

Definition and Classification of Wireless Communication Modules

Communication modules refer to an integrated hardware unit that packages baseband chip, radio frequency chip and related components to give end products ready-to-use cellular or short-range wireless connectivity. Communication modules include wireless communication module, wifi module, bluetooth module, etc. The wireless communication module refers to cellular wireless communication modules, excluding short-range wifi module, bluetooth module, etc. It combines core elements like radio frequency transceivers, baseband processors, antenna interfaces, and protocol stacks, supporting diverse scenarios. Through these standardized interfaces, it simplifies complex communication functions into plug-and-play solutions, accelerating device connectivity in IoT, systems, and industrial applications while bridging physical devices with digital ecosystems.

Wireless communication modules are mainly divided into data transmission modules, smart modules, and AI modules. Data transmission modules focus on secure and high-throughput data exchange, giving priority to ensuring reliable connections for transmitting raw or preprocessed data between edge devices and centralized systems. They adopt advanced error correction, quality of service prioritization, and protocol optimization to maintain uninterrupted data pipelines. Smart modules integrate embedded processing functions with wireless connections to achieve autonomous decision-making and local task execution. They combine application specific firmware, onboard memory, and multi-threaded processing to support complex operations such as real-time diagnosis or adaptive control without relying on the cloud, and are usually deployed in IoT gateways or intelligent endpoints. AI modules embed dedicated NPUs or AI accelerators to perform machine learning inference on devices. They optimize pretrained models to achieve low-power consumption and high-efficiency execution, and can directly conduct real-time analysis at the edge (such as image recognition and anomaly detection), thereby reducing latency and dependence on the cloud while protecting data privacy.

Core Advantages of Data Transmission, Smart, and AI Module

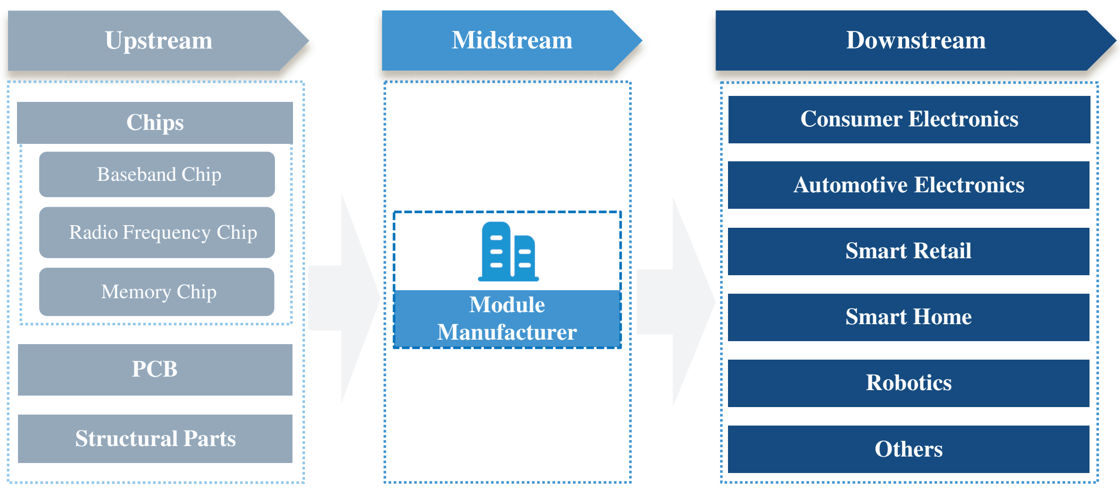
	Data Transmission Module	Smart Module	AI Module
Hardware Capabilities	• It integrates a baseband chip for cellular communication and MCU to manage basic connectivity protocols. The hardware focuses on low power consumption and reliable signal processing, lacking advanced computing components.	• Combines a baseband chip with a mid-to-high-tier SoC featuring multi-core CPUs. Includes peripherals for display interfaces, camera inputs, and audio processing.	• Employs high-performance SoC with dedicated AI accelerators and heterogeneous computing units (CPU+GPU+NPU). Supports LPDDR5/6 RAM and high-speed interfaces. May omit baseband chips to prioritize compute density.
System Capabilities	• It operates without a standalone OS, relying on firmware or lightweight real-time operating systems (RTOS) for protocol stack management. No application-level software support is provided.	• Fully compatible with Android OS, enabling app development via standard APIs (a set of rules or protocols that enables software applications to exchange data, features and functionality). Supports Linux-based systems for customization.	• OS-agnostic design compatible with Linux, Android, or real-time systems. Optimized drivers for AI frameworks (TensorFlow Lite, PyTorch) and containerized deployments.
AI Capabilities	• It handles encryption, bandwidth optimization, and real-time relay but contains no AI processing components. Its functionality is purely infrastructural, with no capacity for analytics, machine learning, or interaction with AI models.	• The Smart Module lacks native AI software frameworks or large language model integration. Its intelligence stems from predefined logic rather than adaptive learning or data-driven model training.	• The AI Module uniquely combines dedicated AI software stacks with support for large language models (LLMs) and neural network inferencing. It enables on-device training, real-time natural language processing, and dynamic model fine-tuning.

Source: Frost & Sullivan

Industry Chain Analysis of Wireless Communication Modules

The wireless communication module industry chain spans three segments: upstream focuses on core components including baseband chips and RF devices, relying on chip manufacturers and component suppliers; midstream is led by manufacturers integrating hardware and software to design standard and customized modules; downstream connects terminal application scenarios such as automotive electronics, consumer electronics, smart home, smart retail, etc., to drive large-scale IoT implementation. The entire chain collaborates to advance technological innovation and cost optimization, accelerating domestic substitution and global expansion through 5G and AIoT development.

The Industry Chain of the Wireless Communication Module



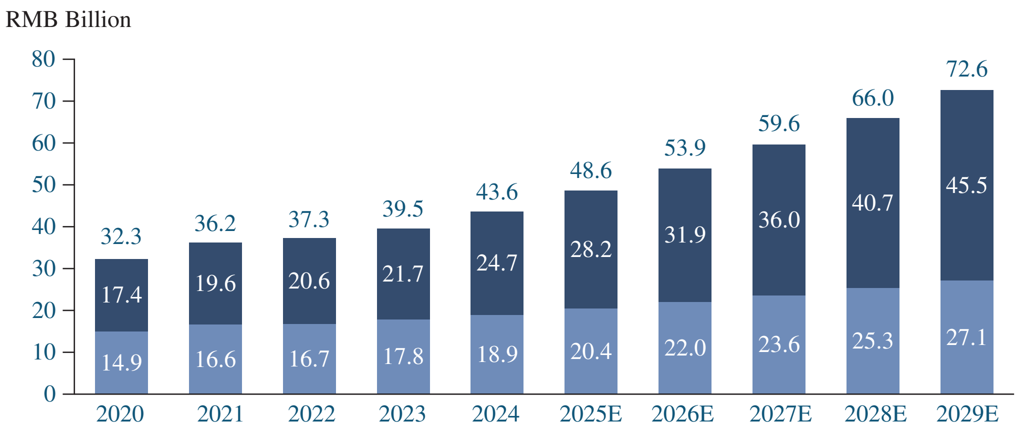
Source: Frost & Sullivan

Market Size of Global and China's Wireless Communication Modules Market

Amid a surge in AI-driven applications and ongoing digital transformation, the global wireless communication module market has experienced robust growth, rising from RMB32.3 billion in 2020 to RMB43.6 billion in 2024, with a compound annual growth rate (CAGR) of 7.7%. Regionally, China's market has outpaced other regions worldwide, expanding from RMB17.4 billion in 2020 to RMB24.7 billion in 2024 and achieving a CAGR of 9.1% during this period. With 5G technology becoming mainstream and AI applications proliferating, the global market is poised to accelerate further. From 2025 to 2029, it is expected to grow at a CAGR of 10.6% and reach RMB72.6 billion by 2029, surpassing its historical growth rate. Meanwhile, as a leading electronics manufacturing powerhouse, China is projected to register a CAGR of 12.7% in the same timeframe — outstripping other regions — and expand its market size to RMB45.5 billion by 2029.

Market Size of Wireless Communication Module Market (by Revenue), Global, 2020-2029E

CAGR	2020-2024	2025E-2029E
China	9.1%	12.7%
Rest of the World	6.1%	7.3%
Total	7.7%	10.6%



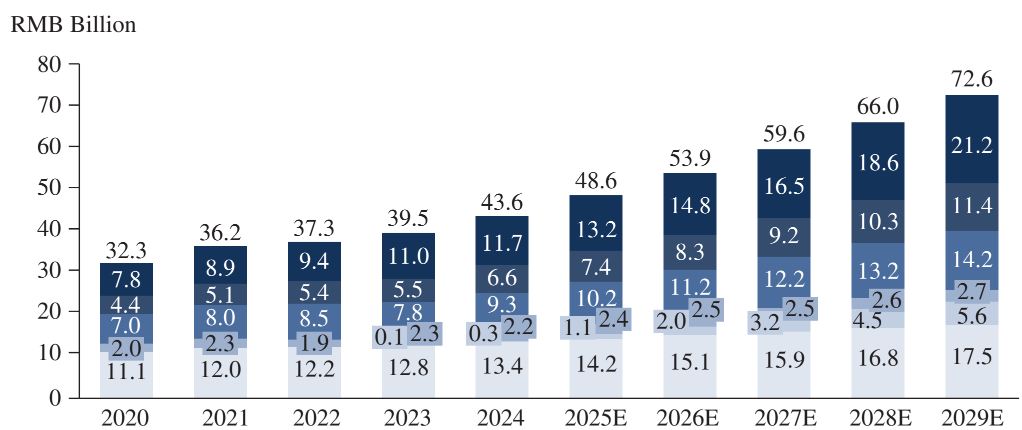
Source: IMF, Frost & Sullivan

From a downstream standpoint, the automotive sector — covering both front-fit and after-fit markets — continues to serve as a prime growth engine. In the front-fit market of the automotive electronics field, wireless communication modules are mainly applied to in-vehicle infotainment systems (IVI) to solve the problem of multi-screen interaction latency. They also support advanced driver assistance systems (ADAS) to meet the demand for real-time transmission of environmental perception data. Meanwhile, these modules primarily serve the in-vehicle telematics control unit (T-box) to address the issue of stable interaction between vehicle status data and cloud platforms. In the aftermarket, wireless communication modules support Cellular Vehicle-to-Everything (C-V2X), enabling safety-critical information interaction between vehicles and roadside units (RSU). This segment is anticipated to grow from RMB7.8 billion in 2020 to RMB11.7 billion in 2024, before gaining additional momentum at a 12.6% CAGR from 2025 to 2029, eventually hitting RMB21.2 billion by 2029. Among them, the global market for wireless communication modules used in new energy vehicles' front-fit grew from RMB560 million in 2020 to RMB3.5 billion in 2024, reflecting a CAGR of 58.4% during that period. It is projected to reach RMB11.6 billion by 2029, with a CAGR of 26.5% from 2025 to 2029. Key drivers include the rise of vehicle electrification, the advancement of in-vehicle intelligence, and the increased adoption of ADAS features. In contrast, the robotics domain, propelled by ongoing breakthroughs in AI, is poised for rapid development in AI modules. Its market size is forecasted to climb to RMB5.6 billion by 2029, representing a notable 48.9% CAGR throughout the forecast period. The smart home sector has experienced rapid growth in recent years, driven by the swift rise in 5G CPE shipments. The overall smart home market size expanded from RMB4.4 billion in 2020 to RMB6.6 billion in 2024, and it is expected to further increase to RMB11.4 billion by 2029, with a CAGR of 11.2%

from 2025 to 2029. 5G FWA is a fixed broadband access technology that primarily replaces traditional fiber/copper cables with wireless means to provide high-speed broadband services for households and enterprises. The market size of the 5G FWA sector is projected to increased from RMB4.7 billion in 2024 to RMB10.9 billion in 2029, with a CAGR of 18.2%. Meanwhile, more mature sectors such as smart retail should see steady growth fueled by upgrades in digital payment infrastructure; from 2025 to 2029, the market size are projected to expand at a CAGR of 8.5%, reaching RMB14.2 billion by 2029. The consumer electronics sector is expected to maintain a steady trajectory, with a 3.4% CAGR from 2025 to 2029, ultimately achieving RMB2.7 billion by 2029. Elsewhere, other sectors are predicted to advance at a 5.4% CAGR during the same period, reaching RMB17.5 billion by 2029. Overall, the broad-based expansion across multiple sectors underscores the market's capacity to support a diverse range of intelligent, interconnected applications worldwide.

Market Size of Wireless Communication Module Market (by Revenue), Breakdown by Downstream Sectors, Global, 2020-2029E

CAGR	2020-2024	2025E-2029E
Automotive Electronics	10.9%	12.6%
Smart Home	10.5%	11.2%
Smart Retail	7.2%	8.5%
Consumer Electronics	2.7%	3.4%
Robotics	–	48.9%
Others	4.7%	5.4%
Total	7.7%	10.6%

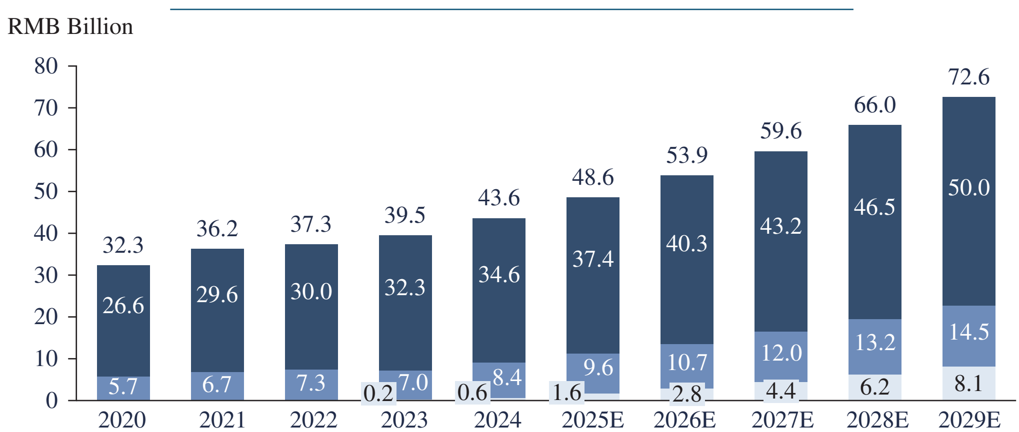


Source: CPCA, IMF, Frost & Sullivan

From the perspective of different module products, data transmission modules dominate the market as the largest subsegment, growing from RMB26.6 billion in 2020 to RMB34.6 billion in 2024 at a CAGR of 6.7%. As the cornerstone of wireless communication module development, demand for these modules is expected to maintain stable growth, with the market projected to expand to RMB50.0 billion by 2029, achieving a CAGR of 7.5% from 2025 to 2029. The global smart module segment, driven by the rapid adoption of digital payments in North America and Europe, is anticipated to rise from RMB8.4 billion in 2024 to RMB14.5 billion by 2029, fueled by advancements in secure transaction technologies and IoT-enabled payment solutions. Meanwhile, AI modules, positioned as an emerging high-growth sector, are poised for explosive expansion amid accelerated AI technology commercialization. The market is expected to surge to RMB8.1 billion by 2029, delivering a staggering CAGR of 49.3% during 2025-2029, driven by AI-powered edge computing, intelligent automation, and industrial digitization applications.

Market Size of Wireless Communication Module Market (by Revenue), Breakdown by types, Global, 2020-2029E

CAGR	2020-2024	2025E-2029E
Data Transmission Module	6.7%	7.5%
Smart Module	10.3%	10.9%
AI Module	–	49.3%
Total	7.7%	10.6%



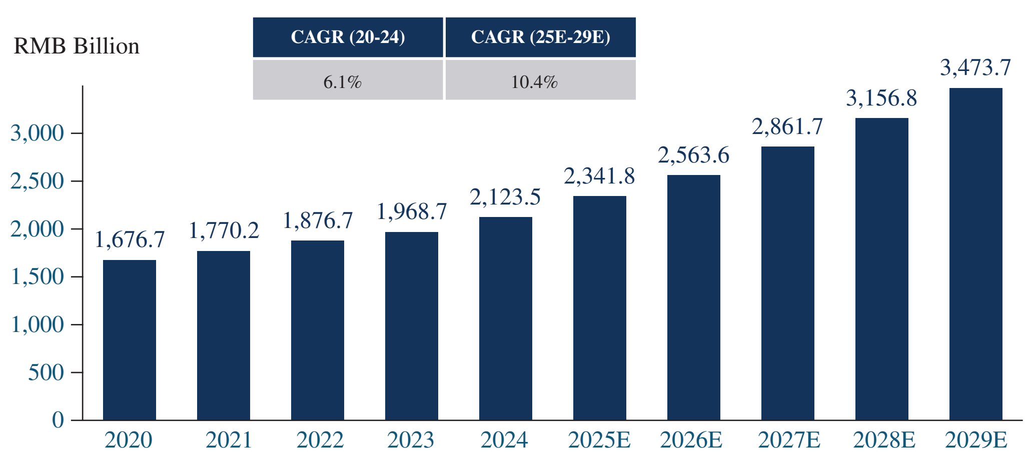
Source: IMF, Frost & Sullivan

Analysis of China's Electronics Manufacturing Services Market

Electronics Manufacturing Services (EMS, Electronics Manufacturing Services) refers to a professional outsourcing model that provides electronic brand owners with full-value-chain services covering product design, engineering development, raw material procurement, manufacturing, testing, and after-sales service. As a major manufacturing power, China boasts a vast number of EMS providers, offering domestic wireless module manufacturers a wide range of manufacturing options — a dynamic force driving the growth of the wireless communication module market. In the future, with the deep application of Industry 4.0 technologies, the automation rate of production lines will be further improved; at the same time, leading enterprises will extend their business to core links such as chip packaging through vertical integration to strengthen economies of scale. Under this trend, more and more industries are turning to outsourcing services.

China's EMS market has shown significant growth from 2020 to 2024. The total market size expanded from RMB1,676.7 billion in 2020 to RMB2,123.5 billion in 2024, with a CAGR of 6.1%. Looking ahead, the market is expected to continue expanding, reaching RMB3,473.7 billion by 2029. Asia's EMS market is projected to reach approximately RMB3 trillion in 2024, with a CAGR of 6.7% expected from 2025 to 2029.

Market Size of Electronics Manufacturing Services Market (by Revenue), China, 2020-2029E



Source: IMF, Frost & Sullivan

Analysis of Price Trends of Major Raw Materials

As a critical raw material in wireless communication modules, DRAM exhibits extremely volatile price fluctuations. Taking DDR4 as an example, the contract price of an 8GB DDR4 memory chip was USD3.0 per piece in 2020, rose to USD3.7 per piece in 2021, fell back to USD3.0 per piece in 2022, continued to decline to USD1.5 per piece in 2023, and rebounded to USD1.8 per piece in 2024. The price of DDR4 memory chips is volatile and cyclical. The price increase in 2021 was mainly due to global chip capacity shortages and supply chain tensions caused by the pandemic. The price declines in 2022 and 2023 were mainly due to factors such as overcapacity, a weak consumer electronics market, and industry inventory correction cycles. The price rebound in 2024 was jointly driven by multiple factors, including explosive demand for AI servers, active production cuts by manufacturers, and the recovery of 5G communication equipment demand. Due to the comprehensive production phasedown leading to an enlarged supply gap, combined with rigid demand in industrial/automotive sectors, the price is projected to continue rising throughout 2025.

Key Drivers for Wireless Communication Module Market

- ***Diversification of Downstream Applications Fueling Demand***

Wireless communication modules drive cross-industry innovation: enabling phone/AR connectivity, automotive networking, IoT tracking, smart home automation, and retail AI systems. This fuels demand for multi-standard, power-efficient, and rugged designs tailored to sector needs.

- ***AI Convergence Reshaping Market Opportunities***

Edge AI transforms wireless communication modules into nodes, enabling autonomous vehicles, voice-controlled hubs, and retail vision systems. These AI-enhanced modules require accelerators, 5G/6G, and adaptive computing for localized inference, driving demand in manufacturing IoT and smart retail.

- ***5G Commercialization***

5G commercialization boosts wireless communication module demand with its high-speed, low-latency connectivity for industrial IoT, autonomous vehicles, and VR. This drives market growth and spurs development of 5G-compliant modules across industries.

Development Trends of the Wireless Communication Module Market

- ***AI/ML and Edge Computing Integration***

AI-powered wireless communication modules enable autonomous systems via edge computing. Embedded NPUs perform real-time analytics like predictive maintenance while reducing cloud dependency. 5G-AI modules optimize connectivity in crowded venues. Federated learning enhances privacy by training models locally, requiring efficient thermal/power designs for edge workloads.

- ***Ultra-Low-Power Solutions***

Ultra-low-power wireless communication modules optimize hardware, software, and protocols to cut energy use while maintaining performance. They extend battery life, lower costs, and reduce emissions in IoT, wearables, and smart homes. Advancing semiconductor and energy harvesting tech makes them essential for AI applications.

- ***Modularization and Customization for Vertical Industries***

Industry-specific wireless communication modules replace generic solutions. Automotive-grade (AEC-Q100) supports V2X, industrial IoT enables TSN synchronization, and healthcare modules ensure HIPAA compliance. SDR allows multi-protocol switching, while open SDKs enable custom firmware for agriculture/logistics applications.

ANALYSIS OF COMPETITIVE LANDSCAPE OF WIRELESS COMMUNICATION MODULE MARKET

Competitive Landscape Analysis of the Global Wireless Communication Module Market

The global wireless communication module industry features a tiered competitive landscape, with companies in each tier exhibiting different levels of market influence and revenue.

In the first tier, there are two industry giants widely recognized as global market leaders, each generating annual revenue exceeding RMB5.0 billion. Their products are extensively used in automotive, financial payment, water/electricity/gas metering, robotics, and other fields. Through continuous innovation and R&D investment, these two companies maintain a strong competitive edge worldwide. The second tier is primarily composed of three companies, each typically surpassing RMB1.0 billion in annual revenue. Although their overall market share is smaller than that of the first-tier giants, they demonstrate notable strength in certain specialized segments and are actively expanding their presence in both domestic and international markets. The third tier consists of smaller-scale wireless communication module suppliers, whose annual revenue generally falls below RMB1.0 billion. While these companies have relatively limited resources and market reach, they play a crucial role in driving innovation and fostering competition, often focusing on specialized or emerging areas. Overall, the global wireless communication module industry is characterized by a "two-giant, three-strong" pattern, reflecting a high degree of market concentration. Although leading players dominate in terms of scale and revenue, the diversity of companies across various tiers ensures ongoing technological progress and a dynamic competitive environment.

Ranking and Market Share Analysis of the Major Wireless Communication Module Companies

In 2024, the global wireless communication module market exhibits a relatively concentrated competitive landscape, with the top five companies collectively holding 76.1% of the market share. Among these players, the Company stands out as one of the two leading enterprises in the wireless communication module space, securing second place with an 15.4% market share and RMB6.7 billion in revenue.

Notably, in the consumer electronics sector and the smart home sector, the Company ranks first with revenues of RMB1.7 billion, and RMB2.4 billion, respectively. In the automotive electronics sector, the Company ranks second with revenue of RMB1.7 billion, underscoring its strong competitiveness in the wireless communication module industry.

Ranking of Wireless Communication Module Companies (by Revenue), Global, 2024

Ranking	Company	Revenue (RMB Billion)	Market Share (%)
1	Company A	18.6	42.7%
2	**The Company**	**6.7**	**15.4%**
3	Company B	3.0	6.9%
4	Company C	2.8	6.3%
5	Company D	2.1	4.8%

Source: Frost & Sullivan

Ranking of Wireless Communication Module Companies in Automotive Electronics Sector (by Revenue), Global, 2024

Ranking	Company	Revenue (RMB Billion)	Market Share (%)
1	Company A	2.8	23.8%
2	**The Company**	**1.7**	**14.4%**
3	Company B	1.2	10.0%
4	Company C	0.9	7.6%
5	Company E	0.5	4.6%

Source: Frost & Sullivan

Ranking of Wireless Communication Module Companies in Consumer Electronics Sector (by Revenue), Global, 2024

Ranking	Company	Revenue (RMB Billion)	Market Share (%)
1	**The Company**	**1.7**	**75.9%**
	Others	**0.5**	**24.1%**

Source: Frost & Sullivan

Ranking of Wireless Communication Module Companies in Smart Home Sector (by Revenue), Global, 2024

Ranking	Company	Revenue (RMB Billion)	Market Share (%)
1	**The Company**	**2.4**	**36.6%**
2	Company B	1.1	16.5%
3	Company A	0.9	13.2%

Source: Frost & Sullivan

Notes:

(1) Company A is a listed company, founded in 2010 and headquartered in Shanghai, China. It is a global supplier of cellular and GNSS modules, specializing in providing wireless communication modules for various industries.

(2) Company B is a private company, founded in 2005 and headquartered in Beijing China. It operates in the telecommunications sector, focusing on the development and provision of communication technologies and solutions.

(3) Company C is a listed company, founded in 2007 and headquartered in Shenzhen, China. It is a world-class provider of IoT terminals and wireless data solutions, offering standardized smart communication modules and IoT solutions for global customers.

(4) Company D is a listed company, founded in 1997 and headquartered in Beijing, China. It is one of the world's largest mobile network operator, providing mobile voice and multimedia services through its nationwide mobile telecommunications network across China.

(5) Company E is a listed company, founded in 1994 and headquartered in Shenzhen, China. It is a national high-tech enterprise focusing on intelligent connectivity, providing a comprehensive artificial intelligence IoT industry chain, including wireless communication modules, enterprise-level IoT cloud platforms, AIoT devices, and city-level large and medium-sized platforms.

Entry Barriers of the Wireless Communication Module Market

- ***Technical Complexity and Certification Hurdles***

As a key component for realizing device interconnection, the efficient data transmission capability of wireless communication modules relies on advanced wireless communication technologies and intelligent data processing technologies. However, 5G communication modules facing the global market are subject to strict multiple certification requirements. They must not only comply with global communication standards such as 3GPP, but also pass regional certifications such as FCC, CE, and NCC, as well as network access tests of major carriers such as AT&T and Verizon. The process of obtaining all these certifications is extremely complex and time-consuming, during which a large amount of R&D resources need to be invested in repeated testing and optimization. For new entrants, they not only need to break through technical barriers but also bear high certification costs, which makes the market access threshold extremely high. At present, the number of enterprises worldwide that can obtain the above high-standard certifications accounts for only a very small proportion of all enterprises.

- ***High Capital Intensity and R&D Investment***

The wireless communication market is characterized by rapid technological iterations and stringent standards. From module design to performance testing, it is necessary to continuously invest huge amounts of funds in building laboratories and purchasing precision equipment. At the same time, it is essential to form high-end R&D teams to tackle core technical challenges such as radio frequency and communication protocols. The substantial sunk costs and long return cycles make it difficult for enterprises with weak capital strength to enter this market.

OVERVIEW OF THE COMPANY'S FOCUS IN THE FIELD OF ROBOTICS

Market Analysis of the Lawn Mowing Robotics

The lawn mowing robot is an automated device used for mowing. With built-in sensors and a navigation system, it has functions such as autonomous movement, area recognition, timed operation, random walking, and obstacle avoidance, significantly improving the efficiency of lawn maintenance and leading to a continuous increase in market demand. Its core lies in advanced communication modules, which integrate AI navigation, multiple types of environmental sensors, and precise positioning technologies. The AI processes terrain data locally to optimize the mowing and obstacle avoidance strategies, and the wireless protocols enable secure cloud connections to support remote control and fleet management. Technical features such as low-latency transmission, edge computing, and multi-sensor synchronization are in line with the development trend of mobile robots, making the communication modules a key factor in ensuring the efficient and stable operation of lawn mowing robots.

Market Size of the Lawn Mowing Robotics

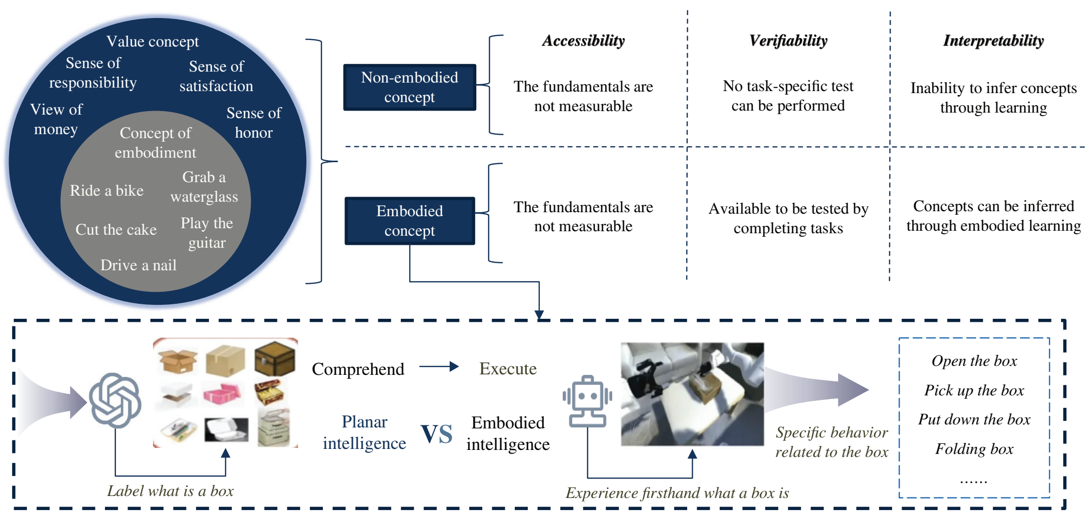
The global lawn mowing robotic market is undergoing a high expansion phase and is expected to continuously grow at a CAGR of 14.3% from 2024 to 2029. The market size is expected to increase from USD2,494.9 million in 2024 to USD4,873.0 million in 2029. This growth trajectory is driven by multiple technological innovations, policy support and structural demand in the regional market, demonstrating strong long-term development potential.

OVERVIEW OF EMBODIED INTELLIGENCE ARCHITECTURE

Embodied intelligence is an intelligent system that realizes the perception, cognition and behavioral control of the world through the dynamic interaction between the body and the environment. The scientific theory of embodied intelligence is that true understanding comes from behavioral practice, and through actual actions and interactions, machines or individuals can deeply understand and embody scenes and concepts. The global embodied intelligence market, valued at USD2.2 billion in 2024, is projected to reach USD16.1 billion by 2029, boasting a CAGR of over 48.9%.

Embodied intelligence, whether humanoid robots or context-aware service machines, require communication modules that replicate neural-like coordination between perception, cognition, and action. These modules provide the backbone for real-time fusion of multi-modal sensory inputs (visual, auditory, tactile) and their translation into motion control signals. AI modules enable on-device processing of reinforcement learning algorithms for adaptive decision-making, while high-speed 5G/mmWave or TSN protocols ensure sub-millisecond latency in dynamic human-robot interactions.

Definition of Embodied Intelligence Architecture



Source: Frost & Sullivan

The embodied intelligence industrial chain is composed of three collaborative levels. The upstream focuses on core enabling technologies, including advanced sensors, AI processors, adaptive algorithms, and computing platforms; the midstream integrates components into interactive products such as autonomous driving vehicles and collaborative robots; the downstream applications cover multiple fields such as logistics, healthcare, and Urban Management, and accelerate deployment through cross-domain factors such as the 5G-V2X network to form a closed-loop system and achieve the vertical integration of AI innovation and commercial applications.

APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE PRC

Regulations on Telecommunications Equipment Network Access

According to Measures for the Administration of Telecommunications Equipment Access to the Network (《電信設備進網管理辦法》), which was lasted amended by MIIT on January 18, 2024, the State applies a network access licensing system to telecommunications terminal equipment, radio communication equipment and telecommunications equipment involving interconnection of public telecommunications networks. The telecommunications equipment subject to the network access license system must obtain the network access license issued by the Ministry of Industry and Information Technology; Without access to the network license, may not access the public telecommunications network to use and sell in the country.

Regulations on IoV and Intelligent Connected Vehicles Industry

According to the Guideline for Developing National Vehicles Connectivity Industry Standard System (Electronic Products and Services) (《國家車聯網產業標準體系建設指南(電子產品與服務)》) issued by the Ministry of Industry and Information Technology and the Standardisation Administration on June 8, 2018, it mainly aims at the standardisation of automotive electronic products, in-vehicle information systems, and in-vehicle information services and platforms that underpin the IoV industry chain, and clarifies the development direction of standardisation of IoV electronic products and in-vehicle information services.

In order to implement the National Standardization Development Outline (《國家標準化發展綱要》), promote the high-quality development of the intelligent connected vehicle industry, and accelerate the construction of an automobile power, MIIT has revised and improved the Guidelines for the Construction of the National Connected Vehicle Industry Standard System (Intelligent Connected Vehicles) based on the development of the intelligent connected vehicle technology industry, further formed the Guidelines for the Construction of the National Vehicles Connectivity Industry Standard System (Intelligent Connected Vehicles) (2023 Edition) (《國家車聯網產業標準體系建設指南(智能網聯汽車)(2023年版)》), which provided that the government will establish a standard system for intelligent connected vehicles that adapts to China's national conditions and is in line with international standards in stages based on the current status of intelligent connected vehicle technology, industry needs, and future development trends.

According to the Interim Provisions on Radio Management of Automobile Radar (《汽車雷達無線電管理暫行規定》) promulgated by the MIIT on November 16, 2021 and effective from March 1, 2022, the automobile radar equipment manufactured or imported for domestic sale or use shall comply with the RF Technical Requirements for Automobile Radar and apply for the radio type approval of the radio transmitting equipment from the national radio administration agency.

The "National Guidelines for the Construction of the Industrial Standard System for Vehicles Connectivity (Intelligent and Connected Vehicles) (2023 Edition)" (國家車聯網產業標準體系建設指南(智能網聯汽車)(2023年版)) were jointly revised and issued by the Ministry of Industry and Information Technology (工業和信息化部) and the Standardization Administration of the People's Republic of China (國家標準化管理委員會). The guideline primarily focuses on the universal norms, core technologies, and key product applications of intelligent and connected vehicles, aiming to establish a comprehensive standard system that encompasses the basics, technologies, products, and testing standards for intelligent and connected vehicles. The guideline will direct the National Automotive Standardization Technical Committee's Intelligent and Connected Vehicle Subcommittee and relevant organizations to intensify their efforts in developing standards in key areas such as functional safety, cybersecurity, operating systems, and promote the dissemination and implementation of critical standards.

The "On-board Wireless Communication Terminal" (《車載無線通信終端》)(GB/T 43187-2023) is a national recommended standard that stipulates the technical requirements for on-board wireless communication terminals. It also outlines the testing methods and inspection rules for these terminals, providing detailed specifications for various aspects such as communication performance, electromagnetic compatibility (EMC), environmental adaptability, and durability.

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

We provide both smart cockpits and intelligent vehicle connectivity solutions. Thus, we must ensure that the hardware and software services we provide meet the regulatory requirements pertaining to data security, network security, software updates, functional safety, and safety of the intended functionality (SOTIF) in the context of intelligent and connected vehicles. We must also stay informed about the evolving regulatory landscape and ensure that our products and services remain compliant with the latest requirements.

Regulations Relating to Corporation and Foreign Investment

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

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**") and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities. On December 30, 2019, the Ministry of Commerce of the PRC (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, the establishment of the foreign invested enterprises by foreign investors and establishment through purchasing the equities of a non-foreign invested enterprise and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which were promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**"), which was promulgated by the NDRC and the MOFCOM on October 26, 2022 and became effective on January 1, 2023, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. According to the Negative List and the Encouraging Catalog, as of the Latest Practicable Date, our business does not fall within the scope of the Negative List and is not subject to special management measures.

Regulations Relating to Customs Declaration

The Customs Law of the PRC (《中華人民共和國海關法》) was promulgated by the SCNPC on January 22, 1987 and effective from July 1, 1987, and last amended on April 29, 2021, stipulate that the customs of the PRC is a governmental organization responsible for supervision and control over all arrivals in and departures from the customs territory. All the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. The customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities, otherwise may be imposed fines by the customs.

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs of the PRC (the "**GACC**") on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed. According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of "Integrating Multiple Certificates into One" (《關於報關單位備案全面納入"多證合一"改革的公告》) jointly issued by the GACC and the SAMR on December 20, 2021 and effective from January 1, 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant to procedures of "Integrating Multiple Certificates into One" and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs.

In addition, the Decision of the SCNPC on revising the Foreign Trade Law of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國對外貿易法》的決定) issued by the SCNPC on December 30, 2022 deleted the requirements on the foreign trade dealers engaged in the import and export of goods or technologies to be registered with the competent administrative departments of foreign trade of the State Council or any institutions authorized thereby, namely the filing of foreign trade dealers.

Pursuant to the Regulations of the People's Republic of China on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) (the "Regulations on the Administration of Import and Export of Goods") promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, which came into effect on May 1, 2024, enterprises engaged in the trade activities of importing goods into the territory of the

People's Republic of China or exporting goods outside of China must comply with the Regulations on the Administration of Import and Export of Goods. Goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota system; and goods whose import or export is free shall not be subject to restriction. The consignee of imported goods or the consignor of exported goods shall submit an automatic import and export license, an import and export license or a quota certificate to the customs for customs clearance.

We have obtained the Customs Record Receipt of Consignees and Consignors of Imported and Exported Goods (海關進出口貨物收發貨人備案回執) and the Foreign Trade Dealers Filing Receipt (對外貿易經營者備案登記表) in compliance with the legal requirements by obtaining.

With our dedication to expanding into international markets and increasing our international sales, we are committed to adhering to the relevant export laws and regulations, including ensuring that our export activities are conducted in accordance with customs clearance procedures, obtaining any necessary export licenses or permits, and complying with international trade agreements, sanctions, and other export control measures, among others.

Regulations on Production Safety

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

Regulations on Product Quality

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

Regulations on Real Estate

The Civil Code of the People's Republic of China (《中華人民共和國民法典》) was promulgated by the NPC on May 28, 2020, and implemented on January 1, 2021. According to the Civil Code, the establishment, modification, assignment and extinguishment of real estate property rights are effective upon registration in accordance with the law; unless the law stipulates otherwise, such establishment, modification, assignment and extinguishment shall be ineffective without registration. Real estate registration shall be handled by the registration authority at the location of the property.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, taking effect on March 1, 2015 and amended on March 24, 2019 and March 10, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and Resources on January 1, 2016 and amended on July 24, 2019 and May 9, 2024, provide that, among other things, the State implements a uniform real estate registration system and real estate registration shall follow the principles of strict administration, stability, continuity, and convenience for the masses.

Regulations on the Management of Lease Housing

Pursuant to (i) the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019 and took effect on January 1, 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines.

PRC Laws and Regulations on Intellectual Property Rights

Patent

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) was enacted by the SCNPC on March 12, 1984, implemented on April 1, 1985, and most recently revised on October 17, 2020, with implementation from June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) were issued by the State Council on June 15, 2001, implemented on July 1, 2001, and most recently revised on December 11, 2023, with implementation from January 20, 2024. According to these laws, regulations and detailed rules, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date. Any entity or individual that exploits another's patent must conclude a licensing agreement with the patent holder and pay royalties. Exploiting a patent without the permission of the patent holder constitutes an infringement of their patent rights.

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982, implemented on March 1, 1983, and most recently revised on April 23, 2019, with implementation from November 1, 2019. The Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002, implemented on September 15, 2002, and most recently revised on April 29, 2014, with implementation from May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

Layout-Designs of Integrated Circuits

The Regulations on the Protection of Layout-Designs of Integrated Circuits (《集成電路佈圖設計保護條例》) were issued by the State Council on April 2, 2001, and implemented on October 1, 2001. According to these regulations, natural persons, legal persons or other organizations in China who create layout-designs have exclusive rights to their designs. Foreign persons whose layout-designs are first commercially exploited within the territory of China are also entitled to exclusive rights to their designs. The protection term for the exclusive right of a layout-design is 10 years, calculated from the date of the design registration application or the first date of commercial use anywhere in the world, whichever is earlier. However, a layout-design is no longer protected under these regulations 15 years after its creation, regardless of registration or commercial use.

Domain Name

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were issued by the MIIT on August 24, 2017, and implemented on November 1, 2017. According to these management measures, the MIIT is the primary regulatory authority for the management of Internet domain names in China. Domain name registration is processed through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

Computers Software Copyright

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day, regulates the registration of software copyright, the exclusive licensing contract and assignment contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and designates the China Copyright Protection Center as the agency for software registration. The China Copyright Protection Center will grant certificates of registration to computer software copyright applicants.

Regulations on Employment and Social Welfare

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of part-time employees and dismissal of employees.

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》) was promulgated by the SCNPC on July 5, 1994, implemented on January 1, 1995, and most recently revised and implemented on December 29, 2018. The Labor Law of the People's Republic of China stipulates matters related to promoting employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities.

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

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

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

Regulations Relating to Overseas Investment

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

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

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

Regulations on Foreign Exchange

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996 and effective on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions documents and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

According to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 working days after the completion of its overseas listing, go through the registration of overseas listing with the foreign exchange bureau at its place of registration. A domestic issuer may transfer the capital raised through overseas listing to its local bank account or deposit at its overseas account. The use of proceeds shall be consistent with the purposes disclosed in this document or other public documents.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) announced by SAFE and effective on June 9, 2016, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) announced and effective on December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and interim and post regulation.

Regulations on Taxation

Enterprise Income Tax

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

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

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) amended by the State Council and became effective on November 19, 2017 and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) amended by the MOF on October 28, 2011 and effective on November 1, 2011, all entities and individuals in the PRC engaging in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods are required to pay value-added tax. For taxpayers selling or importing goods, the general tax rate shall be 17% unless otherwise specified in the aforesaid regulations.

According to the Notice on the Adjustment to VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the State Administration of Taxation on April 4, 2018, and became effective as of May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (2019 No. 39 of MOF, State Administration of Taxation and General Administration of Customs), promulgated by the MOF, the State Administration of Taxation and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

Tax on Dividends

For Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), or the Individual Income Tax Law, amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on September 7, 2015 and effective on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷稅漏稅的安排》第五議定書), or the Fifth Protocol, issued by The State Administration of Taxation and effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

For Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, amended by the SCNPC and effective on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the Implementation Rules of the EIT Law, last amended by the State Council on December 6, 2024 and effective on January 20, 2025, a non-resident enterprise is subject to a reduced rate of 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation and effective on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated by the State Administration of Taxation and effective July 24, 2009 further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《所得稅避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification.

Tax related to equity transfer income

For Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and The State Administration of Taxation and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The State Administration of Taxation does not specify whether to continue to exempt individuals from personal income tax on the income from the transfer of shares in listed company in the newly revised Individual Income Tax Law and Implementation Rules of the Individual Income Tax Law.

For Enterprise Investors

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

Stamp Duty

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

Regulations Relating to Overseas Offering and Listing

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

The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events (the "**Material Events**") after the Overseas Offering and Listing. Upon the occurrence of any of the Material Events specified below after the Overseas Offering, the issuer shall make a detailed report to the CSRC within 3 working days after the occurrence and public announcement of the relevant event: (i) change in controlling rights; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or the relevant authorities; (iii) changing listing status or changing the listing board; or (iv) voluntary or compulsory termination of listing. Besides, if any material change in the principal business and operation of the issuer after its Overseas Offering and Listing makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within 3 working days after the occurrence of the relevant change to provide an explanation of the relevant situation. According to the Overseas Listing Trial Measures, the PRC domestic enterprises engaging in

Overseas Offering and Listing activities shall strictly comply with the PRC laws, administrative regulations, and relevant provisions on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interests and the legitimate rights and interests of domestic investors. The PRC domestic enterprise that conducts Overseas Offering and Listing shall (i) formulate its articles of association, improve its internal control system and standardize its corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (ii) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, shall not divulge any state secret or the work secrets of state authorities, and shall also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provisions of personal information and important data.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

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

REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Cybersecurity

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "Cybersecurity Law") promulgated by the SCNPC on November 7, 2016 and effective as of June 1, 2017, when carrying out business operation and service activities, network operators shall abide by laws and administrative regulations, fulfill the obligation of cybersecurity protection. Furthermore, to construct and operate a network, or to provide services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data.

Data Security

According to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021 and effective as of September 1, 2021, PRC shall establish a data classification and hierarchical protection system to formulate catalogs of important data, and strengthen the protection of important data. In accordance with the provisions of laws and regulations, whoever carries out data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security and strengthen risk monitoring. Disposal measures shall be taken immediately upon occurrence of a data security incident, users shall be timely notified in accordance with the relevant provisions and reports shall be made to the relevant competent authority. Processors of important data shall specify the person responsible for data security and the management body, and implement the responsibility of data security protection; carry out risk assessment on their data processing activities on a regular basis and submit a risk assessment report to the relevant competent authority. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of People's Republic of China and other applicable measures to provide important data outside China, such company may be punished by administration sanctions, including penalties, fines, and/or may suspension of relevant business or revocation of the business license.

According to the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) promulgated by the State Council on July 30, 2021 and effective as of September 1, 2021, it stipulates the definition and the identification procedure of the critical information infrastructure. Critical information infrastructure refer to the important network facilities and information systems in important industries and fields such as public telecommunications, information services, energy, transportation, water conservancy, finance, public services, e-government and national defense science, technology and industry, as well as other important network facilities and information systems which, in case of destruction, loss of function or leak of data, may result in serious damage to national security, the national economy and the people's livelihood and public interests. For the important industries and fields mentioned in Article 2 thereof, the competent authorities and supervisory authorities are the authorities responsible for the security protection of critical information infrastructure. Operators of critical information infrastructure shall take technical protection measures and other necessary measures based on the graded protection for cybersecurity, respond to cybersecurity incidents, prevent cyber attacks and illegal and criminal activities, guarantee the safe and stable operation of critical information infrastructure, and maintain the integrity, confidentiality and availability of data. Meanwhile, critical information infrastructure operators shall pass the security review in accordance with the national cybersecurity provisions, if the purchase of networking products or services may affect national security.

Personal Information Protection

According to the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "PIPL") promulgated by the SCNPC on August 20, 2021 and effective on November 1, 2021, it integrates the scattered rules with respect to personal information rights and privacy protection. The PIPL is enacted to protect the rights and interests of personal information, regulate the handling of personal information and promote the reasonable use of personal information. Personal information, as defined in the PIPL, refers to all kinds of information related to identified or identifiable natural persons recorded by electronic or other means, excluding the information handled anonymously. The PIPL provides the conditions under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation.

According to the Regulation on Network Data Security Management (《網絡數據安全管理條例》) promulgated by the State Council on September 24, 2024 and effective as of January 1, 2025, where network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations.

Cybersecurity Review

According to the Cybersecurity Review Measures (《網絡安全審查辦法》) promulgated on December 28, 2021 by the Cyberspace Administration of China (the "CAC"), NDRC, the MIIT and other ten PRC regulatory authorities, effective as of February 15, 2022, it requires that (i) the purchase of network products and services by critical information infrastructure operator which affects or may affect national security; (ii) the data processing activities carries out online platform operators, which affects or may affect national security; (iii) an online platform operator who possesses the personal information of more than 1 million users goes for public abroad shall declare to the Office of Cybersecurity Review for cybersecurity review.

U.S. AND CHINA TARIFF POLICIES

Tariff issued by the U.S. in relation to imports from China

On February 1, 2025, the United States imposed a 10% tariff on all imports from China, effective February 4, 2025. On March 3, 2025, the United States further imposed an additional 10% tariff on all imports from China (including the Hong Kong SAR), thereby increasing the U.S. tariff rate on all imports from China to 20%, effective March 4, 2025. Later in March, the U.S. government escalated trade actions by announcing a 25% tariff on imported automobiles and key automotive parts.

On April 2, 2025, the U.S. government imposed reciprocal tariffs on imports from China with a baseline at 34%, effective April 5, 2025. The U.S. government also eliminated the de minimis exemption for low-value imports from China and imposed a 30% on these imports. From April 2 to April 9, 2025, the U.S. tariff on low-value imports from China increased from 30% to 120%. On April 8, 2025, the U.S. government increased reciprocal tariffs on imports from China from 34% to 84%, effective on April 9, 2025. On April 9, 2025, the U.S. government increased reciprocal tariffs on imports from China from 84% to 125%, effective on April 10, 2025, and on April 9, 2025, the U.S. government introduced a 90-day pause on tariff increases for over 75 countries, excluding China.

On May 12, the United States and China agreed to a 90-day reduction in tariffs. The U.S. reduced its reciprocal tariffs on Chinese goods from 125% to 10%, effective May 14, 2025. The U.S. government also reduced its "de minimis" tariff rate on low-value imports from China from 120% to 54%, while maintaining the flat processing fee.

Tariff issued by the China in relation to imports from the U.S.

On February 4, 2025, in response to the U.S. tariffs, China introduced a 15% or 10% tariff on selected U.S. goods, effective February 10, 2025. On April 4, 2025, in response to the U.S. reciprocal tariff, China imposed a 34% on imported goods of U.S. origin, effective April 10, 2025. On April 9, 2025, China further increased the tariff on imported goods of U.S. origin from 34% to 84%, effective April 10, 2025. On April 11, 2025, China increased the tariff on imported goods of U.S. origin from 84% to 125%, effective April 12, 2025.

On May 13, 2025, China lowered its retaliatory tariffs from 125% to 10%, effective May 14, 2025, by suspending 24% of the retaliatory tariffs for 90 day. On August 12, 2025, China extended the suspension of the 24% retaliatory tariffs for another 90 days.

OVERVIEW

Our history can be traced back to November 1999, when our predecessor, Shenzhen G&T Industrial Development Co., Ltd. (深圳市廣和通實業發展有限公司, "**Shenzhen G&T**"), was established in the PRC. Subsequently, in December 2014, we were converted from a limited liability company into a joint stock limited company. In April 2017, our A Shares were listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300638) (the "**A Share Listing**").

Over the years, we have evolved into a global leading company in the wireless communication module industry. According to Frost & Sullivan, in 2024, we were the second largest provider of wireless communication modules in the world with a market share of 15.4% of the global market in terms of our revenue from continuing operations.

As of the Latest Practicable Date, Mr. Zhang Tianyu, our founder, controlling Shareholder, executive Director and chairman of our Board, was interested in an aggregate of 281,512,495 A Shares, representing approximately 36.78% of our total issued share capital and approximately 36.90% of the voting power at general meetings of our Company (excluding the 2,627,960 A Shares held by our Company as treasury Shares). For details of Mr. Zhang Tianyu's background, see "Directors, Supervisors and Senior Management" and "Relationship with our Controlling Shareholder" in this prospectus. For further details of the treasury Shares, see "Share Capital — Our Shares" in this prospectus.

BUSINESS MILESTONES

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

Year	Event
1999	Shenzhen G&T, our predecessor, was established in the PRC.
2009	We launched our own wireless communication module brand, with dedication to providing high-quality wireless communication modules and solutions to the market.
2014	We obtained strategic investment from Intel Corporation, one of the world's largest manufacturers of central processing units and semiconductors.
2015	We expanded into overseas markets.
2017	Our A Shares were listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300638).

Year	Event
2017	We introduced smart modules with built-in high-performance processor to achieve vertical integration of our products into practical application scenarios.
2019	We collaborated with Intel Corporation to launch one of the world's first batch of 5G data transmission modules and introduced one of the world's first 5G data transmission module integrated with blockchain technology.
2020	We collaborated with China Unicom to launch one of the world's first batch of 5G+eSIM modules and one of China's first sets of 5G modules equipped with domestically produced chips.
2021	We launched the first Environmental, Social, and Governance ("**ESG**") report in the module industry to foster sustainable development.
2022	We commenced strategic collaboration with several Global 500 companies in the areas such as mobile broadband and the Internet of Vehicles.
2024	We launched "Fibocom AI Stack", an edge AI enabling platform, and Edge AI solutions, and subsequently one of the world's first batch of AI modules in 2025. We developed lawn mower robotic solutions and our client's robotic lawn mowers equipped with our solutions received five-star rating from Heimwerker, a Germany-based commodity testing authority, in 2025. Our embodied AI robotic solution was recognized by the China Academy of Information and Communications Technology (中國信息通信研究院) and Communications Weekly (通信產業報) as an "Artificial Intelligence + Telecommunications Industry" Pioneer Empowerment Case ("人工智能+電信業"賦智先鋒案例) of 2024. During the 2024 Mobile World Congress Shanghai (MWCS 2024) (世界移動通信大會 • 上海), our Edge AI solutions was recognized as the 2024 Information and Communication Industry "New Quality Recommendation" — Best Innovation Solution for Edge AI Computing (2024年信息通信業"新質推薦"––邊緣AI計算最佳創新方案).

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Company had a total of 34 subsidiaries. The following sets out the place of establishment/incorporation and date of establishment/incorporation and principal business activities of our major subsidiaries that made a material contribution to our results of operations during the Track Record Period:

Name of subsidiary	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to our Group	Principal business activities
Fibocom Technology . .	PRC	June 2, 2022	100%	Research and development
Hong Kong Fibocom . .	Hong Kong	March 12, 2010	100%	Trading
Fibocom Software . . .	PRC	March 13, 2012	100%	Operation of IT service
Xi'an Fibocom Software	PRC	May 14, 2018	100%	Operation of IT service
Fibocom Investment . .	PRC	March 26, 2018	100%	Investment and trading
FIA	PRC	July 4, 2018	100%	End-product business
Chuanglian Technology	PRC	July 7, 2020	100%	Investment and trading
Hong Kong Rolling. . .	Hong Kong	July 13, 2020	100%	Trading
Favalon Technology . .	PRC	August 23, 2018	60.17%[(1)]	Operation of motor vehicles module business
Fibocom Auto	PRC	December 2, 2022	60.17%[(1)]	Research and development

Note:

(1) For further details of the other shareholders of Favalon Technology and Fibocom Auto, see the notes to "— Corporate Structure — Corporate Structure Immediately Before the Global Offering" in this section below.

For further details of our subsidiaries, see "— Corporate Structure" in this section and Note 1 of the Accountants' Report as set out in Appendix I in this prospectus.

For details of changes in the registered capital of our subsidiaries, see "Statutory and General Information — A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries" in Appendix IV to this prospectus.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

1. Early Development and Conversion into a Joint Stock Company

On November 11, 1999, the predecessor of our Company, Shenzhen G&T, was established under the laws of the PRC as a limited liability company by Mr. Zhang Tianyu, Mr. Liao Xin (廖欣) and Mr. Yan Wenjie (閻文傑) with an initial registered capital of RMB2,000,000.

On December 25, 2014, we were converted into a joint stock company and our name was changed to Fibocom Wireless Inc. (深圳市廣和通無線股份有限公司), upon the completion of which our Company had a total share capital of RMB60,000,000 comprising 60,000,000 Shares, with Mr. Zhang Tianyu holding controlling interest therein.

2. Listing on the ChiNext Board of the Shenzhen Stock Exchange in 2017

On April 13, 2017, our A Shares were listed on the ChiNext Board of the Shenzhen Stock Exchange. In connection with the A Share Listing, we issued an aggregate of 20,000,000 A Shares, representing approximately 25.0% of our then enlarged share capital, and raised net proceeds of approximately RMB180.6 million. The then shareholding structure of our Company immediately following the completion of our A Share Listing was as follows:

Shareholder	Number of Shares	Percentage shareholding
Mr. Zhang Tianyu	40,050,000	50.06%
Shenzhen Guanghe Chuangtong Investment Enterprise (Limited Partnership) (深圳市廣和創通投資企業(有限合夥), "**Guanghe Chuangtong**")(1)	8,010,000	10.01%
Intel Semiconductor (Dalian) Co., Ltd. (英特爾半導體(大連)有限公司)(2)	6,600,000	8.25%
Mr. Ying Lingpeng	4,272,000	5.34%
Mr. Xu Ning	1,068,000	1.34%
Other A Shareholders	20,000,000	25.00%
Total	**80,000,000**	**100.00%**

Notes:

(1) Guanghe Chuangtong is currently known as Xinyu Guanghe Chuanghong Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (新餘市廣和創虹創業投資合夥企業(有限合夥), "**Guanghe Chuanghong**"). As of the Latest Practicable Date, (i) Mr. Ying Lingpeng, as the general partner, held approximately 3.33% equity interest in Guanghe Chuanghong, (ii) Mr. Zhang Tianyu, as a limited partner, held approximately 26.67% equity interest in Guanghe Chuanghong and (iii) each of the remaining 21 limited partners of Guanghe Chuanghong held less than 5% equity interest therein.

(2) To the best knowledge of our Directors, it was an Independent Third Party.

In connection with our A Share Listing, the A Shares held by Mr. Zhang Tianyu, Guanghe Chuangtong, Mr. Ying Lingpeng and Mr. Xu Ning were subject to a lock-up period of 36 months since the listing date of our A Shares. As of the Latest Practicable Date, no A Shares of our Company were subject to any lock-up arrangements in connection with our A Share Listing.

Subsequent to the completion of the A Share Listing, there had been several instances of share capital changes of our Company as a result of capitalization issue and issuance of A Shares for employee incentive purpose. In November 2018, the total share capital of our Company reached RMB121,188,600 divided into 121,188,600 A Shares.

3. Private Placing of A Shares in 2019

In November 2019, we completed the placing of 12,792,395 A Shares to five subscribers at a price of RMB54.72 per Share, which was determined with reference to the average price of our A Shares 20 trading days prior to the pricing day. The five subscribers comprised (i) Bosera Asset Management Co., Ltd. (博時基金管理有限公司), (ii) Shenzhen Qianhai Hongtu M&A Fund Partnership (Limited Partnership) (深圳前海紅土併購基金合夥企業(有限合夥)), (iii) Hotland Innovation Asset Management Co., Ltd. (紅土創新基金管理有限公司), (iv) Foresight Fund Management Co., Ltd. (睿遠基金管理有限公司) and (v) CCB Investment Funds Management Co., Ltd. (建信(北京)投資基金管理有限責任公司), which are fund and asset managers and each of which was an Independent Third Party to the best knowledge of our Directors. We raised net proceeds of approximately RMB693.9 million from the placing, which were used for development of our wireless communication modules, headquarters construction project, informatization project and for our general working capital. As a result of the placing, our total share capital increased to RMB133,980,995 comprising 133,980,995 A Shares.

4. Other Shareholding Changes in 2019 and 2022

During the period between 2019 and 2022, our share capital further increased to RMB623,350,660 divided into 623,350,660 A Shares upon completion of various rounds of capitalization issues and issuance, repurchase and cancellation of A shares for employee incentive purpose.

5. Issuance of A Shares for Acquisition of Shenzhen Rolling in 2022

In November 2022, we issued an aggregate of 8,370,475 A Shares as part of the consideration for our acquisition of 51% equity interest in Shenzhen Rolling (together with its subsidiaries, "**Shenzhen Rolling Group**") (currently known as Chuanglian Technology). As a result, our total share capital increased from 623,350,660 A Shares to 631,721,135 A Shares. For details, see "— Major Acquisitions, Disposals and Mergers — Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024" in this section.

6. Other Shareholding Changes in 2022 and 2023

We also repurchased and cancelled A Shares for employee incentive purpose and completed capitalization issue in 2022 and 2023, resulting in further increase of our total share capital to a total of RMB757,689,310 comprising 757,689,310 A Shares.

7. Private Placing of A Shares in 2023

In July 2023, we placed a total of 7,884,972 A Shares to seven subscribers, comprising fund and asset managers and securities companies, at a price of RMB21.56 per Share, which was determined with reference to the average price of our A Shares 20 trading days prior to the pricing day. The seven subscribers were (i) Guangdong Tongmao Fumin Investment Management Partnership (Limited Partnership) (廣東同茂富民投資管理合夥企業(有限合夥)), (ii) Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司) (a company listed on the Stock Exchange (stock code: 02611)), (iii) China International Capital Corporation Limited (中國國際金融股份有限公司) (a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995)), (iv) Harfor Fund Management Co., Ltd. (華富基金管理有限公司), (v) Shenyang Xingtu Equity Investment Fund Management Co., Ltd. (瀋陽興途股權投資基金管理有限公司), (vi) Lord Abbett China Asset Management Co., Ltd. (諾德基金管理有限公司) and (vii) Taikang Asset Management Co., Ltd. (泰康資產管理有限責任公司). To the best knowledge of our Directors, each of the subscribers was an Independent Third Party. We raised net proceeds of approximately RMB165.6 million, which were used for research and development of our wireless communication modules and as our general working capital. As a result of the placing, our share capital further increased from RMB757,689,310 comprising 757,689,310 A Shares to that of RMB765,574,282 comprising 765,574,282 A Shares.

8. Other Shareholding Changes from 2023 and up to the Latest Practicable Date

Subsequently, we also completed various rounds of issuance, repurchase and cancellation of A Shares for employee incentive purpose from 2023 and up to the Latest Practicable Date. For details of change of share capital of our Company within the two years immediately preceding the date of this prospectus, see "Statutory and General Information — A. Further Information about Our Group — Changes in the Share Capital of Our Company" in Appendix IV to this prospectus.

As of the Latest Practicable Date, the total issued share capital of our Company consisted of 765,453,542 A Shares (including 2,627,960 A Shares as treasury Shares), all of which are listed on the ChiNext Board of the Shenzhen Stock Exchange. For further details of the treasury Shares, see "Share Capital — Our Shares" in this prospectus.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024

In July 2021, in order to expand our overseas in-vehicle front-fit wireless communication business and further strengthen our overseas market position, our Company entered into an equity purchase agreement (the "**Acquisition Agreement**") in respect of the acquisition of an aggregate of 51% equity interest in Shenzhen Rolling (a limited liability company incorporated in the PRC and principally engaged in overseas in-vehicle front-fit wireless communication business) from Shenzhen Innovation Investment Group Co., Ltd. (深圳市創新投資集團有限公司, "**Shenzhen Innovation Group**"), Shenzhen Qianhai Hongtu M&A Fund Partnership (Limited Partnership) (深圳前海紅土併購基金合夥企業(有限合夥), "**Hongtu LP**") and Shenzhen Jianxin Huaxun Equity Investment Fund Management Co., Ltd. (深圳建信華訊股權投資基金管理股份有限公司, "**Jianxin Huaxun**") (the "**Acquisition**"). The total consideration for the Acquisition was RMB249.69 million, among which (i) RMB87.89 million was settled in cash on November 25, 2022 and (ii) the remaining portion was settled by way of issuance of an aggregate of 8,370,475 A Shares (representing approximately 1.33% of the total share capital of our Company immediately upon completion of such issuance of 8,370,475 A Shares at the relevant time), which were listed on the ChiNext Board of the Shenzhen Stock Exchange on November 29, 2022. The consideration for the Acquisition was determined on an arm's length basis among the parties to the Acquisition Agreement with reference to the appraised value of the total shareholders' equity of Shenzhen Rolling as at March 31, 2021 prepared by an independent valuation institution based on the income approach. Each of Shenzhen Innovation Group, Hongtu LP and Jianxin Huaxun was an Independent Third Party.

Prior to the Acquisition, our Company held 49% equity interest in Shenzhen Rolling. Immediately upon completion of the Acquisition, our Company held 100% of the equity interest in Shenzhen Rolling and Shenzhen Rolling became our wholly-owned subsidiary, and the financial results of Shenzhen Rolling Group were consolidated into those of our Group. After completion of the Acquisition, our Group primarily operated our overseas in-vehicle front-fit wireless communication business through Hong Kong Rolling (a wholly-owned subsidiary of Shenzhen Rolling) and Luxembourg Rolling (a wholly-owned subsidiary of Hong Kong Rolling at the relevant time).

Subsequently, in light of the increasingly complex changes in the international market environment and the difficulties and costs associated with navigating such changes, we re-evaluated our strategic direction in international expansion and decided to dispose of our overseas in-vehicle front-fit wireless communication business segment operated through Hong Kong Rolling and Luxembourg Rolling in 2024. For further details on the regulatory background and the impact of the Disposal, see "Business — Our Products and Solutions — Discontinued Operation and the Disposal of Shenzhen Rolling." On July 3, 2024, Hong Kong Rolling, as the seller, entered into an asset purchase agreement (the "**Disposal Agreement**") with EUROPASOLAR S.À R.L ("**EUROPASOLAR**"), as the buyer and which was an Independent Third Party, in respect of the disposal of the assets related to Shenzhen Rolling's overseas in-vehicle front-fit wireless communication business, which consisted of 100% of the equity interest in Luxembourg Rolling and certain assets and liabilities of Hong Kong Rolling (together represented all of our operation of overseas in-vehicle front-fit wireless communication business segment at the relevant time) (collectively, the "**Disposed Shenzhen Rolling Portion**") to EUROPASOLAR at the total maximum consideration of USD150 million (the "**Disposal**"). Such consideration was determined on an arm's length basis among the parties to the Disposal Agreement with reference to the appraised value of the pro forma total shareholders' equity of the Disposed Shenzhen Rolling Portion on a consolidated basis as at December 31, 2023 prepared by an independent valuation institution by way of the income approach. Among the total maximum consideration of USD150 million, (i) USD96.23 million (as adjusted pursuant to the terms of the Disposal Agreement) was settled in cash by EUROPASOLAR on July 25, 2024 and (ii) the remaining portion of USD50 million (the "**Earnout Purchase Price**"), if any, shall be settled in accordance with the following payment schedule and adjustment mechanism as set out in the Disposal Agreement:

(i) *first instalment*: if the adjusted earnings before interest, taxes, depreciation, and amortization, ("**EBITDA**") of Luxembourg Rolling for the fiscal year ended December 31, 2024 is equal to or greater than USD30 million (the "**First Earnout Payment Condition**"), EUROPASOLAR shall pay or shall cause its designated affiliate(s) to pay to Hong Kong Rolling an amount equal to USD10 million within 20 business days after EUROPASOLAR submits the final and binding EBITDA statement with respect to such fiscal year to Hong Kong Rolling (which shall be on or before May 31, 2025) (the "**First Earnout Payment**");

(ii) *second instalment*: if the cumulative adjusted EBITDA of Luxembourg Rolling for the two fiscal years ending December 31, 2025 is equal to or greater than USD60 million, EUROPASOLAR shall pay or shall cause its designated affiliate(s) to pay an amount equal to USD20 million minus the First Earnout Payment within 20 business days after EUROPASOLAR submits the final and binding EBITDA statement with respect to such two fiscal years to Hong Kong Rolling (which shall be on or before May 31, 2026) (the "**Second Earnout Payment**");

(iii) *third instalment*: if the cumulative adjusted EBITDA of Luxembourg Rolling for the three fiscal years ending December 31, 2026 exceeds USD63 million but is less than USD90 million, the total earnout payment shall be calculated according to the following formula: USD50 million x (the cumulative adjusted EBITDA of Luxembourg Rolling for the three fiscal years ending December 31, 2026 – USD63 million)/USD27 million (the "**Total Earnout Payment**").

If the Total Earnout Payment minus the First Earnout Payment and the Second Earnout Payment received by Hong Kong Rolling previously, as applicable, is a positive amount, then EUROPASOLAR shall pay or shall cause its designated affiliate(s) to pay such difference to Hong Kong Rolling, or if such difference is a negative number, Hong Kong Rolling shall pay such difference to EUROPASOLAR.

If the cumulative adjusted EBITDA for the three fiscal years ending December 31, 2026 does not exceed USD63 million, then the Total Earnout Payment shall be zero, and Hong Kong Rolling shall pay back to EUROPASOLAR the First Earnout Payment and the Second Earnout Payment received previously, as applicable. In each of the above scenario, the relevant payment shall be made within 20 business days after EUROPASOLAR submits the final and binding EBITDA statement with respect to such three fiscal years to Hong Kong Rolling (which shall be on or before May 31, 2027);

(iv) if the cumulative adjusted EBITDA for the three fiscal years ending December 31, 2026 is equal to or greater than USD90 million, the Total Earnout Payment shall be USD50 million, and EUROPASOLAR shall pay, or shall cause its designated affiliate(s) to pay, to Hong Kong Rolling an amount equal to USD50 million minus the sum of the First Earnout Payment and the Second Earnout Payment received previously, as applicable, within 20 business days after EUROPASOLAR submits the final and binding EBITDA statement with respect to such fiscal year to Hong Kong Rolling (which shall be on or before May 31, 2027); and

(v) if during the period from the closing date of the Disposal Agreement (i.e. July 25, 2024) to December 31, 2026, EUROPASOLAR proposes to sell the controlling interest in Luxembourg Rolling at such sale, EUROPASOLAR shall either (i) pay all undue Earnout Purchase Price so that upon the closing of such sale, Hong Kong Rolling shall receive all Earnout Purchase Price within five business days following the completion of such sales or (ii) cause the purchaser in such sale to assume the rights and obligations relating to the payments of the Earnout Purchase Price or (iii) cause the purchaser in such sale to enter into a new agreement with Hong Kong Rolling regarding the payment of the remaining amount of the Earnout Purchase Price.

Pursuant to a supplemental agreement to the Disposal Agreement dated July 15, 2024 entered into by, among others, EUROPASOLAR and Hong Kong Rolling, it was agreed that the Earnout Purchase Price shall be settled by EUROPASOLAR in RMB pursuant to the designated exchange rate of USD1 to RMB7.30. As of the Latest Practicable Date, the First Earnout Payment Condition had been fulfilled. Hong Kong Rolling received the first instalment of the First Earnout Payment in the sum of USD4,986,338.80 on April 17, 2025, and the second instalment of the First Earnout Payment in the sum of USD4,986,338.80 on April 22, 2025, respectively.

Immediately upon completion of the Disposal on July 25, 2024, Luxembourg Rolling has ceased to be our subsidiary and the financial results of Luxembourg Rolling have ceased to be consolidated into those of our Group commencing from July 26, 2024, and we have also ceased to operate any overseas in-vehicle front-fit wireless communication business through Shenzhen Rolling Group since then. For details of the profits and cash flows from the discontinued operation of Luxembourg Rolling during the Track Record Period, see Note 10 to the Accountants' Report in Appendix I to this prospectus.

Immediately upon completion of the Disposal and up to the Latest Practicable Date, Shenzhen Rolling Group only comprised Shenzhen Rolling and Hong Kong Rolling, both of which continued to be members of our Group with no business operations.

The financial information of Shenzhen Rolling Group since the completion of the Acquisition has been reflected in our consolidated financial statements for the Track Record Period. For details, see the Accountants' Report in Appendix I to this prospectus.

As of the Latest Practicable Date, the Acquisition and the Disposal had been properly and legally completed.

Others

Save as disclosed above, throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any other major acquisitions, disposals or mergers.

OUR A SHARE LISTING AND REASONS FOR THE H SHARE LISTING

Since April 2017, our A Shares have been listed on ChiNext Board of the Shenzhen Stock Exchange. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance of our Group with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the Global Offering. Our PRC Legal Advisor is of the view that, (i) during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance of our Group with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations and (ii) our Company has complied with all laws and regulations, in all material respects, applicable to the A Share Listing throughout the two full financial years immediately preceding the new listing application and up to the Latest Practicable Date.

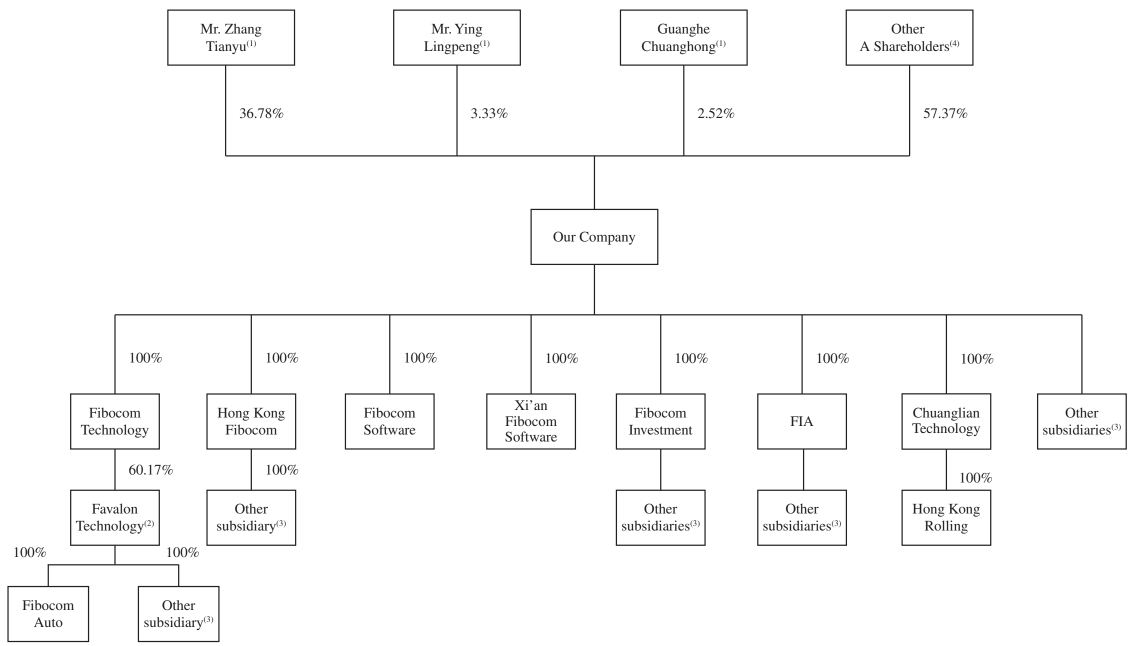
Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

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

CORPORATE STRUCTURE

Corporate Structure Immediately Before the Global Offering

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



Notes:

(1) As of the Latest Practicable Date, (i) Mr. Ying Lingpeng, as the general partner, held approximately 3.33% equity interest in Guanghe Chuanghong; (ii) Mr. Zhang Tianyu, as a limited partner, held approximately 26.67% equity interest in Guanghe Chuanghong; and (iii) each of the remaining 21 limited partners of Guanghe Chuanghong held less than 5% equity interest therein.

(2) As of the Latest Practicable Date, the remaining approximately 39.83% equity interest in Favalon Technology was held by the following parties: (i) approximately 14.17% by Shenzhen Guangtong Chuangyuan Enterprise Management Center (Limited Partnership) (深圳市廣通創遠企業管理中心(有限合夥), "**Shenzhen Guangtong Chuangyuan**"); (ii) approximately 11.62% by Shenzhen Chisheng Enterprise Management Consulting Partnership (Limited Partnership) (深圳馳勝企業管理諮詢合夥企業(有限合夥), "**Shenzhen Chisheng**"); (iii) approximately 9.55% by Jiaxing Liwei Equity Investment Partnership (Limited Partnership) (嘉興理韋股權投資合夥企業(有限合夥), "**Jiaxing Liwei Equity Investment**"); and (iv) approximately 4.50% by Mr. Ying Lingpeng.

As of the Latest Practicable Date, Shenzhen Guangtong Chuangyuan, our employee shareholding platform, was held as to (i) approximately 21.49% by FIA, our wholly-owned subsidiary and the sole general partner of Shenzhen Guangtong Chuangyuan; (ii) approximately 38.32% by Shenzhen Chijun Enterprise Management Consulting Partnership (Limited Partnership) (深圳馳駿企業管理諮詢合夥企業(有限合夥), "**Shenzhen Chijun**"); (iii) approximately 33.18% by Ms. Yang Yan (楊燕), an Independent Third Party except for being a substantial shareholder of Shenzhen Guangtong Chuangyuan; (iv) approximately 4.78% by Mr. Hou Meilu (侯美魯), an Independent Third Party; and (v) approximately 2.23% by Mr. Wu Ronghua (吳榮華), an Independent Third Party, respectively.

As of the Latest Practicable Date, Shenzhen Chijun, our employee shareholding platform, was held as to (i) approximately 0.28% by its sole general partner, FIA; (ii) approximately 66.48% by Mr. Qi Guangzhi (齊廣志), an Independent Third Party except for being a substantial shareholder of Shenzhen Chijun; and (iii) approximately 33.24% by Mr. Han Xiao (韓笑), an Independent Third Party except for being a substantial shareholder of Shenzhen Chijun.

As of the Latest Practicable Date, Shenzhen Chisheng, our employee shareholding platform, was held as to (i) 59.40% by FIA, being the sole general partner thereof; (ii) 22.01% by Shenzhen Chishang Enterprise Management Consulting Partnership (Limited Partnership) (深圳馳上企業管理諮詢合夥企業(有限合夥)), our employee shareholding platform which was in turn held as to 76.90% by its sole general partner, FIA, with the remaining 31 limited partners each holding less than 10% equity interest therein; (iii) 14.34% by Shenzhen Chiyao Enterprise Management Consulting Partnership (Limited Partnership) (深圳馳耀企業管理諮詢合夥企業(有限合夥)), our employee shareholding which was in turn held as to 66.56% by its sole general partner, FIA with the remaining 39 limited partners each holding less than 10% equity interest therein; (iv) 4.25% by Shenzhen Chiqing Enterprise Management Consulting Partnership (Limited Partnership) (深圳馳清企業管理諮詢合夥企業(有限合夥)), our employee shareholding platform that was in turn held as to 88.73% by its sole general partner, FIA with the remaining 20 limited partners each holding less than 10% equity interest therein.

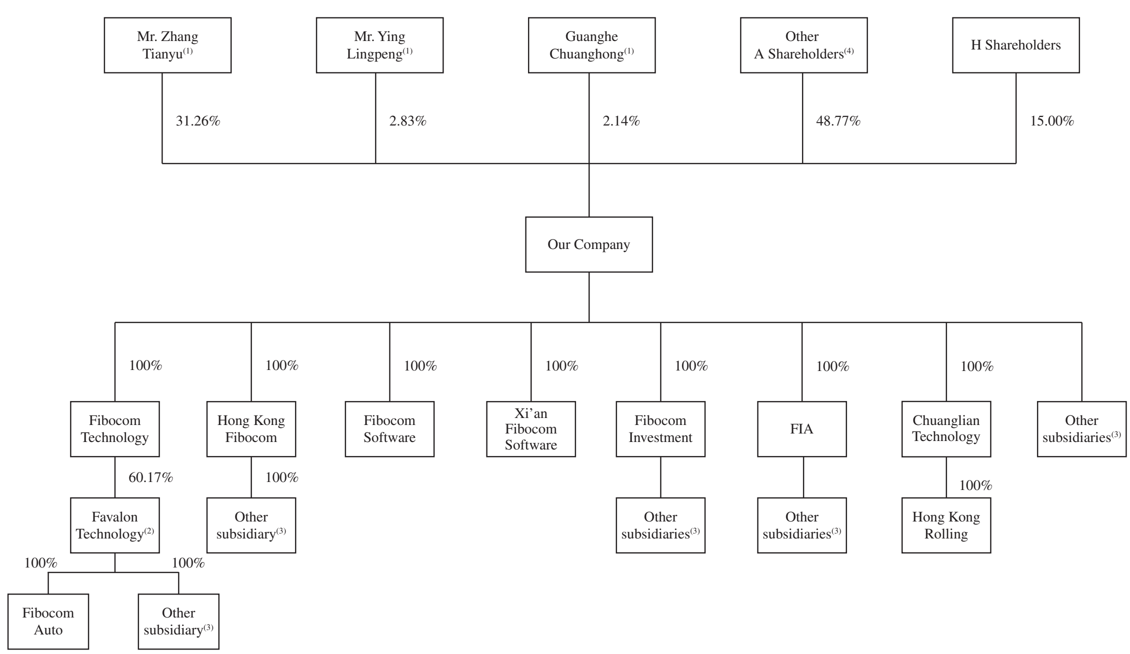
As of the Latest Practicable Date, the ultimate beneficial owner of Jiaxing Liwei Equity Investment was Shanghai Lineng Asset Management Co., Ltd. (上海理能資產管理有限公司), an Independent Third Party.

(3) As of the Latest Practicable Date, there were 24 other subsidiaries of our Company, which are not considered as our material subsidiaries. For further details of the subsidiaries of our Company as of April 30, 2025, see Note 1 of the Accountants' Report as set out in Appendix I in this prospectus.

(4) To the best knowledge of our Directors, none of such A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.

Corporate Structure Immediately After the Global Offering

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately after the completion the Global Offering, assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing.



Notes: For notes (1) to (4), see "— Corporate Structure — Corporate Structure Immediately Before the Global Offering" in this section.

PUBLIC FLOAT

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

So far as our Directors are aware, all 135,080,200 H Shares to be issued pursuant to the Global Offering, representing approximately 15.04% of our total issued share capital immediately upon Listing (assuming the Over-allotment Option is not exercised and excluding the 2,627,960 A Shares held by our Company as treasury Shares as of the Latest Practicable Date), will be held by the public and counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules at the time of the Listing. Accordingly, at the time of Listing, we will maintain a sufficient public float as required under Rule 19A.13A(2) of the Listing Rules where at least 10% of our Company's total number of issued shares (excluding the 2,627,960 A Shares held by our Company as treasury Shares as of the Latest Practicable Date) will be held by the public.

FREE FLOAT

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Our Company will comply with the free float requirement under Rule 19A.13C of the Listing Rules at the time of Listing.

OUR VISION

Building the foundation for the digital world and enriching a smarter life. To always be a trusted enterprise.

OVERVIEW

Who we are

We are a leading wireless communication module provider. Our module products include (i) data transmission modules, (ii) smart modules and (iii) AI modules. Building on our module products and understanding of downstream application scenarios, we provide customized solutions to our customers, including (i) Edge AI solutions, (ii) robotic solutions and (iii) other solutions.

Our module products and solutions have a wide range of application scenarios, primarily including (i) automotive electronics, (ii) smart home, (iii) consumer electronics and (iv) smart retail. According to Frost & Sullivan:

- We are the second largest wireless communication module provider globally with a market share of 15.4%, in terms of our revenue from continuing operations in 2024.

- In the global wireless communication module market, we hold leading positions in market share rankings in multiple downstream application scenarios. In particular:

  - ***Automotive electronics***. We rank the second globally with a market share of 14.4%, in terms of our revenue from continuing operations. In 2024, with a market size of RMB11.7 billion by revenue, the automotive electronics application scenario accounted for 26.8% of the global wireless communication module market by downstream application sector.

  - ***Smart home***. We rank the first globally with a market share of 36.6%, in terms of our revenue from continuing operations in 2024. In 2024, with a market size of RMB6.6 billion by revenue, smart home application scenarios accounted for 15.1% of the global wireless communication module market by downstream application sector.

  - ***Consumer electronics***. We rank the first globally with a market share of 75.9%, in terms of our revenue from continuing operations in 2024. In 2024, with a market size of RMB2.2 billion by revenue, consumer electronics application scenarios accounted for 5.0% of the global wireless communication module market by downstream application sector.

The following table shows our ranking and business highlights among wireless communication module providers:

No. 2 globally Wireless communication module provider[1]	**No. 2 globally** Market share in automotive electronics application scenario[4]	**371** Number of invention patents[7]
One of the world's 1st Launch of 5G data transmission modules, smart modules and AI modules[2]	**No. 1 globally** Market share in smart home application scenario[5]	**67.9%** Percentage of R&D employees in total full-time employees[8]
One of the world's 1st Launch of Edge AI solutions[3]	**No. 1 globally** Market share in consumer electronics application scenario[6]	**8.8%** Percentage of R&D expenses in revenue[9]

Notes:

(1) Based on our market share of 15.4% in the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan.

(2) Based on our launch of 5G data transmission modules in 2019, launch of smart modules in 2017 and launch of AI modules in 2025, according to Frost & Sullivan.

(3) Based on our launch of Edge AI solutions in 2024, according to Frost & Sullivan.

(4) Based on our market share of 14.4% in the automotive electronics application scenario of the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. In 2024, with a market size of RMB11.7 billion by revenue, the automotive electronics application scenario accounted for 26.8% of the global wireless communication module market by downstream application sector.

(5) Based on our market share of 36.6% in the smart home application scenario of the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. In 2024, with a market size of RMB6.6 billion by revenue, smart home application scenarios accounted for 15.1% of the global wireless communication module market by downstream application sector.

(6) Based on our market share of 75.9% in the consumer electronics application scenario of the global wireless communication module market, in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. In 2024, with a market size of RMB2.2 billion by revenue, consumer electronics application scenarios accounted for 5.0% of the global wireless communication module market by downstream application sector.

(7) As of the Latest Practicable Date.

(8) As of April 30, 2025.

(9) Calculated by dividing our average R&D expenses from continuing operations in 2022, 2023 and 2024, and the annualized R&D expenses for the four months ended April 30, 2025 by our average revenue from continuing operations in 2022, 2023 and 2024, and the annualized revenue for the four months ended April 30, 2025.

Our Market Opportunities

We have specialized in the wireless communication module industry since our establishment in 1999. Our strategic focus enables us to accurately identify the industry's development trends, deeply understand customer needs across diverse application scenarios and therefore, capture market opportunities.

On the demand side, the wireless communication module industry has the following trends:

- ***The wireless communication module market is growing.*** The wireless communication module market is undergoing a technological evolution from 4G to 5G. This technological evolution is driving a growth in the wireless communication module market. According to Frost & Sullivan, the global wireless communication module market size grew from RMB32.3 billion in 2020 to RMB43.6 billion in 2024, representing a CAGR of 7.7%, and is expected to further grow to RMB72.6 billion in 2029, representing a CAGR of 10.6% from 2025 to 2029. Notably, according to Frost & Sullivan, (i) the automotive electronics application scenario and (ii) the smart home application scenarios are the primary growth drivers for the wireless communication module market:

  - *Automotive electronics.* According to Frost & Sullivan, the global market size of automotive electronics application scenario grew from RMB7.8 billion in 2020 to RMB11.7 billion in 2024, representing a CAGR of 10.9%, and is expected to further grow to RMB21.2 billion in 2029, representing a CAGR of 12.6% from 2025 to 2029. Among the automotive electronics application scenario, NEVs are a key growth driver. According to Frost & Sullivan, the global market size of NEV front-fit application scenario is expected to further grow from RMB4.5 billion in 2025 to RMB11.6 billion in 2029, representing a CAGR of 26.5%.

  - *Smart home.* According to Frost & Sullivan, the global market size of smart home application scenario grew from RMB4.4 billion in 2020 to RMB6.6 billion in 2024, representing a CAGR of 10.5%, and is expected to further grow to RMB11.4 billion in 2029, representing a CAGR of 11.2% from 2025 to 2029.

- ***Modules have become the carrier of Edge AI.*** The Edge AI market is growing rapidly. According to Frost & Sullivan, the global Edge AI market size grew from RMB90.2 billion in 2020 to RMB251.7 billion in 2024, representing a CAGR of 29.3%, and is expected to further grow to RMB1,223 billion in 2029, representing a CAGR of 39.6% from 2025 to 2029. Through continuous evolution, wireless communication modules have integrated computing power, which enables them to meet the growing demand for Edge AI processing. This advancement allows edge devices to utilize AI models embedded within wireless communication modules or utilize cloud-based large models, effectively enabling AI-driven functionalities. The integration of wireless communication modules with AI has been an industry trend.

- ***Extending from module products to solutions.*** According to Frost & Sullivan, wireless communication module providers who are able to provide customers with customized solutions have advantages over their competitors. In particular, the market demand for robotic solutions that leverage advanced wireless communication modules for autonomous functions is especially significant. For example, according to Frost & Sullivan, the global lawn mowing robotic solution market size is expected to grow from US$2.5 billion in 2024 to US$4.9 billion in 2029, representing a CAGR of 14.3%, and the global embodied intelligence market size is expected to grow from US$2.2 billion in 2024 to US$16.1 billion in 2029, representing a CAGR of 48.9%.

On the supply side, our ability on the following three aspects enable us to identify and capitalize on industry trends:

- ***Industry-leading wireless communication technology***. Leveraging our R&D capabilities, we have achieved breakthroughs in the iteration of wireless communication technologies. For example, in 2019, we collaborated with Intel to jointly launch one of the world's first 5G data transmission modules and launched one of the world's first 5G data transmission modules embedded with integrated blockchain technology. In 2020, we collaborated with China Unicom to jointly launch one of the world's first 5G+eSIM modules and one of China's first 5G data transmission modules embedded with a domestic chip.

- ***The integration of AI technologies***. We have been committed to supporting our customers in addressing their evolving needs from wireless communication technologies and further to AI technologies. According to Frost & Sullivan, we are one of the first companies in the world to launch smart modules and AI modules. We have also extended our business vertically to provide Edge AI solutions and robotic solutions. According to Frost & Sullivan, we are one of the first few providers in the world to provide Edge AI solutions, and we possess the core technologies of robotic solutions, primarily including visual perception and low-speed motion control. In 2024, our lawn mower robotic solutions achieved 98% coverage in the scenario test we conducted. In 2025, robotic lawn mowers equipped with our solutions received five-star rating from Heimwerker, a Germany-based commodity testing authority.

- ***Customized development based on customer requirements***. We have accumulate expertise in multiple application scenarios. We conduct customized product development based on our understanding of the specific needs of the relevant application scenario. Specifically:

    - *Module products*. Automotive electronics is one of the most demanding application scenarios due to the importance of safety, and therefore requires relatively higher quality standards for module products. Our module products designed for automotive electronics can operate efficiently and reliably, even in extreme temperature conditions ranging from as low as -40°C to as high as 85°C.

    - *Solutions*. We have developed various types of Edge AI solutions, including AI cameras, AI handheld devices, AI boxes, AI assistants and AI toys. In addition, we have entered into the robotic solution industry, an important category of Edge AI solutions. We have developed lawn mower robotic solutions and embodied AI robotic solutions, and have collaborated with renowned lawn mower companies and embodied intelligent large model unicorn companies.

OUR STRENGTHS

Leading wireless communication module provider

Leading market position. Our module product and solutions cover a wide range of application scenarios, mainly including (i) automotive electronics, (ii) smart home, (iii) consumer electronics and (iv) smart retail. According to Frost & Sullivan:

- We are the second largest wireless communication module provider globally with a market share of 15.4%, in terms of our revenue from continuing operations in 2024.

- In the global wireless communication module market, we hold leading positions in market share rankings in multiple downstream application scenarios. In particular:

    - *Automotive electronics.* We rank the second globally with a market share of 14.4%, in terms of our revenue from continuing operations in 2024.

    - *Smart home.* We rank the first globally with a market share of 36.6%, in terms of our revenue from continuing operations in 2024.

    - *Consumer electronics.* We rank the first globally with a market share of 75.9%, in terms of our revenue from continuing operations in 2024.

Focus on mid-to-high-end market. Leveraging our technological capabilities and brand competitiveness, we focus on the high-value, high-growth mid-to-high-end market. According to Frost & Sullivan, our module products ranked the first among the major players in the wireless communication module industry in China in terms of average selling price in 2024. This demonstrates our ability to deliver high-value module products to customers, which is reflected in our high gross margins.

Global presence. Leveraging our leading market position, technical capabilities and product quality, we have established a global presence. As of the Latest Practicable Date, our module products and solutions were sold in 34 countries and regions. In 2024 and the four months ended April 30, 2025, we derived approximately 60% of our revenue from overseas markets, respectively. To support our global operations, we had established ten subsidiaries and offices in overseas countries and regions, such as the United States, France, Germany, Singapore, Taiwan, as of the Latest Practicable Date. Furthermore, our global supply chain sources key components of our module products and solutions from high quality suppliers worldwide and empowers offshore large-scale production. This approach enables us to efficiently serve local customers while mitigating potential geopolitical risks in production and supply chain management.

By concentrating on high-value markets, consistently enhancing product competitiveness, and expanding our global market presence, we solidify our leadership position in the wireless communication module industry while maintaining sustainable, high-quality business growth.

Innovative technologies that continuously drive industry evolution

Based on our customers' needs, our technologies have progressed in the following aspects:

- *From 3G to 4G and 5G.* Leveraging our R&D capabilities, we have achieved breakthroughs in the iteration of wireless communication technologies from 3G to 5G. According to Frost & Sullivan, we were one of the first companies in China to launch proprietary branded 3G products. In the era of 4G and 5G, we have become a leading company in the global wireless communication module industry. During the Track Record Period, revenue from continuing operations generated from sales of 5G module products, as well as its percentage contribution to our revenue from continuing operations, demonstrated consistent growth. In the four months ended April 30, 2025, revenue generated from sales of 5G module products accounted for more than 50% of our revenue from continuing operations in the same period.

- *From wireless communication technologies to AI technologies.* We have been committed to supporting our customers in addressing their evolving needs from wireless communication technologies and further to AI technologies.

Our module products and solutions have the following core technological advantages:

Module products

- ***5G data transmission modules***. In 2019, we collaborated with Intel to jointly launch one of the world's first 5G data transmission modules. In 2020, we collaborated with China Unicom to jointly launch one of the world's first 5G+eSIM modules and one of China's first 5G data transmission modules embedded with a domestic chip. Our major 5G data transmission module products have been certified by major global telecom operators. We have achieved the integration of over 20 5G frequency bands and over 3,000 CA/ENDC combinations within a single module. As a result, our 5G data transmission modules deliver secure and reliable network access across various regions, enabling global usability and seamless global roaming capabilities.

- ***Smart modules***. We launched smart modules in 2017. Our smart modules feature built-in 4-core or 8-core high-performance processing units and operating systems. Our smart modules allow customers to run custom software applications directly on end products, enabling our customers to effectively reduce the complexity and cost of application development.

- ***AI modules***. Our self-developed AI stack, Fibocom AI Stack, provides underlying computing power to AI models through a platform, and facilitates heterogeneous computing. Based on open-source general-purpose large models, we have developed lightweight models through distillation and compression, so as to deploy the models on our AI modules.

Solutions

- ***Edge AI solutions***. We launched Edge AI solutions in 2024. The development of our Edge AI is based on (i) our insight into the needs of our key customers who are leading companies in downstream industries and (ii) our technical advantages in module products. Leveraging our (i) self-developed and refined algorithm and (ii) cross-platform Fibocom AI Stack, we have developed customized Edge AI solutions for downstream industries.

- ***Robotic solutions.*** We process core technologies for robotic solutions such as visual perception and low-speed motion control. We have developed lawn mower robotic solutions and embodied AI robotic solutions based on these core technologies:

  - *Visual perception.* Our visual perception technology integrates monocular vision, binocular vision and hybrid RTK and radar localization technology to build an accurate environment perception system based on the fusion of multi-source sensors, which significantly improves the localization accuracy of robots in complex outdoor environments.

- *Low-speed motion control.* Our low-speed motion control technology integrates navigation planning control technology with AI vision decision-making technology, enabling the device to maintain centimeter-level path tracking accuracy even under low-speed motion.

Investment in research and development is the core driver of our development. Most of core members of our research team have several years' research experience in the industry. We established our AI research institute in 2024. We have also assembled a mature robotics team with an average of more than 8 years of experience. We have participated in the publication of multiple national standards in the wireless communication module industry, which demonstrates our ability to lead in the industry.

Module products and solutions aligned with needs of specific application scenarios

Over 25 years of industry expertise and technological innovation have equipped us with deep insight into downstream application scenarios, as well as the ability to continuously iterate product technology. We conduct product development based on our understanding of the specific needs of the relevant application scenario:

Module products

- ***Automotive electronics.*** Automotive electronics is one of the most demanding application scenarios due to the importance of safety, and therefore requires relatively higher quality standards for module products. Our module products designed for automotive electronics can operate efficiently and reliably, even in extreme temperature conditions ranging from as low as -40°C to as high as 85°C.

- ***Smart home.*** Smart home application scenario requires efficient and reliable connectivity to ensure seamless integration of home devices and data transmission rate. Our module products designed for smart home deliver high-speed performance with low latency. For example, our 5G data transmission modules support transmission rates up to 10.53 Gbps. And our WiFi data transmission modules support the latest WiFi7 standard of the BE72000 transmission rate.

- ***Consumer electronics.*** Consumer electronics application scenario requires compatibility for a wide range of operating systems. Our module products designed for consumer electronics have high compatibility. Our 5G data transmission modules can support up to over 20 NR bands and over 30 LTE bands, compatible with multiple operating systems including Windows, Chrome and Linux. Such modules enable global usability and seamless global roaming capabilities.

- ***Smart retail.*** Smart retail requires the security of payment process and support for various functions. With stability and reliability, our module products achieve a success payment rate exceeding 99.99% for 100,000 payment transactions, helping ensuring efficient payment experience of end customers. In addition, our module products designed for smart retail support a wide range of functions, including fast payment, inventory management, customer relationship management and sales analysis, in addition to wireless communication capabilities.

Solutions

- We have developed Edge AI solutions used in various application scenarios. These solutions combine advanced hardware and software to ensure seamless integration of AI capabilities with end devices thereby meeting customers' customized needs. For example, to address the tasks in machine vision, such as product quality inspection, measuring and classifying, disease diagnosis and road planning, we have independently developed and trained vision processing algorithms, primarily including target detection, key point detection, graphic segmentation, graphic enhancement, and 360-degree view splicing.

Leveraging our R&D capabilities and understanding of downstream application scenarios, our technological advancements have evolved from wireless communication technologies and further to AI technologies. This progression enables us to effectively meet the specific needs of our customers, driving the extension of our product portfolio from module products to solutions.

Long-term relationship with global industry-leading customers

We have developed a global network of customers. Our major customers are Fortune 500 companies and leading players in downstream industries. These customers typically have high requirements for supplier qualifications, product quality, delivery capabilities and after-sales service. Leveraging our technological leadership and first-mover advantage in the market, we have effectively met these customers' needs and established long-term, stable relationship with our customers:

- ***Automotive electronics.*** Our customers and downstream companies cover multiple renowned automobile manufacturers. During the Track Record Period, we provided module products to eight of the top ten automobile manufacturers in China in terms of revenue in 2024, according to Frost & Sullivan. We have maintained business relationship with a globally leading NEV company in China ("**Customer B**") for more than nine years.

- ***Smart home.*** Our customers mainly include globally recognized home appliance and wireless networking equipment manufacturers, such as Skyworth Group Ltd (創維集團有限公司, "**Skyworth**") and TP-Link (普聯技術有限公司). We have maintained business relationship with Skyworth for more than five years.

- ***Consumer electronics.*** Our customers primarily include globally recognized personal computer manufacturers, including Dell Inc. and Hewlett-Packard Development Company, L.P. ("**HP**"), and wearable device and motion camera manufacturers. We are supplier of the top three personal computer manufacturers globally in terms of revenue in 2024, according to Frost & Sullivan. We have maintained business relationship with each of them for more than eight years.

- ***Smart retail.*** Our customers primarily include renowned POS machine providers, vending machine providers and other payment terminal providers. During the Tracked Record Period, we sold module products to seven of the top ten companies in the smart retail application scenario globally in terms of revenue in 2024, according to Frost & Sullivan. We have maintained business relationship with five of these top ten companies for more than seven years.

Furthermore, we have maintained relationship with the vast majority of our top five customers during the Track Record Period for more than eight years. Our close ties with industry-leading customers reflect the market recognition of our products and solutions and lay a solid foundation for our sustainable growth.

Visionary and experienced management team

Our management team consists of visionary leaders with rich industry experience. Our founder, Mr. Zhang Tianyu, graduated from Xi'an University of Electronic Science and Technology with a bachelor degree in radio communication, and have over 30 years of experience in the wireless communication industry. Mr. Zhang Tianyu serves as the vice president of China Electronics Commerce Association (中國電子商會副會長). Mr. Xu Ning, our vice general manager, has over 30 years of experience in the wireless communications industry and has obtained over 35 invention patents. Mr. Zhang Tianyu and Mr. Xu Ning have led research projects that were awarded the First Prize of Science and Technology Progress Award for Shenzhen Science and Technology Award (深圳市科學技術獎科技進步獎) in 2023, and have participated in multiple invention patents that were awarded the Shenzhen Patent Award.

Under the leadership of Mr. Zhang Tianyu, we have built an experienced, strong and professional core management team with keen insight into industry developments. This has enabled us to establish a proven track record of developing and commercializing module products and solutions. Our management team has effectively seized market opportunities in the industries of smart retail, consumer electronics, automotive electronics and smart home. We are expanding into emerging industries, including AI modules, Edge AI solutions and robotic solutions.

Our professional core management team has achieved remarkable results in corporate governance. As a listed company on China's Shenzhen Stock Exchange, we have been granted Grade A, the highest grade, during the information disclosure review conducted by the Shenzhen Stock Exchange for seven consecutive years since our listing.

OUR STRATEGIES

Continue to devote to the wireless communications module industry and reinforce our market leadership

Technological innovation. We will continue to increase our investment in the research and development of cutting-edge technologies through independent innovation. We will continue to research (i) 5G RedCap communication modules so as to meet demands for devices with low- and medium-rate performance, lower energy consumption and reduced costs; (ii) satellite communication technology so as to provide wireless communication solutions with wide-cover, high-capacity and reliability; and (iii) V2X technology so as to propell the development of the Internet of Vehicles ("**IoV**"). We will maintain our business partnership with telecommunication companies, chips suppliers and our downstream customers to jointly facilitate the application of new technologies, thereby ensuring our long-standing leadership in cutting-edge technologies.

Technological upgrades in existing products. We plan to upgrade our existing technologies, further enhance product performance and energy efficiency, and provide our customers with more cost-effective module products. Through our R&D innovations, we plan to increase the processing power, transmission speed and data stability in our module products; optimize the design of our modules to extend the battery life of terminal devices and meet the demand for low energy consumption in smart terminals; and reinforce the security design of our module products to ensure the reliability and security of data transmission and meet the industry standard for privacy and data protection.

Increase investment in Edge AI solutions and robotic solutions

We plan to increase our research on the cutting-edge technologies related to Edge AI solutions and robotic solutions. Specifically:

- ***Edge AI solutions***. We plan to further optimize the Edge AI enabling platform based on the existing technical architecture. We plan improve the development and operation efficiency of AI models. Specifically, we plan to train, quantize, transform and deploy models and achieve cross-platform and cross-system efficient reasoning through one-stop toolchain.

  We will continue to develop AI models that meet the needs from specifical application scenarios, including machine vision, LLM, generative AI and multimodality, and integrate these AI models to AI modules and cloud-based AI service platforms, empowering wider application scenarios of smart terminals. Specifically, we intend to develop a wide range of Edge AI solutions, including AI retail, industrial testing and, AI translation devices.

In addition, we plan to build cloud-based AI service platforms enabling multiple functions such as device access, model calling and distribution, and agent application. By building a cloud-based platform centered around AI models, agents and IoT, we plan to provide cloud-based "brain" services for various types of intelligent hardware, propelling the coordinated development of edge devices and cloud-based services.

- ***Robotic solutions***. Leveraging our core technologies including visual perception, low-speed motion control and simulation verification, we plan to continue to develop various robotic solutions, expand application scenarios and launch new products. We plan to increase investment in the following aspects:

    - *Embodied AI robotic solutions*. We plan to increase the R&D investment in embodied AI robotic solutions, focusing on (i) multimodal perception algorithms, including vision, touch and environmental interaction capabilities to enhance perception capabilities of robots in complex environments; (ii) hierarchical decision-making models, optimizing task management and motion control algorithms, including dual-arm coordination and dynamic obstacle avoidance; and (iii) general-purpose embodied AI systems. We plan to develop LLM AI systems and create a closed loop of "perception-decision-execution" to provide accurate and efficient solutions for industrial manufacturing, medical assistance, logistics, education and other scenarios.

    - *AI computing-integrated robotics*. We plan to develop AI computing-integrated robotics to enable data collection, training and inference on edge devices. We plan to upgrade programming to support executions in complex environment so as to form an integrated system combining terminal devices, edge and cloud.

Deepen our global presence

Expanding our global presence is a critical part of our strategies. Through coordinated international development of research and development, production and sales, we believe that we will provide high value-added module products and solutions and seize the global market tailwind.

Global R&D. We plan to establish R&D centers overseas; attract top talents globally; and conduct localized research and development activities tailored to the specific needs of international markets and customers so as to promptly respond to local needs.

Global Manufacturing. In addition to building our own manufacturing facility in China, we plan to leverage overseas EMS suppliers to accelerate our expansion into South America, Southeast Asia, South Asia and other regions. We aim to boost overseas production capacity to enhance our overseas delivery capabilities, thereby creating a global manufacturing network with flexible supply capabilities.

Global Sales. We plan to continue to expand our sales and marketing teams in our overseas branches. These teams will mainly include local employees familiar with the local customer culture.

Reinforce organizational capability to enhance managerial and operational efficiency

Efficient management and operation are the key factors to the continued success of our business expansion. A robust organizational structure and dynamic team determine the efficiency with which we achieve our business goals. We believe our talents are the foundation of our organization, culture our cohesive force and cultivation our empowerment mechanism. Under this belief, we plan to optimize our organizational structure, enhance our talent training programs, establish long-term incentives and promote sustainable growth.

Furthermore, we plan to continue to (i) implement our agenda to systemize, streamline, digitize and intelligence our management; (ii) synchronize the data chain in R&D, sales, supply chain, finance, and human resource departments; and (iii) visualize cashflow, product flow and information flow. Leveraging our own leading AI technologies, we plan to empower the decision-making process to enhance management and operational efficiency.

Expand our business landscape through investments and acquisitions

In order to further enhance our technological capabilities and expand our business landscape, we plan to make selective and prudent strategic investments or acquisitions in technologies, teams, assets or companies in wireless communication, AI, robotics and other fields that are complementary to or synergistic with our business. Strategic investments or mergers and acquisitions will be conducive to improving our technology layout and expanding our business landscape. These investments or mergers and acquisitions will allow us to capture additional market shares and drive our future growth. As of the Latest Practicable Date, we had not identified specific investment, partnership or acquisition targets.

OUR PRODUCTS AND SOLUTIONS

Overview

The following table sets forth a summary of our module products and solutions as of the Latest Practicable Date:

No.	Type	Key feature	Key application scenario	Specific end products
1 . .	Data transmission modules	(i) Cellular wireless communication capability	Automotive electronics	• T-boxes, IVI and ADAS of automobiles
			Smart home	• Home cellular wireless modem
			Consumer electronics	• PCs
			Smart retail	• POS machines
			Others	• Industrial monitors • Gas, electricity and water meters
2 . .	Smart modules	(i) Cellular wireless communication capability (ii) Real-time data processing (iii) Multimedia functions	Automotive electronics	• Smart cockpit
			Smart home	• Home cellular wireless modem • Surveillance cameras
			Consumer electronics	• Translation devices • Media displays
			Smart retail	• POS machines • Food ordering machine
			Others	• Industrial barcode scanner • Industrial camera

No.	Type	Key feature	Key application scenario	Specific end products
3 . .	AI modules[1]	(i) Cellular wireless communication capability (ii) Computing capability (iii) Multimodal perception (iv) AI model on-device inference	Automotive electronics	• Smart cockpit
			Smart home	• AI speaker
			Consumer electronics	• Translation devices • Media boxes • AI toys
			Smart retail	• Mobile payment devices
			Others	• AI buddy
4 . .	Edge AI solutions[1]	(i) Cellular wireless communication capability (ii) Intelligent functions (iii) Real-time interaction (iv) Autonomous operation (v) AI model on-device inference (vi) Cloud-based AI training and inference (vii) Device operation and management	Automotive electronics Smart home Consumer electronics Smart retail	PCBAs • AI panoramic cameras • AI aerial cameras End products • AI toys • AI assistant • AI boxes • AI buddy
5 . .	Robotic solutions	(i) Multi-sensor fusion positioning (ii) Vision-based perception (iii) Autonomous navigation and motion control (iv) Natural language understanding (v) Real-time environmental perception	Smart home Smart manufacturing Industrial IoT	PCBAs • Lawn mower robots End products • Embodied AI robots
6 . .	Other solutions[1]	(i) Cellular wireless communication capability (ii) Real-time data processing and multimedia functions (iii) Device operation and management	Smart home Consumer electronics Smart retail Smart manufacturing	PCBAs & end products • Handheld devices

Note:

(1) AI modules, Edge AI solutions and other solutions do not necessarily provide cellular wireless communication capability based on customers' needs.

During the Track Record Period, we primarily generated revenue from module products, including (i) data transmission modules and (ii) smart modules. In 2024 and 2025, we launched a range of new products and solutions, including (i) AI modules, (ii) Edge AI solutions and (iii) robotic solutions.

The following table sets forth a breakdown of our revenue from continuing operations by product and solution types, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Continuing operations										
Module products	**5,107,847**	**98.2**	**5,485,083**	**97.0**	**6,704,471**	**96.1**	**1,991,385**	**97.3**	**2,310,582**	**93.1**
Data transmission modules	2,259,515	43.5	2,567,413	45.4	3,049,693	43.7	964,044	47.1	789,589	31.8
Smart modules	2,848,332	54.7	2,917,670	51.6	3,654,778	52.4	1,027,341	50.2	1,520,993	61.3
Solutions	**71,910**	**1.4**	**130,944**	**2.3**	**203,914**	**3.0**	**42,254**	**2.1**	**144,275**	**5.8**
Edge AI solutions	–	–	–	–	81,244	1.2	13,762	0.7	24,548	1.0
Robotic solutions	–	–	–	–	1,032	0.0	–	–	3,367	0.1
Other solutions	71,910	1.4	130,944	2.3	121,638	1.8	28,492	1.4	116,360	4.7
Others(1)	**22,979**	**0.4**	**35,787**	**0.7**	**62,804**	**0.9**	**13,461**	**0.6**	**25,791**	**1.1**
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Primarily include (i) sales of complementary electronic components and (ii) IoT data connection services, which refer to the provision of supplementary cellular data connection plans to customers at comparable market prices.

The following table sets forth a breakdown of our revenue from continuing operations by application scenario in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Automotive electronics[(1)]	1,143,289	22.0	1,381,984	24.5	1,724,527	24.7	509,488	24.9	605,374	24.4
Smart home[(2)]	1,751,963	33.7	1,818,349	32.2	2,464,683	35.4	619,599	30.3	1,023,007	41.2
Consumer electronics[(3)]	1,306,402	25.1	1,571,635	27.8	1,765,030	25.3	617,678	30.2	478,867	19.3
Smart retail[(4)]	660,259	12.7	471,411	8.3	642,406	9.2	170,880	8.3	225,079	9.1
Others[(5)]	340,823	6.5	408,435	7.2	374,543	5.4	129,455	6.3	148,321	6.0
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Notes:

(1) Primarily including (i) in-vehicle infotainment systems ("IVI"), (ii) telematic control units ("T-box"), (iii) cellular vehicle-to-everything ("C-V2X") and (iv) advanced driver assistance systems ("ADAS"). During the Track Record Period, revenue from automotive electronics application scenarios primarily consisted of revenue generated from NEV front-fit application scenarios.

(2) Primarily including (i) fixed wireless access devices, such as home cellular wireless modems, (ii) surveillance cameras and (iii) media boxes.

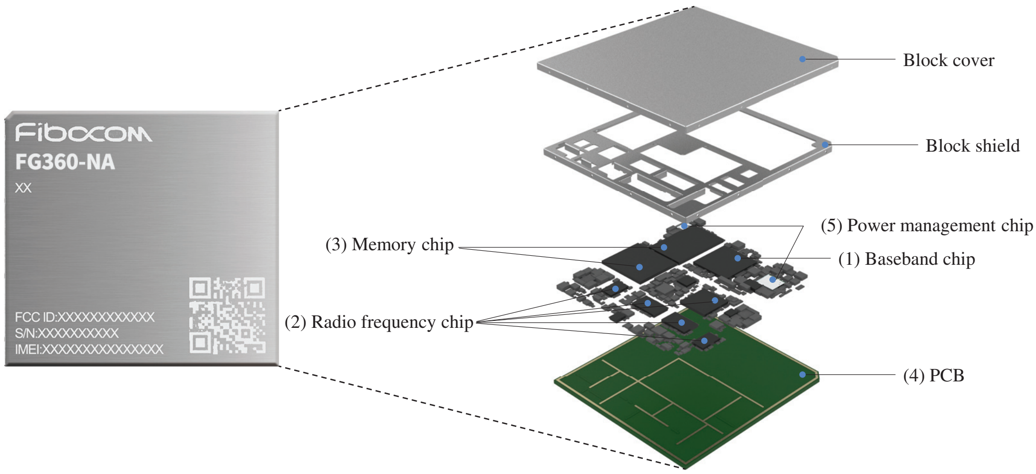
(3) Primarily including (i) PCs, (ii) cameras, such as motion camera, aerial camera and panoramic camera, (iii) wearables, (iv) translation devices, (v) toys and (vi) drones.

(4) Primarily including (i) POS machines, (ii) mobile payment devices, (iii) handheld devices, (iv) food ordering machines, (v) cloud speakers, (vi) self-service vending machines and (vii) commercial displays.

(5) Primarily including (i) industrial IoT, such as industrial modems and industrial monitors, (ii) grid, such as grid data collectors, (iii) shared economy, such as shared bicycles and power banks, (iv) clean energy, such as device monitors and (v) remote meter reading in gas, electricity and water meters.

Our Module Products

The following picture illustrates the components of our sample module product:



Within each module, the function of each key component is set out below:

No.	Key component	Description
1 . . .	Baseband chip	Processes and manages digital signals for communication protocols and data transmission.
	(i) Baseband chip for data transmission module	Has basic CPU
	(ii) Baseband chip for smart module	Has (i) stronger CPU and (ii) operating system. Baseband chips for some smart modules are also equipped with GPUs and NPUs.
	(iii) Baseband chip for AI module	Has (i) stronger CPU, (ii) GPU, (iii) NPU and (iv) operating system
2 . . .	Radio frequency chip	Converts digital signals to radio frequency signals and radio frequency signals to digital signals for wireless communication.
3 . . .	Memory chip	Stores data and software program instructions required for module operations.
4 . . .	PCB	Provides the physical platform and electrical connections for integrating and supporting electronic components in a module or device.
5 . . .	Power management chip	Regulates and distributes power efficiently to ensure stable and optimal operation of the module's components.

Data Transmission Modules

Data transmission modules primarily provide cellular wireless communication capabilities. Data transmission modules combine key components including (i) baseband chips, (ii) radio frequency chips, (iii) memory chips and (iv) PCB.

Data transmission modules enable (i) real-time data exchange, (ii) device-to-device communication, (iii) remote monitoring and (iv) cloud-based data synchronization. Our data transmission modules provide broad compatibility and flexible deployment across diverse network environments. They support multiple communication standards, including 5G, 5G Redcap, 4G, 3G, 2G, NB-IoT, Wi-Fi and Bluetooth, with a primarily focus on 5G and 4G. Our data transmission modules are widely applied in application scenarios adopting IoT and undergoing digital transformation, such as automotive electronics, smart home, consumer electronics and smart retail.

The table below sets forth the key parameters of our 5G and 4G data transmission modules:

By model	Key product	Key parameter	Application scenario
5G data transmission modules	FG170 FG190	• Communication category: 5G Sub-6 or 5G mmWave • Transmission rate: up to 10.53 Gbps	• Smart home, including home cellular wireless modem • Consumer electronics • Industrial IoT, such as industrial monitor
	AN960 AN960T	• Communication category: 5G Sub-6 and automotive ethernet • Transmission rate: up to 2.5 Gbps	• Automotive electronics, including IVI, T-Box, C-V2X and ADAS
4G data transmission modules	MC661 NL668	• LTE category: CAT 1, CAT 4, CAT 6 and CAT 12 • Transmission rate: up to 600 Mbps	• Automotive electronics • Smart home, including home cellular wireless modem • Consumer electronics, including PCs • Smart retail, including POS machines • Industrial IoT, including industrial modems

The following chart sets forth key features of our data transmission modules:

Module	Key Feature
5G data transmission module......	• *High bandwidth*. Our 5G data transmission modules support advanced baseband and radio frequency architecture. Our 5G data transmission modules can achieve a maximum download speed of 10.53 Gbps, surpassing the industry average download speed of approximately 5.0 Gbps in global wireless communication module industry, according to Frost & Sullivan.
	• *High reliability*. Our automotive-grade 5G data transmission modules support a temperature range of -40°C to 85°C, ensuring sustained high-speed performance. This feature facilitates efficient connectivity and is particularly beneficial for applications requiring reliable network performance and support for multiple simultaneous connections, such as home cellular wireless modems, as well as in demanding environments like automotive electronics.
	• *Enhanced compatibility.* Global 4G and 5G networks vary widely across cellular operators, each with unique frequency bands, standards, and testing requirements, enhancing single-product compatibility. Our data transmission modules support a wide array of frequency bands, communication standards, operators and testing requirements, ensures stable, reliable performance across a wide range of telecom networks, overcoming traditional frequency restrictions. According to Frost & Sullivan, we are the first wireless communication module provider in the world to launch 5G data transmission module that support more than 20 5G new radio frequency bands while also being compatible with over 30 4G LTE frequency bands.
4G data transmission module......	• *Stable data transmission.* Our 4G data transmission modules support consistent data transmission speeds across multiple LTE technology categories, including CAT 1, CAT 4, CAT 6 and CAT 12, covering a wide range of peak transmission rates from 10 Mbps to 600 Mbps. Such feature allows reliable and high-performance connectivity, and is particularly beneficial for applications involving visual data, such as surveillance cameras that transmit high-resolution images or videos.

Module	Key Feature
	• *Fast network access*. Our 4G data transmission modules support quick registration and connection to networks. We have reduced startup-to-connection time of modules to within three seconds, which is significantly below the industry average in global wireless communication module industry, according to Frost & Sullivan. This feature helps ensure prompt data transfer and command execution, and thus is particularly beneficial for real-time applications such as industrial IoT and shared economy.
	• *Low-power design*. Our 4G data transmission modules are designed for efficient power usage, facilitating longer lifespan of end products. This feature allows the modules to operate in remote areas without frequent recharging, and thus is particularly beneficial for applications such as remote meter reading in gas, electricity and water meters, shared bicycles, and surveillance cameras, where reliable, low-maintenance operation is critical.

Smart Modules

Smart modules are modules that support (i) enhanced computing capabilities, (ii) operating systems and (iii) multimedia application support, in addition to cellular wireless communication capabilities. Smart module combines a data transmission module with (i) a four-core or eight-core CPU and (ii) an operating system. Some smart modules are also equipped with special processing units for the acceleration of specific processing requirements, such as GPU for image processing and accelerated computing and NPU for neural engine processing. Smart modules are widely used in application scenarios such as automotive electronics, smart home, consumer electronics and smart retail.

Our smart modules have been applied widely in smart home and smart retail application scenario, enabling intelligent function previously not delivered by data transmission modules. For instance, In smart homes application scenarios, our smart modules enable seamless connectivity in home cellular wireless gateways by intelligently switching select 4G/5G or Wi-Fi links based on signal quality, providing seamless coordination across smart home devices. In addition, in smart retail application scenario, our smart modules support advanced voice interaction for speakers and enable real-time decision-making capabilities for handheld devices to make decision locally without reliance on cloud connectivity.

The table below sets forth the key details of our smart module lineup:

No.	By CPU core	Key product	Key parameter	Application scenario
1 . . .	Eight-core	SC151 SC171 SC228 SC208	• Clock speed: up to 2.7 GHz	• Automotive electronics, such as IVI • Smart home, such as media box • Smart retail, such as handheld devices and self-service vending machines
		AL656S AN762S AN782S	• CPU: up to 280K DMIPS • GPU: up to 4 TFLOPS	• Automotive electronics, such as intelligent cockpits, ADAS and T-Box
2 . . .	Four-core	SC126 FG360 FG370	• Clock speed: up to 2.0 GHz	• Automotive electronics, such as IVI • Smart home, including home cellular wireless modem • Consumer electronics, including PCs • Smart retail, such as food ordering machine

Our smart modules have the following features:

- *Multi-operation system support*. Our smart modules support multiple operating systems, including Android, Linux and Windows. Our smart modules allow customers to run custom software applications directly on end products. With integrated processing capabilities, smart modules can handle intensive workloads while optimizing energy efficiency. Our smart modules support high-speed communication standards, primarily including 4G and 5G, and help ensure stable and flexible network access across diverse environments.

- *Multimedia support*. Our smart modules integrate high-performance GPUs and vector extension technology for image processing. Our smart modules support (i) up to five cameras' inputs and (ii) dual screen displays with resolutions up to 1920 × 1080 and 60fps, significantly outperforming industry averages in the global wireless communication module industry, according to Frost & Sullivan. This feature allows for low-power consumption and smoother connectivity in large data processing scenarios, making it ideal for applications scenarios including automotive electronics, smart home and smart retail.

- *Highly integrated design.* Our smart modules feature a highly integrated design, allowing end products to achieve a more compact size compared to the industry average, according to Frost & Sullivan. This supports diverse application scenarios like intelligent cockpits in automotive electronics and POS machines with multiple interfaces in smart retail.

- *Enhanced network access and precise positioning.* Our smart modules support 5G and Wi-Fi 6 wireless communication, offering greater flexibility in network access. Our 5G smart modules are compatible with mainstream 5G frequency bands worldwide, meeting diverse terminal requirements for different 5G frequency bands and enabling customers to rapidly deploy in global markets. Our smart modules also support 3GPP Release 16 standards, Wi-Fi 6/7, and dual-band GPS, achieving lower latency than industry averages in global wireless communication module industry. This ensures precise positioning and connectivity, making them particularly suitable for application scenarios such as consumer electronics.

AI Modules

AI modules are modules built upon our data transmission modules or smart modules, with integrated AI models deployed on-device. AI modules (i) optimize computing power through the effective deployment of GPU, NPU, digital signal processors ("DSP") and (ii) support the integration of self-developed or third-party AI models, including large language models ("LLMs") and other intelligent algorithms. AI models are integrated through on-device system development kit ("SDK"), which enables (i) real-time processing and inferencing, (ii) multimodal perception and (iii) localized decision-making. This integration allows for autonomous operation without reliance on cloud services, providing enhanced data security and improved operational efficiency. AI modules are used in application scenarios such as automotive electronics, smart home, consumer electronics and smart retail.

Incorporating AI models into data transmission or smart modules enhances their functionality by enabling tasks such as machine learning inference, image recognition, and voice interaction directly on the device. For instance, our AI modules, through the integration of both self-developed and third-party models, support end products such as AI cameras with object recognition and machine vision models, AI assistants with speech recognition, large language models, and speech synthesis, as well as AI toys with speech dialogue and emotional recognition models. This integration empowers these products to perform advanced functions, facilitating real-time processing and localized decision-making to enhance performance.

According to Frost & Sullivan, the market demand for AI modules has surged as industries increasingly rely on intelligent decision-making at the edge, driven by advances in AI technology and the evolution of wireless communication modules. As the industry shifts from traditional data transmission pipelines to edge computing nodes, AI modules are playing a critical role in sectors such as industrial quality inspection, autonomous driving, and smart home applications. The global AI module market, positioned as an emerging high-growth sector, are poised for explosive expansion amid accelerated AI technology commercialization. The market size of global AI module market is expected to surge to RMB8.1 billion by 2029, delivering a staggering CAGR of 49.3% from 2025 to 2029, driven by AI-powered edge computing, intelligent automation, and industrial digitization applications.

We launched our AI modules in January 2025, and expect to deliver the first batch of AI module orders to customers in 2025.

The table below sets forth the key products of our AI module lineup:

No.	By computing power	Key product	Key parameter	Application scenario
1 . . .	High computing power	SC193 SC519	• Computing power: Up to 48 TOPS	• Smart home • Consumer electronics, including translation device
2 . . .	Standard	SC171	• Computing power: Up to 12 TOPS	• Automotive electronics • Consumer electronics, including media box
3 . . .	Lightweight	SC208	• Computing power: Below one TOPS	• Consumer electronics • Smart retail, including mobile payment devices

Key features of our AI modules include:

- *Cross-platform AI stack and multiple system compatibility*. Our self-developed AI stack serves as the backbone of our AI module's architecture. We design our Fibocom AI stack to support multiple operating systems and platforms, enabling diverse AI model deployment across different application scenarios. Our Fibocom AI Stack also allows deployment of AI models under varying CPU capabilities tailored to specific market needs, offering broad compatibility compared to industry averages in global wireless communication module industry, according to Frost & Sullivan.

- *Scalability across computing power levels*. AI modules offer computing configurations ranging from below one TOPS to 48 TOPS, supporting AI models with different performance requirements and are compatible with both domestic and global chip platforms. This enables deployment of a broad spectrum of AI models, including large on-device models across AI-driven application scenarios.

- *High-performance AI modules for complex tasks*. High-performance modules, such as the 18 TOPS modules, support local execution of AI models with up to seven billion parameters, outperforming industry averages in global wireless communication module industry, according to Frost & Sullivan. High-performance modules are particularly suitable for scenarios that require real-time processing, such as translation devices.

- *Optimized AI modules for lightweight applications.* Our lightweight AI modules are designed for lightweight AI tasks, including object detection, human keypoint recognition, and facial recognition, achieving better energy efficiency than industry averages in global wireless communication module industry, according to Frost & Sullivan. It is suitable for robotic environmental perception, user authentication, and interactive AI features in small devices such as AI Toys, balancing performance and energy efficiency.

Our Solutions

Our solutions include (i) Edge AI solutions, (ii) robotic solutions, including (a) lawn mower robotic solutions and (b) embodied AI robotic solutions and (iii) other solutions.

Our solutions are delivered in the following forms:

- *PCBA*.

  ○ PCBA is a fully assembled circuit board that typically integrates (i) firmware or embedded software for specific functions and (ii) electronic components such as chips and modules.

  ○ The components of our PCBAs include (i) our self-developed software for application scenarios and (ii) hardware configurations such as chips or modules with different computing powers. We may also deliver external components such as camera upon customers' requests.

- *End products*. End products are complete, ready-to-use products delivered to our customers, such as handheld devices. The core component of end products is our PCBAs.

- *Services*. Services primarily include hardware and software R&D services conducted for our customers. These services are typically provided under non-recurring engineering arrangements and involve the development of customized solutions to address customer-specific application scenarios.

The following charts set forth the forms of our solutions. For Edge AI solutions, lawn mower robotic solutions and other solutions, customers select one or more delivery forms based on their specific application requirements and operational needs.

No.	Type/Delivery Form	PCBAs	End products	Services
1	Edge AI Solutions	✓	✓	✓
2	Lawn mower robotic solutions	✓		✓
3	Embodied AI robotic solutions		✓	
4	Other Solutions	✓	✓	✓

Edge AI Solutions

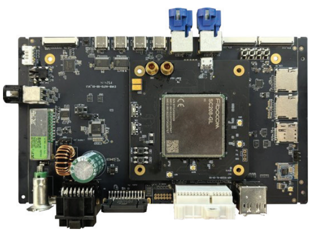
Our Edge AI solutions enable (i) AI capabilities, (ii) real-time interaction and (iii) local and cloud-based autonomous operation. Our Edge AI solutions are delivered in one or more of the following three forms based on customers' needs: (i) PCBAs, (ii) end products such as handheld devices and AI boxes, or (iii) R&D services.

For example, equipped with high-performance AI chips and large language model capabilities, our AI boxes enable advanced functions such as object detection, facial recognition, natural language processing, and multimodal computation. These features support efficient processing and intelligent decision-making across for security surveillance activities in smart home application scenario as well as in industrial quality inspection settings. In addition, our AI buddy is a compact, credit card-sized device that offers real-time translation, personalized AI voice interaction, image recognition along with seamless connectivity and roaming support, providing users with a unified and enhanced multimodal AI experience.

We launched our Edge AI solutions and delivered the first batch of orders to customers in 2024.

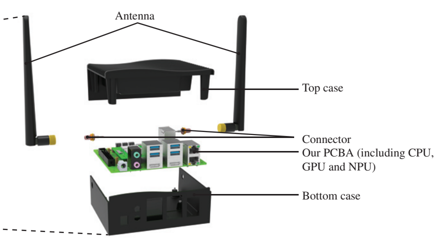
The pictures below illustrate our Edge AI solutions delivered in the form of (i) PCBAs and (ii) end products:

PCBAs



Our PCBAs

End products



AI box **Components of our AI box**

We provide tailored Edge AI solutions to meet specific customer requirements. Specifically:

- **Software configuration**. Software configuration is the core of our Edge AI solutions. We integrate software in our PCBAs. Software configurations of our Edge AI solutions include:

  ○ *Self-developed AI stack*. Our self-developed AI stack supports major machine learning and neural network frameworks and is optimized for deployment across chip platforms with different levels of computing power, which facilitates compatibility and efficient AI model deployment across different application scenarios.

  ○ *AI models for specific application scenarios.*

    - *On-device AI models*. Based on specific applications and customer needs, we (i) migrate AI models provided by our customers onto our modules, (ii) distill public, open-source AI models for modification and customization and (iii) self-develop AI models for integration. For instance, we developed and optimized panoramic stitching model for AI panoramic cameras, enabling image stitching without smartphone assistance, which enhances production functionality. We optimized voice processing and object detection models for handheld devices to improve voice recognition functions and expand application scenarios. We also optimized the object detection model and multimodal understanding model for our AI box to enhance the video object recognition and classification capabilities.

    - *Cloud-based AI models*. We also offer SDK-based access to cloud-based AI models such as LLMs maintained by third-party AI model providers. This provides scalability for data-intensive tasks, suitable for applications like AI toys and translation devices.

  - ○ *Self-developed AI software for specific application scenarios.* We optimize our AI software based on specific AI models to enhance operational efficiency and ensure effective performance across target application scenarios.

- **PCBA configuration**. PCBAs of our Edge AI solutions integrate AI chips from third-party providers or our AI modules with varying computing power configurations ranging from below one to 48 TOPS to offer scalable and efficient processing capabilities for a wide range of use cases.

Key Features

Key features of our Edge AI solutions include:

- *Self-developed and optimized algorithms and AI models*. We develop and optimize audio and visual algorithms as well as AI models, alongside self-developed application development, delivering faster algorithm performance than typical solutions, according to Frost & Sullivan. This supports efficient deployment of AI features in end products like cameras, handheld devices and AI boxes.

- *Cross-platform AI stack and multiple system compatibility*. Attributable to the integration of our AI module, our Edge AI solutions also leverage the multi-system compatibility of our self-developed AI stack. For further details, see "—Our Products and Solutions—Our Module Products—AI Modules."

- *Heterogeneous computing capabilities*. Our Edge AI solutions are equipped with heterogeneous computing architectures that effectively deploy GPU, NPU and DSP to support efficient allocation of computing and memory resources. We have developed a unified scheduling and communication framework that enables dynamic task distribution and secure data transmission across different processing units, optimizing performance by achieving computing power up to 48 TOPS, significantly surpassing industry averages in global wireless communication module industry, according to Frost & Sullivan. This allows for optimized computing efficiency and accelerated AI model execution across various application scenarios.

Differences between AI modules and PCBA forms of Edge AI solutions

Compared to our AI modules, our PCBA form of Edge AI solution is different in two aspects:

- ***Hardware***. AI module is a standalone module product while PCBA form of Edge AI solution may integrate our AI modules into the hardware.

- ***Software***. AI module do not include application software and requires our customers to engage in separate development, while our Edge AI solutions are turnkey solutions that comes with firmware or embedded software.

Robotic Solutions

Our robotic solutions are one type of Edge AI solutions. We classify robotic solutions as a separate business line, primarily due to their distinct software architecture and dedicated hardware design tailored to robotic operational requirements.

As of the Latest Practicable Date, our robotic solutions included (i) lawn mower robotic solutions and (ii) embodied AI robotic solutions. We launched our lawn mower robotic solutions and delivered the first batch of orders to customers in 2024. Additionally, we launched our embodied AI robotic solutions and delivered prototype units in 2024. We expect to deliver the first batch of orders for embodied AI robotic solutions in 2025.

Lawn mower robotic solutions

Our lawn mower robotic solutions are solutions optimized and customized for lawn mowing scenarios based on our self-developed (i) vision-based perception technology and (ii) low-speed motion control technology. Our lawn mower robotic solutions are delivered in the form of (i) PCBAs and (ii) R&D services. Key components of our lawn mower robotic solutions include: (i) PCBA, comprising (a) a vision perception PCBA, (b) a low-speed motion control PCBA, and (c) a RTK positioning PCBA, all embedded with our self-developed AI model; and (ii) a customized camera.

Our lawn mower robotic solutions support environmental perception, navigation planning, motion control, and communication functionalities of lawn mower robots. In particular, our AI vision perception model integrates (i) multi-sensor fusion positioning and (ii) autonomous navigation algorithms, enabling precise operational control of lawn mower robots.

We currently offer two types of lawn mower robotic solutions:

- *Standard edition.* The standard edition is designed for lawn areas of up to 1,000 square meters and is equipped with a monocular vision system. It delivers essential autonomous mowing functionalities through visual-based perception. Lawn mowers equipped with the standard edition are able to (i) utilize AI-powered algorithms for lawn boundary detection and obstacle recognition, enabling wire-free deployment, and (ii) support intelligent path coverage, automatic edge detection and recharging, dual working area setup, and night-time operation.

- *Premium edition*. The premium edition is suited for larger lawn areas of up to 10,000 square meters and combines (i) stereo vision and (ii) RTK positioning technologies. Compared to the standard edition, the premium edition equips lawn mowers with advanced, full-stack solution for complex mowing environments, including (i) accurate positioning, mapping, and navigation and (ii) enhanced functions such as obstacle and edge recognition, optimal path planning, breakpoint continuation, restricted zone setup and multi-zone task execution.

Our lawn mower robotic solutions have the following features:

- *Wired-free operations*. We enable wire-free operation through the integration of vision-based perception technology and real-time kinematic ("RTK") positioning. These advancements allow lawn mowers to (i) detect lawn boundaries, (ii) plan optimal mowing paths and (iii) execute edge-cutting along lawn boundaries for precision trimming, eliminating the need for buried boundary wires that traditional robotic mowers rely on, which reduces installation costs and setup time while enhancing trimming effectiveness and efficiency. According to Frost & Sullivan, our lawn mower robotic solutions offers customers a ready-to-use experience, with installation times shorter than the average in the global lawn mowing robotic industry.

- *Industry-leading positioning and obstacle avoidance capabilities*. We leverage self-developed vision-based perception technology and low-speed motion control technology to provide precise navigation, real-time obstacle avoidance and responsive hazard detection up to centimeter-level positioning accuracy. These capabilities allow our lawn mowing robots to achieve position accuracy within one to three centimeters and within 60 milliseconds, surpassing industry averages in global lawn mowing robotic industry, according to Frost & Sullivan, ensuring fewer missed spots and safer operation.

- *Precise environmental perception*. We offer both monocular ("2D") and binocular ("3D") vision configurations, achieving a field of view of up to 90 degrees in our 3D models, allowing our solutions to adapt to the majority of lawn complexities, outperforming the industry averages in global lawn mowing robotic industry performed by monocular systems, according to Frost & Sullivan.

Embodied AI robotic solutions

The pictures below illustrate our embodied AI robotic solutions:

Our embodied AI robotic solutions enable manipulation tasks such as object handling, item sorting and fabric folding in application scenarios such as smart home, smart retail, and smart manufacturing through (i) the collection of high-quality data and (ii) real-world model design and training. Our embodied AI robotic solutions are delivered in the form of end product.

Key components of our embodied AI robotic solutions include: (i) integrated AI computing units or various forms of PCBAs, which incorporate (a) CPUs, (b) dedicated processing units and (c) our self-developed AI models and software; and (ii) external components, including (a) an electric elevation platform, (b) a motion control chassis equipped with an omnidirectional mobility system, (c) multiple cameras for visual perception, and (d) a six-axis dual robotic arm with a payload capacity of up to 1.5 kilograms.

The integrated AI software includes our proprietary AI models, which support (i) natural language understanding, (ii) visual recognition, and (iii) real-time environmental perception. These models are optimized for demonstration-based learning, allowing humanoid actions to be recorded and used for AI model training, followed by automated task execution.

Key features of our embodied AI robotic solutions include:

- *Precise dual-arm operation*. Our embodied AI robotic solutions includes two mechanical arms, capable of performing complex tasks with high accuracy. Compared to single-arm robots, our embodied AI robotic solutions are able to complete more complex operations in a more precise manner within the same time frame.

- *Adjustable electric elevation range*. Robotic platforms with fixed-arm structures have limited reach and adaptability across varying heights. Our embodied AI robotic solutions integrates a vertical lift mechanism, allowing its arms to operate at multiple height levels. This extends its effective working range and supports the training of more complex tasks, including multi-layer object interactions commonly found in logistics and household application scenarios.

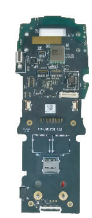
- *Efficient data collection and model training*. Data quality and diversity are critical constraints in AI model training. Our embodied AI robotic solutions supports manual operation through a handheld controller, allowing customers to perform demonstrations without affecting odometry accuracy. This ensures precise movement tracking during manual operation, facilitating accurate trajectory recording and real-time data capture, which in turn allows robots to achieve higher efficiency in collecting end-to-end data compared to industry averages in the global embodied intelligence industry.

Other Solutions

Our other solutions are solutions without AI models integrated into its softwares. enable end products to support (i) cellular wireless communications, (ii) real-time processing and (iii) multimedia function. Our other solutions are delivered in the form of (i) PCBAs, (ii) end products or (iii) R&D services. End products equipped with our solutions can support (i) wireless transmission rates of up to 7.01 Gbps with low latency and (ii) offer broad compatibility across IoT devices and application scenarios. Our other solutions are primarily used in handheld devices across various application scenarios including smart home, consumer electronics, smart retail and smart manufacturing.

The pictures below illustrate our other solutions delivered in the form of (i) PCBAs and (ii) end products:

PCBAs



Our PCBAs

End products

Handheld devices

Components of our handheld devices

Discontinued Operation and the Disposal of Shenzhen Rolling

In-vehicle front-fit wireless communication business refers to the integration of wireless communication modules directly into vehicles during OEM manufacturing to enable low-latency multi-screen interaction within infotainment systems, as compared to after-fit solutions which are installed post-sale and often lack seamless system-level integration. In July 2021, in order to expand our overseas in-vehicle front-fit wireless communication business and further strengthen our overseas market position, our Company entered into an equity purchase agreement to acquire an aggregate of 51% equity interest in Shenzhen Rolling, upon the completion of which the our Company held 100% of the equity interest in Shenzhen Rolling and our Group primarily operated our overseas in-vehicle front-fit wireless communication business through Hong Kong Rolling (a wholly-owned subsidiary of Shenzhen Rolling) and Luxembourg Rolling (a wholly-owned subsidiary of Hong Kong Rolling at the relevant time).

Subsequently, in light of the increasingly complex changes in the international market environment and the difficulties and costs associated with navigating such changes, we re-evaluated our strategic direction in international expansion and decided to dispose of our overseas in-vehicle front-fit wireless communication business segment operated through Hong Kong Rolling and Luxembourg Rolling in July 2024 (the "**Disposal**").

This decision was mainly driven by increasing regulatory risks associated with the automotive front-fit sector in U.S. Specifically, in August 2023, the U.S. House of Representatives' Special Committee on U.S.-China Strategic Competition issue an open letter to the U.S. Federal Communications Commission ("**FCC**"), requesting information regarding the national security risks posed by wireless communication modules provided by Chinese companies, including companies with shareholders of Chinese background. In March 2024, the White House further announced that the Commerce Department's Bureau of Industry and Security ("**BIS**") would issue an advance notice of proposed rulemaking as part of a national security investigation into connected vehicles originating from the PRC and other countries of concern (the "**Advance Notice**"). The Advance Notice specifically targets the automotive sector, with a particular focus on connected vehicles—defined as motor vehicles equipped with wireless communication technologies that enable data exchange with other vehicles, infrastructure, and external networks to enhance safety, mobility, and environmental performance. This raised the possibility that wireless communication modules supplied by Rolling, particularly those used in automotive electronics application scenarios, could be added to the FCC's "regulated list," or be subject to potential regulatory restrictions in U.S., which would prevent the certification of new wireless communication module products supplied by Rolling and disrupt its ability to offer products in the U.S. market. Accordingly, in consideration of the potential sector-specific regulatory concerns regarding the in-vehicle front-fit segment, as well as concerns expressed by our customers regarding increasingly stringent U.S. regulatory policies targeting the automotive and automotive electronics sectors, and the corresponding impact on the stability of our product supply, their product deliveries, and the broader implications for their operations, we determined that it was in the best interest of our Group to proceed with the Disposal. This determination was further substantiated by the notice of proposed rulemaking released by the BIS in September 2024 and the final rule implemented by the U.S. on March 17, 2025 (the "**March 2025 Final Rule**") , which formally prohibits the import of (i) vehicle connectivity system ("**VCS**") hardware or connected vehicles containing such hardware and (ii) the import and sale of connected vehicles containing VCS software or software that supports the function of VCS or automated driving systems (the "**Covered Software**"), when such VCS hardware or Covered Software is designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of the PRC.

During the Track Record Period and prior to the date of the Disposal, based on geographic region of the place of registration of counter-parties to sales contracts, Shenzhen Rolling primarily generated revenue from sales of module products to South Korea and Mainland China, with revenue from sales to the U.S. accounting for less than 5% of its total revenue in each respective year/period. Despite the insignificant proportion of revenue generated from sales to the U.S., the Disposal was driven by two key considerations: (i) the March 2025 Final Rule targets VCS hardware or Covered Software designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of the PRC, regardless of whether such persons primarily sell into the U.S. or whether their products are directly exported to the U.S, and (ii) although Rolling's direct customers are based in South Korea and Mainland China, many of them serve as suppliers to European automotive manufacturers whose vehicles are distributed globally, including in the U.S., thereby creating downstream exposure to regulatory risk. In light of these potential regulatory risks and considering the stability of our international business and the impact on customer relationships, the Company decided to divest the relevant overseas business. This move was aimed at mitigating the risk of significant goodwill impairment, while enabling the Company to protect the interests of both the Company and its shareholders. For details, see "History and Corporate Structure—Material Acquisitions, Disposals and Mergers—Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024" in this prospectus.

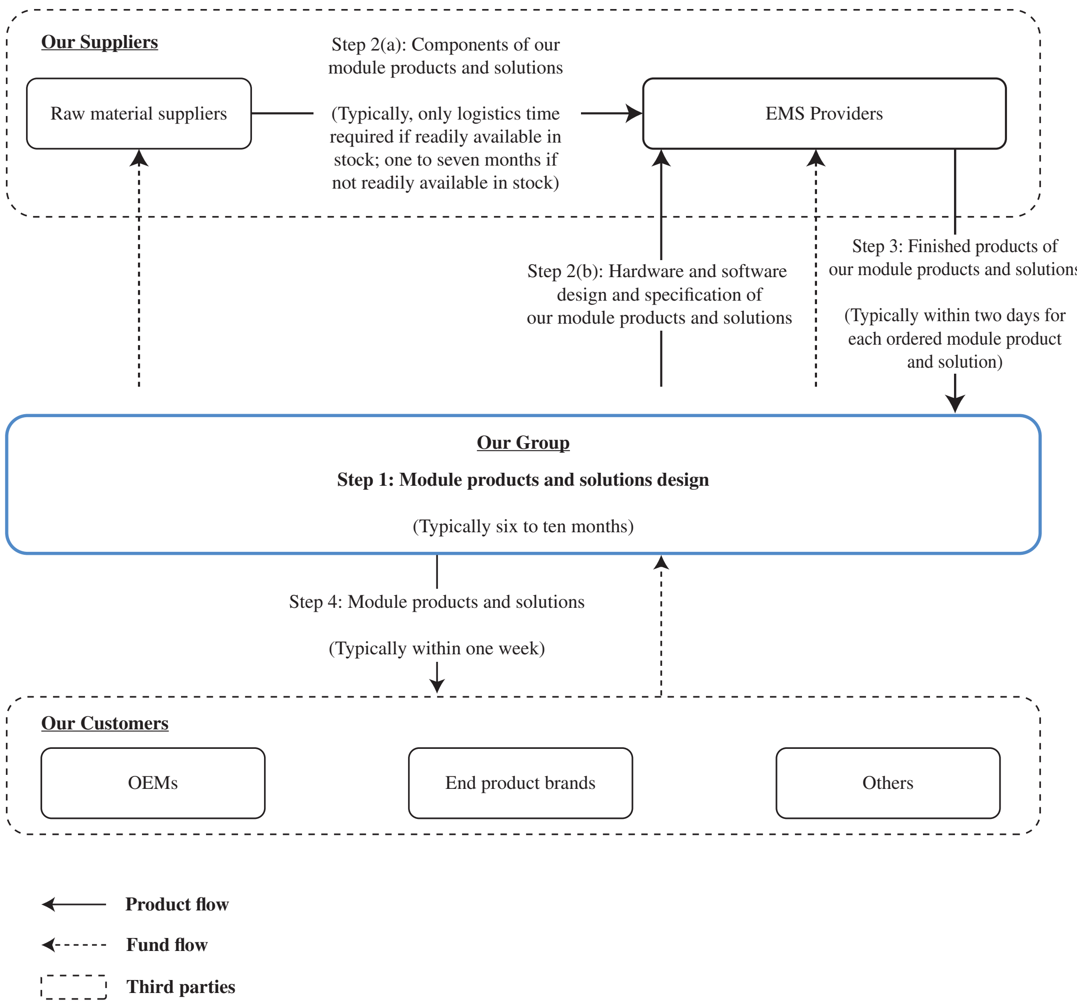
The impact of the Acquisition and the Disposal on our Group's business and financial performance are mainly twofold. In terms of business operation, besides those operated by Rolling, the Group did not operate overseas in-vehicle front-fit wireless communication business before the Disposal. Accordingly, the assets disposed relates to all of the Group's operation of overseas in-vehicle front-fit wireless communication business segment at the time of the disposal of Rolling, which affects our Group's wireless communication business, especially in relation to the downstream automotive electronic application sectors. This Disposal did not affect our domestic business operation in in-vehicle front-fit wireless communication business segments or other overseas operations.

In addition, our results of operations, including our profit for the year and balance sheet items, were affected by the Acquisition of Rolling and the Disposal of Rolling. In 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, profit for the year from discontinued operation amounted to RMB12.6 million, RMB188.2 million, RMB253.7 million, RMB93.5 million and nil, respectively. For further details, see Note 10 to Accountants' Report in Appendix I to this prospectus.

OUR BUSINESS MODEL

Our business model focuses on the R&D of our modules and solutions while outsourcing the manufacturing to professional third-party EMS providers. According to Frost & Sullivan, outsourcing the manufacturing of products to EMS providers aligns with the industry practices in wireless communication module industry in China, which allows module provider to allocate the necessary resource on R&D.

The following chart illustrates our business model:



Key stages of our business process are set out below:

(1) *R&D*. Our R&D team designs the structure, hardware and software of our module products and solutions; see "—Research and Development" for details;

(2) *Procurement*.

(a). We source components, primarily including (i) baseband chips, (ii) radio frequency chips and (iii) memory chips, from raw material suppliers, who deliver them directly to our designated EMS providers;

(b). We also provide EMS providers with the design and specifications of our module products and solutions to guide the manufacturing process and ensure alignment with our requirements;

(3) *Manufacturing and testing*. EMS providers (i) produce the hardware for our module products and solutions, (ii) program our self-developed software onto the hardware according to our specifications, (iii) arrange testing of finished products and deliver the finished products to us; and

(4) *Sales and distribution*. We provide our module products and solutions to customers, primarily including OEMs and end product brands.

OUR CORE TECHNOLOGICAL CAPABILITIES

Our core technological capabilities enable us to develop, integrate and customize high-performance data transmission modules, smart modules and AI modules that cater to diverse downstream application scenarios, including automotive electronics, smart home, consumer electronics and smart retail. Through years of R&D efforts, we have built our proprietary technologies upon two fundamental pillars: (i) module design and (ii) module-based solution development.

Module Design

We have extensive experience in developing high-performance and low-power consumption data transmission modules, smart modules and AI modules in line with global communication standards. Key strengths of our module design technology include:

- *Enhanced radio frequency design.* As 5G networks expand, the complexity of radio frequency design has increased, with the need to support multiple frequency bands. Traditional cellular modules often struggle to meet these demands, particularly when it comes to multi-band and multi-frequency support. For example, our smart module series include our enhanced radio frequency technology, which supports over 20 5G bands and over 30 4G bands, offering a high level of integration and the ability to combine multiple frequency bands with carrier aggregation and end-to-end network convergence. This design ensures stable, reliable performance across a wide range of telecom networks, overcoming traditional frequency restrictions.

- *Stable performance in harsh environments.* Automotive and industrial scenarios often require wireless communication modules and solutions that can operate reliably under extreme environmental conditions, such as wide temperature ranges and high interference. To meet these needs, our modules are designed to perform across a broad temperature range of -40°C to 85°C, with additional features like electrostatic discharge protection and radiation control. This design allows our modules to maintain efficient operation in demanding environments, ensuring reliable wireless communication for automotive and industrial application scenarios without compromising on performance.

- *Reliable connectivity*. Clean energy, industrial IoT, shared economy, smart home and other real-time computing application scenarios demand consistent and low-latency data transmission. Our module products enhance data reliability, reduce network access time, and optimize real-time network selection and switching.

- *Multi-telecom operator compatibility*. Global 4G/5G networks vary widely across telecom operators, each with unique frequency bands, standards, and testing requirements, complicating single-product compatibility. Typically, providers in the wireless communication module industry in China launch multiple stock-keeping units in different countries to address such challenge. We leverage our expertise in 3GPP protocols and understandings of specific standards adopted by different cellular operators to create a single software version compatible with major global operators, passing their entry tests, allowing customers to deploy one product worldwide with reliable network access.

- *Advanced network security integration*. Rising cybersecurity threats and stringent regional regulations heighten the compliance standards for IoT devices. We embed security features like secure boot, firewalls, intrusion detection systems, encryption, and multi-factor authentication into our modules. According to Frost & Sullivan, we are the first wireless communication module provider in wireless communication module industry in China successfully meet leading international standards including IEC 62443-4-1 and NIST.IR.8259 standards.

Module-based Solution Development

Beyond standalone module development, we have developed a comprehensive technology stack to integrate our modules into complex, multi-device solutions and offer customized features to our customers. The technical expertise we have accumulated through the research and development of our module product can be efficiently applied to the research and development of our solutions. Our expertise in module-based solution development ensures that our modules work effectively within a variety of hardware and software environments, addressing industry-specific needs and optimizing overall performance. Our strengths in module-based solution development include:

- *Industry-specific customization.* Device used across various application scenarios require industry-specific and customized designs for solutions to meet stringent requirements for power efficiency, data transmission speed, and precision. Our module products and solutions are designed to meet specific environmental and operational requirements, including wide temperature tolerance for automotive electronics application scenarios, stable communication performance for smart retail application scenarios, and reliable long-range transmission for remote meter reading in gas, electricity, and water metering application scenarios.

- *Multi-protocol communication and unified communication architecture*. Many connected IoT devices operate in environments where multiple communication protocols and operating systems must be supported simultaneously, creating challenges in interoperability and data exchange. Our shared processor, memory, interface technologies, self-developed fixed wireless access framework and AI stack enable compatibility between different protocols, while our embedded data exchange and routing functions allow for swift switching between communication technologies. We also develop unified communication protocols which simplify integration by providing a standardized framework that minimizes development complexity and enhances system scalability. This technology allows customers to efficiently manage cross-protocol interactions, reducing the technical barriers associated with multi-device integration.

- *In-vehicle ethernet technology*. To address rising bandwidth demands in automotive systems as automotive applications become complex, our in-car network communication technology uses Ethernet to build a local network within vehicles, enabling high-speed data transmission and real-time communication between vehicle systems. Such network supports up to 1000 Mbit/s data rates, optimizing video transmission and other high-bandwidth applications.

RESEARCH AND DEVELOPMENT

Continuous research and development is the backbone of our business operation. We are committed to developing new technologies, designing new products and upgrading existing product offerings to augment our leading market position and we recognize that comprehensive support from research and development is crucial to achieve this goal.

Our R&D Team

We have built a dedicated and experienced R&D team. As of April 30, 2025, our R&D team consisted of 1,194 employees, over 95.0% of whom held a bachelor's degree or above primarily in majors such as telecommunications, computer science, and automation. Among our R&D team, we also established a dedicated robotic R&D team, consisting of 51 professionals with extensive experience in robotics, AI, and engineering as of April 30, 2025.

As of the Latest Practicable Date, we had four R&D centers, two in Shenzhen, Guangdong Province, China, one in Xi'an, Shaanxi Province, China and one in Shanghai, China. Centers in Shenzhen and Xi'an are all engaged in the R&D of our module products, with the Shenzhen center focusing on R&D related to AI modules, Edge AI solutions and robotic solutions. Shanghai center is primarily engaged in R&D related to Edge AI solutions and other solutions. Additionally, we established our AI research institute in 2024, which focuses on the development of Edge AI tool chains, Edge AI models, and robotic AI models.

To foster continuous innovation and expand our R&D talent pipeline, we have established long-term collaborations with leading universities and research institutions in China. Through joint innovation labs, student internship programs, research collaborations and industry-academia partnerships, we actively cultivate future talent and enhance industry-academic cooperation.

In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, our R&D expenses were RMB542.6 million, RMB540.2 million, RMB582.7 million, RMB193.9 million and RMB182.3 million, respectively, accounting for 10.4%, 9.6%, 8.4%, 9.5% and 7.3% of our total revenue for the respective periods.

Key R&D Focus

Our research spans across wireless communication, positioning and navigation, machine vision, AI model and multimodal models, enabling innovation in application scenarios such as automotive electronics, smart home, consumer electronics and smart retail. During the Track Record Period and up to the Latest Practicable Date, we actively engaged in multiple R&D projects centered on the development of 5G modules, 5G RedCap modules, smart modules, AI modules, Edge AI solutions and robotic solutions. For robotic solutions, we prioritize (i) training of multimodal large models and environment perception, (ii) the development of positioning, navigation, and mapping algorithms that enhance robotic mobility, and (iii) the evolution of edge computing and control algorithms that improve robotic arm performance.

R&D Process

We classify our R&D projects into different tiers based on their scale and complexity, with first-tier projects demanding relatively more substantial resources and longer development cycles of approximately eight to 10 months. The R&D process of our module products and solutions encompasses the following stages:

1. ***Project concept and planning***. We assess market conditions and refine market needs and requirements into technical specifications for R&D projects. We then conduct a technical feasibility analysis, prepare a project initiation report and develop an R&D plan. Upon approval by our internal evaluation committee, we will finalize the R&D plan, including product specifications and key technology frameworks. For first-tier R&D projects, we typically establish a product development team to supervise the R&D process.

2. ***Project requirement and specification design***. Following project initiation, our R&D team refines the project's requirements, technical specifications, functional features, performance targets based on applicable industry and regulatory standards and ensures that the project align with market and customer needs.

3. ***Development***. Our R&D team proceeds with the development process based on the approved design plans. Specifically:

    - *Modules.* The development process for module products focuses on technical architecture design and development of the relevant module products, primarily including (i) product structure, (ii) hardware baseband, (iii) radio frequency, (iv) software and (v) testing systems.

    - *Solutions.* The development process for our solutions focuses on the understanding for specific application scenarios and design and development for hardware, software and components, primarily including the design and development for (i) hardware, (ii) software and algorithm, (iii) structural and manufacturability and (iv) system testing.

4. ***Validation***. Once the design and development process is completed, we will conduct internal and external testing for performance, stability, robustness to ensure that the product or solution samples meet industry standards and are ready for scalable manufacturing. In the later stages, we will also collaborate with customers, typically renowned end product brands or OEMs we identify within the industries, for joint testing to ensure our products meet expectations and minimize defects before mass production. For our solutions, we also proceed with customer-side integration and undertake joint troubleshooting processes factoring in the specific characteristics and unique requirements of the customer's end products. Any issues identified during this phase may necessitate additional technical iterations to further enhance system compatibility and optimize performance.

5. ***Release and lifecycle management***. Following product validation, we focus on integrating our modules with hardware and software environments across various application scenarios. We continuously iterate product and solution versions to support efficient scaling of production and market deployment. Our quality control and legal departments conduct dedicated quality and regulatory reviews to ensure product stability and market readiness.

Key R&D Initiatives

The following table sets forth our key R&D initiatives, development timeline and development goals as of the Latest Practicable Date. We also plan to enhance our R&D efforts by launching additional projects focused on Edge AI solutions and robotic solutions aiming to further diversify our product and solution offerings. For further details of our new products and solutions to be developed, see also "Future Plans and Use of Proceeds—Use of Proceeds."

Focus area	Initiatives	Current status as of the Latest Practicable Date	Expected completion timeline	Development goals
5G module . . .	FG390 project	Ongoing	Expected one to two years	• Support for three concurrent uplink transmit antennas, three-carrier aggregation, and five-layer transmission • Support for eight downlink receiving channels
5G Redcap module	FG132 project	Mass production	Expected one year	• Additional support • Continual iteration
Smart module .	SC171 project	Ongoing	Expected one month	• Global 5G cellular support • 12T computing capabilities
AI module . . .	SP151 project	Ongoing	Expected one month	• Global 5G cellular support • AI voice assistant application software
Edge AI solution . . .	AI buddy	Ongoing	Expected six months	• Release of upgraded first-generation solution • Annual iteration of software and hardware functions

Focus area	Initiatives	Current status as of the Latest Practicable Date	Expected completion timeline	Development goals
	AI assistant	Ongoing	Expected three months	• Completion of headphone companion functionality • Completion of glasses companion functionality • Added support for speech, image and video recognition
	AI companion robot	Ongoing	Expected six months	• Completion of voice-visual interaction development • Launch of key features including smart home control, auto-follow, and obstacle avoidance
	AI retail assistant	Planning	Expected three months	• Multilingual ordering, marketing • Standardized content management
Robotic solutions . . .	Low-speed intelligent robotic solutions	Ongoing	Expected two to three years	• Prototype validation • Advancement of scenario-specific applications and initial commercialization
	AI computing all-in-one machine	Planning	Expected three to four years	• Completion of AI-powered integrated system prototype development • Expansion of multimodal data processing capabilities across new application scenarios • Scaling of applications and continuous technological iteration

Focus area	Initiatives	Current status as of the Latest Practicable Date	Expected completion timeline	Development goals
	Embodied AI model	Ongoing	Expected three to four years	• Prototype development with multimodal perception and enhanced motion control algorithms • Advancement of scenario-specific applications and operational data accumulation

Collaboration with Universities and Research Institutions

During the Track Record Period, we established long-term collaborations with leading universities and research institutions in China. Salient terms of our collaboration agreements with universities and research institutions are as follow:

- ***Duration***. The terms of our collaboration agreements are typically five years, which are extendable based on mutual agreement.

- ***Collaboration scope***. We typically collaborate with universities and research institutions on various initiatives, including (i) course development based on our technologies, (ii) establishment of joint laboratories, and (iii) the development of student innovation programs such as internship opportunities and research competitions.

- ***Roles and responsibilities***. We are responsible for the provision of (i) necessary course materials, (ii) technical support, and (iii) access to our R&D laboratories, ensuring proper training and guidance for faculty and students. Universities and research institutions are responsible for (i) course design, (ii) course delivery, and (iii) coordination of laboratory usage. Both parties collaborate to support the promotion of R&D and contribute to the development of new IPs.

- ***IP ownership***. Any intellectual properties created from the joint development work performed in accordance with the agreement shall be co-owned by both parties. For intellectual properties created independently created by universities and research institutions, our Group would have the right of first refusal.

- ***Confidentiality***. Any information obtained during joint development shall not be disclosed to third party. The confidentiality obligation under the agreement shall not be affected by termination or lapse of the agreement.

INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights are critical to our business operations. As of the Latest Practicable Date, we had 541 granted patents in China and overseas, including 371 invention patents, as well as 767 patent applications. As of the Latest Practicable Date, we had 183 software copyrights, 58 registered trademarks, and 10 domain names in China and overseas.

We acquire patents through self-development. As of the Latest Practicable Date, we owned all of our patents as well as patent applications and had no co-own or co-share arrangements of our patents and patent applications with third parties. For further details our portfolio of material intellectual property rights as of the Latest Practicable Date, please see "Appendix IV—Statutory and General Information—B. Further Information about our Business—2. Our Intellectual Property Rights."

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See "Risk Factors—Risks Relating to Our Business and Industry—We may not be able to obtain or maintain adequate intellectual property rights protection for our products and solutions, or the scope of such intellectual property rights protection may not be sufficiently broad."

SALES, MARKETING AND DISTRIBUTION

Our Sales Network

We have established a comprehensive sales network that spans both domestic and international markets. As of April 30, 2025, we sold our products to direct sales customers and distributors in 34 countries and regions worldwide. The following table sets forth a breakdown of our revenue from continuing operations by geographic region of the place of registration of counter-parties to our sales contracts, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Continuing operations										
Mainland China	2,096,271	40.3	2,354,952	41.7	2,831,447	40.6	862,609	42.1	1,016,393	41.0
Taiwan	1,602,862	30.8	1,661,522	29.4	1,967,367	28.2	588,630	28.8	884,361	35.7
United States	621,163	12.0	578,111	10.2	817,172	11.7	237,363	11.6	269,913	10.9
Singapore	370,601	7.1	419,265	7.4	380,903	5.5	170,457	8.3	115,640	4.7
Hong Kong	304,036	5.8	391,620	6.9	363,126	5.2	106,970	5.2	53,051	2.1
Others(1)	207,803	4.0	246,344	4.4	611,174	8.8	81,071	4.0	141,290	5.6
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Others primarily include India, Thailand and Brazil.

During the Track Record Period, we derived the majority of our revenue from overseas markets. For a detailed analysis of our revenue by geographical region of our customers, see "Financial Information—Principal Components of Consolidated Statements of Profit or Loss—Continuing Operations—Revenue."

The following table sets forth a breakdown of our oversea revenue by geographic region of the place of delivery, in absolute amount and as percentages of our oversea revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,	
	2022		2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Continuing operations								
Mainland China[1]	3,015,780	97.1	3,169,613	96.1	3,525,620	85.2	620,699	42.4
Taiwan	18,931	0.6	26,498	0.8	40,972	1.0	19,559	1.3
United States	224	0.0	5,432	0.2	41,441	1.0	32,854	2.2
Singapore	134	0.0	1	0.0	20	0.0	–	–
Hong Kong	65,468	2.1	59,058	1.8	344,123	8.3	669,090	45.7
Others[2]	5,928	0.2	36,260	1.1	187,566	4.5	122,053	8.4
Total	**3,106,465**	**100.0**	**3,296,862**	**100.0**	**4,139,742**	**100.0**	**1,464,255**	**100.0**

Notes:

(1) Refers to the place of delivery located in mainland China, such as comprehensive bonded zones (綜合保稅區), designated by our overseas customers.

(2) Others primarily include Thailand, Vietnam and the Netherlands.

In 2022, 2023, 2024 and the four months ended April 30, 2025, revenue from the sales of our products that were both directly shipped to the U.S. and sold to customers incorporated in the U.S. was RMB0.2 million, RMB5.4 million, RMB41.4 million and RMB32.4 million, respectively.

Our Sales Channel

During the Track Record Period, we primarily relied on direct sales to distribute our products in both domestic and overseas markets. This approach allows close and direct connection with our customers and gain to first hand understanding of our customers' needs.

During the Track Record Period, we leveraged distributors to a lesser extent for selling our products and solutions. We choose to adopt a distributorship model primarily due to (i) the diverse nature of application scenarios of our products and solutions, when distributor coverage provides greater efficiency, and (ii) the ability to leverage distributors' market expertise and established sales networks for effective sales in newly entered domestic and international markets. Our distributors enable us to streamline our administration and efficiently maintain good relationships with customers across various industries by providing localized support and facilitating timely product delivery. This approach also empowers our swift penetration into new markets by facilitating the establishment and expansion of our sales network.

The table below sets forth a breakdown of revenue from continuing operations by sales channels, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Direct Sales	4,918,018	94.5	5,273,717	93.3	6,373,447	91.4	1,849,226	90.3	2,194,418	88.5
Distributorship	284,718	5.5	378,097	6.7	597,742	8.6	197,874	9.7	286,230	11.5
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

During the Track Record Period, the movements in revenue from direct sales and sales to distributors are generally in line with our business expansion. During the Track Record Period, revenue generated from direct sales as of percentage of our total revenue decreased from 94.5% in 2022 to 93.3% in 2023, and further to 91.4% in 2024, and from 90.3% in the four months ended April 30, 2024 to 88.5% in the four months ended April 30, 2025, while revenue generated from distributorship as a percentage of our total revenue increased from 5.5% in 2022 to 6.7% in 2023, and further to 8.6% in 2024, and from 9.7% in the four months ended April 30, 2024 to 11.5% in the four months ended April 30, 2025, primarily due to our expanded use of domestic and overseas distributors to strengthen market penetration in local regions.

Our Direct Sales

Overview

Our direct sales customers primarily include end product brands and OEMs in automotive electronics, smart home, consumer electronics, smart retail and other application scenarios. We reach our direct sales customers through a combination of online and offline targeted marketing efforts, including (i) online efforts such as digital campaigns, technical livestreams and seminars and (ii) offline efforts such as industry exhibitions, which allow us to showcase our expertise and engage potential clients effectively.

Principal Contractual Terms with Direct Sales Customers

We typically enter into framework direct sales agreements with our direct sales customers. Salient terms of our framework direct sales agreements with direct sales customers are set out below:

- *Term and termination*. We typically enter into framework direct sales agreement with a fixed term from one to three year(s), which may be terminated by direct sales customers upon prior written notice.

- *Pricing policy*. We sell our products to direct sales customers at mutually agreed price levels.

- *Payment and credit term*. Direct sales customers are generally required to pay us upon acceptance of our products. We generally grant a credit period of up to 90 days to our direct sales customers of from the date of billing.

- *Purchase amount*. The purchase amount is specified in each purchase order under the framework agreement.

- *Product return arrangements*. We typically do not allow our direct sales customers to return products to us except for limited reasons, such as product design defects or quality issues.

- *Logistics*. We are responsible for delivering our products to locations designated by our direct sales customers.

- *Product warranty*. We typically provide a product warranty period of three to five years for products and solutions used in the automotive electronics application scenarios and one to two years for other products and solutions, subject to the product warranty period of the end products.

Our Distribution Channels

Overview

As of December 31, 2022, 2023 and 2024, and April 30, 2025, we had 150, 136, 119 and 80 distributors. The following table sets forth the total number of our distributors as at the dates indicated and the movements during the Track Record Period:

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
As at the beginning of the year/period	175	150	136	119
– Addition of new distributors	55	48	46	14
– Terminated distributors	80	62	63	53
As at the end of the year/period	150	136	119	80

In 2022, 2023, 2024 and the four months ended April 30, 2025, we engaged 55, 48, 46 and 14 new distributors, respectively, which was in line with our strategy to strengthen distributor network to further penetrate domestic and overseas market. In the same periods, we terminated collaboration with 80, 62, 63 and 53 distributors, respectively, primarily due to strategic optimization of our distributor network to phase out distributors with unsatisfactory sales performance which failed to meet the criteria of our assessment.

Relationship with distributors

We have a seller-buyer relationship with our distributors. Our distributors maintain a “buy-out” model with us. Our distributors buy our products from us and then resell the products to end customers. Revenue is recognized upon the transfer of control of our products, which occurs when the products are delivered to and accepted by our distributors. Our distributors are independently responsible for their own inventory management, any risks arising from which will be taken by our distributors at their own cost.

To the best of our knowledge, we do not have any sub-distributor during the Track Record Period. 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. During the Track Record Period and up to the Latest Practicable Date, we have no material unresolved disputes or lawsuits with our distributors.

Selection and management

We select our distributors based on comprehensive criteria, including their distribution network coverage, customer management capabilities, financial stability, logistics infrastructure and compliance track record. We establish sales guidelines for our distributors, covering pricing policies, inventory management, and payment requirements, to ensure they operate in accordance with our market strategies and legal requirements. To maintain transparency and control over sales channels, we require our distributors to provide delivery and sales statistics, allowing us to track the final destination of our products. To prevent cannibalization, we require distributors to report the information of end customers to us for record before entering into sales arrangements with such customers.

We regularly review distributor performance based on their sales volume, customer engagement, and operational compliance, and assess contract renewals accordingly. As of the Latest Practicable Date, we were not aware of any potential abuses or improper use of our name by our distributors which could adversely affect our reputation, business operation or financial condition.

Principal contractual terms

We generally entered into framework distribution agreements with each of our distributors. The key terms of our distribution agreements are set out below:

- *Term.* The term of the distribution agreement is typically one year, subject to renewal by mutual agreement.

- *Designated sales territory.* Distributors are authorized to distribute our products in designated regions as specified in the agreement.

- *Pricing policy.* A fixed price is provided in each purchase order under the framework distribution agreement.

- *Payment and credit period.* We generally require distributors to make payment before the delivery of our products. Based on the creditworthiness of certain distributors, we may also grant a credit period of 30 to 60 days.

- *Purchase amount*. The purchase amount is specified in each purchase order under the framework distribution agreement. We do not impose a minimum purchase requirement for the majority of our products.

- *Sales target.* We determine the incentive amount based on our sales incentive scheme to encourage distributors to fulfill annual sales target and promote the sales of our products. No penalties will be exerted if distributors fail to meet the annual sales target.

- *Product returns.* We typically do not allow our distributors to return products to us except for limited reasons, such as product design defects or quality issues.

- *Product Warranty.* We generally provide a warranty period of 15 months.

- *Risk transfer.* All significant risks, including inventory risks, are transferred to our distributors upon delivery and acceptance, and we retain no ownership control over the products sold to our distributors.

- *Termination.* The agreement may be terminated by either party upon prior written notice.

Channel stuffing and cannibalization management

To prevent cannibalization, we require distributors to report the information of end customers to us for record before entering into sales arrangements with such customers. If a distributor submits a request to cover an end customer already covered by the other distributor, we will not grant approval to such overlapping coverage. This allows us to monitor their progress and ensure that there is no overlap in customer coverage, thus preventing potential conflicts between distributors.

To manage the potential risks associated with channel stuffing, we implement a variety of management practices designed to ensure that our distributors maintain appropriate stock levels aligned with actual market demand:

- ***Buy-out model***. We supply products to distributors based on individual purchase orders placed on an as-needed basis, consistent with the buy-out nature of our distributor relationships. This approach helps to prevent excessive inventory accumulation, as distributors only order products when there is a demonstrable need.

- ***Prepayment***. We typically require distributors to make full payment prior to the shipment of products. This policy serves to reduce the incentive for distributors to over-order products beyond their actual sales capacity, thereby mitigating the risk of excessive inventories.

Considering that (i) our annual sales targets are non-compulsory and do not result in penalties for failure to achieve them, (ii) our distributors are generally not permitted to return unsold products to us, and (iii) we did not identify any material channel stuffing risks during the Track Record Period, our Director is of the view, and the Sole Sponsor concurs, that we do not have any material channel stuffing issue.

Pricing

We price our products by considering a variety of factors, primarily including (i) customer demands, (ii) raw material costs, (iii) product differentiation and (iv) competitive landscape of the markets. In addition to these pricing factors, we may adopt volume-based pricing strategies to incentivize customers to place larger orders, driving higher sales volumes and optimizing cost efficiencies. We adjust the final pricing based on the specific customer on a case-by-case basis.

Module products

Our module products are not customizable. However, we offer multiple configurations for customers to choose from, including different options for compatibility with different regions and storage configurations. These variations allow customers to select the best fit for their specific needs within the available configurations.

We price our module products based on a cost-plus pricing model, where the price is determined by adding a margin to the raw material and production outsourcing costs. We also take into product differentiation into consideration when pricing our module products as our module products are often equipped with different levels of processing speeds and computing capabilities. For AI model specifically, if software or algorithm integration is required, we apply an additional markup of the hardware cost. This ensures our pricing reflects both the cost of production and the added value depending on the specific product configurations. We also consider the competitive pricing of similar products in the market to ensure our prices remain attractive.

Solutions

Our solutions are customizable to meet the unique requirements of our customers. Customization may involve adjustments to software, hardware, or both, depending on the scope and nature of the customer's needs. This flexibility ensures that we can cater to a wide range of application scenarios.

Our pricing strategy for our solutions primarily depends on customer demand and the specific application requirements. The pricing is primarily determined by a gross margin pricing strategy, with margins typically up from a specific percentage. We consider several factors, including the cost of customization, research and development investments, resource allocation, and market conditions. If the scope of the solution requires significant customization or integration, at least an additional three month and resources is required, which could affect the final pricing. The price is also adjusted on a case-by-case basis to reflect the specific requirements and scale of the customer's project.

Others

For the sales of complementary electronic components and the provision of IoT connection services, we generally price our products and services based on comparable offerings in the market. We take into account market conditions, customer demand, and industry standards to ensure that our prices are competitive while reflecting the quality and value of the products and services provided.

Marketing

Our marketing efforts focus on identifying market opportunities, developing sales strategies and maintain customer relationships through regular communication. As of April 30, 2025, our sales and marketing team consisted of 237 employees.

To drive sustainable business growth, we have adopted a customer base expansion marketing strategy that focuses on both strengthening relationships with existing key customers and continuously acquiring new customers and business lines. We expand our customer base through joint R&D initiatives, industry partnerships and market outreach such as industry exhibitions. Additionally, we launched our flagship online store in 2025 on third-party e-commerce platforms, expanding our marketing platforms for potential customers to more quickly locate our products and solutions. In particular, as we advance AI modules and Edge AI solutions, we are actively targeting AI-powered devices, robotics and other emerging market segments to further broaden our customer network and establish long-term growth opportunities.

Product Return

Based on our policy, products sold to customers cannot be returned except for instances of product design defects and quality issues. On average, the value of products returned by customers accounted for less than 0.2% of our total revenue of respective periods during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material product return, exchange, complaints or product liability claims from our customers. Since we received no material customer complaints or request for product exchange due to product quality and defects which were material to our business, we had not incurred any material warranty expense or made any provision for such warranty expense during the Track Record Period and up to the Latest Practicable Date.

OUR CUSTOMERS

Customer Management

We provide our products to customers in various application scenarios covering automotive electronics, smart home, consumer electronics, smart retail and other industries. During the Track Record Period, our customers primarily consisted of (i) direct customers such as (a) end product brands in the automotive electronics, smart home, consumer electronics, smart retail and other application scenarios and (b) OEMs designated by end product brands, and (ii) distributors. OEMs designated by end product brands typically purchase modules from us for further adjustments and integration with their products for final delivery to end product brands. End product brands typically procure modules from us for direct deployments with their products. During the Track Record Period, our transactions with customers in various application scenarios were negotiated on an arm's length basis.

Our Major Customers

During the Track Record Period, revenue generated from our five largest customers in each period amounted to RMB3,332.1 million, RMB3,610.9 million, RMB4,063.9 million and RMB1,567.3 million, respectively, accounting for 64.0%, 63.9%, 58.3% and 63.2% of our total revenue from continuing operations in the same periods, respectively. During the Track Record Period, revenue from our largest customer in each period accounted for 28.0%, 26.2%, 17.0% and 22.7% of our total revenue from continuing operations, respectively. All of our five largest customers were Independent Third Parties during the Track Record Period.

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

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

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main targeted application scenarios	Type of product purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2022							
1 . . .	Customer A(1)	1,455,961	28.0	Smart home	Data transmission module, smart module	60 days	2016
2 . . .	Customer B(2)	751,142	14.4	Automotive electronics	Data transmission module, smart module	30 days	2015
3 . . .	Customer C(3)	614,527	11.8	Consumer electronics	Data transmission module	90 days	2016
4 . . .	Customer D(4)	326,146	6.3	Consumer electronics	Data transmission module	90 days	2016
5 . . .	Customer E(5)	184,297	3.5	Consumer electronics	Data transmission module	90 days	2016

Notes:

(1) Customer A is an original equipment manufacturer, headquartered in Taiwan, listed in Taiwan Stock Exchange and engaged in the production of PCs, smart phones, tablets, televisions and other consumer electronics.

(2) Customer B is a multinational manufacturing company, headquartered in Shenzhen, China, listed on Hong Kong Stock Exchange and Shenzhen Stock Exchange, and engaged in the production of automobiles, electronic parts and production and assembly of electric vehicle.

(3) Customer C is a multinational information technology company headquartered in California, U.S., listed in NYSE and engaged in the development of PCs, printers and related supplies.

(4) Customer D is a multinational technology company headquartered in Texas, U.S., listed in NYSE and engaged in the development and sales of PCs, servers, data storage services and other products and services.

(5) Customer E is a multinational technology company, headquartered in China, listed on Hong Kong Stock Exchange specializing in designing, manufacturing, and marketing consumer electronics, PCs, software and related services.

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main targeted application scenarios	Type of product purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For year ended December 31, 2023							
1 . . .	Customer A	1,481,635	26.2	Smart home	Data transmission module, smart module	60 days	2016
2 . . .	Customer B	820,365	14.5	Automotive electronics	Data transmission module, smart module	30 days	2015
3 . . .	Customer C	575,680	10.2	Consumer electronics	Data transmission module	90 days	2016
4 . . .	Customer D	419,051	7.4	Consumer electronics	Data transmission module	90 days	2016
5 . . .	Customer E	314,170	5.6	Consumer electronics	Data transmission module	90 days	2016

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main targeted application scenarios	Type of product purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For year ended December 31, 2024							
1 . . .	Customer A	1,187,420	17.0	Smart home	Data transmission module, smart module	60 days	2016
2 . . .	Customer B	1,092,204	15.7	Automotive electronics	Data transmission module, smart module	30 days	2015
3 . . .	Customer C	810,871	11.6	Consumer electronics	Data transmission module	90 days	2016
4 . . .	Customer F(1)	600,852	8.6	Smart home	Smart module	60 days	2022
5 . . .	Customer D	372,516	5.3	Consumer electronics	Data transmission module	90 days	2016

Note:

(1) Customer F is a network communications and electronics manufacturer, established in 1989 in Taiwan, previously listed in Taiwan Stock Exchange and engaged in the development of broadband connectivity solutions, network communications, and electronics manufacturing.

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main targeted application scenarios	Type of product purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the four months ended April 30, 2025							
1 . . .	Customer A	562,861	22.7	Smart home	Data transmission module, smart module	60 day	2016
2 . . .	Customer B	398,810	16.1	Automotive electronics	Data transmission module, smart module	30 days	2015
3 . . .	Customer C	266,856	10.8	Consumer electronics	Data transmission module	90 days	2016
4 . . .	Customer F	257,852	10.4	Smart home	Smart module	60 days	2022
5 . . .	Customer D	80,940	3.3	Consumer electronics	Data transmission module	90 days	2016

During the Track Record Period, we generated a significant share of our revenue from our top five customers. We expect to generate a significant portion of revenue from our major customers. We have maintained long-term and stable collaborative relationships with our five largest customers for three to nine years. During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes with any of our five largest customers, and currently there is no indication or sign that they will alter the existing relationship with us in any aspect in the near future.

RAW MATERIALS AND PROCUREMENT

We procure a range of raw materials primarily including (i) baseband chips, (ii) radio frequency chips, (iii) memory chips and (iv) other electronic components for the production of our module products and solutions.

Our Key Raw Materials

Chips, including baseband chips, radio frequency chips and memory chips, are the main raw materials of our module products and solutions. During the Track Record Period, baseband chips, radio frequency chips and memory chips represent a substantial majority of our procurement of raw materials. The following table sets forth our purchases of baseband chips, radio frequency chips and memory chips, in absolute amounts and as percentages of the total cost of goods sold from continuing operations, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Baseband chips	1,504,841	36.4	1,754,260	39.3	2,157,429	37.8	580,196	35.4	834,464	40.9
Radio frequency chips	1,168,884	28.3	1,338,363	30.0	1,515,369	26.6	457,560	27.9	641,373	31.4
Memory chips	765,592	18.5	759,570	17.0	933,707	16.4	364,523	22.3	330,643	16.2
Total	**3,439,317**	**83.2**	**3,852,193**	**86.3**	**4,606,506**	**80.8**	**1,402,279**	**85.6**	**1,806,480**	**88.5**

In 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, the following table set forth our average procurement price (VAT exclusive) of baseband chips, radio frequency chips and memory chips:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
				(Unaudited)	
Baseband chips	46.4	47.2	42.6	33.7	48.7
Radio frequency chips	12.1	12.0	11.7	10.4	12.9
Memory chips	62.0	46.6	51.7	43.1	51.0

During the Track Record Period, we did not experience raw material price fluctuations that materially affected our business operations. In 2022, 2023 and 2024, the average procurement price (VAT exclusive) of radio frequency chips remained relatively stable. During the Track Record Period, the average procurement price (VAT exclusive) for memory chips experienced moderate fluctuations. From the four months ended April 30, 2024 to the four months ended April 30, 2025, the average procurement price of baseband chips increased from RMB33.7 to RMB48.7, while the average procurement price of radio frequency chips increased from RMB10.4 to RMB12.9. This increase was primarily due to a shift in our product mix, driven by a higher sales proportion of smart modules used in smart home application scenarios, which require the procurement of baseband and radio frequency chips at higher prices. In the same period, the average procurement price of memory chips increased from RMB43.1 to RMB51.0, primarily due to market price increase of memory chips in the same period. Nevertheless, these fluctuations had limited impact on our profitability as demonstrated by the increase in our net profit during the Track Record Period. Our profit for the year from continuing operations increased by 7.0% from RMB352.3 million in 2022 to RMB376.8 million in 2023, increased by 12.3% to RMB423.2 million in 2024, and further increased by 14.6% from RMB139.9 million in the four months ended April 30, 2024 to RMB160.3 million in the four months ended April 30, 2025. For further details, see "Financial Information—Principal Components of Consolidated Statements of Profit or Loss—Continuing Operations."

We actively manage our chip inventory to ensure efficiency and minimize potential price fluctuation and obsolescence risks. Through regular monitoring and strategic inventory control measures, we work to reduce the impact of technological advancements and market demand shifts on our chip stock. We categorize inventory as obsolete when the net realizable value of inventory is lower than its purchase cost, considering factors such as market conditions, product quality issues, and customer cancellations of orders. We define inventory obsolescence rate as the ratio of the provision for inventory impairment to the net ending inventory for the respective year or period. As of December 31, 2022, 2023, 2024 and April 30, 2025, the obsolescence rate of our chip inventories amounted to 0.4%, 0.6%, 2.3%, and 1.3%, respectively.

Supply chain stability management

The availability, quality, and pricing of our major raw materials have a direct impact on our production processes and product offerings. In addition, pricing fluctuations in key raw materials, including chips, may arise due to factors such as global and domestic economic conditions, supply-demand dynamics, government regulations, and geopolitical events.

Impact of global chip supply crunch in 2022

From late 2021 through 2022, the global semiconductor industry experienced supply shortages, driven by the ongoing COVID-19 pandemic, increased demand from the downstream sectors, and widespread supply chain disruptions. Specifically, the persistent COVID-19 pandemic severely disrupted semiconductor manufacturing, with major foundries worldwide experiencing periodic shutdowns, reduced workforce attendance, and logistics delays. In addition, explosive demand growth emerged downstream, fueled by trends including widespread remote work adoption, accelerated 5G infrastructure deployment, and the electric vehicle boom, which dramatically increased chip requirements for smart modules and communication equipment, worsening the supply-demand imbalance. Fractured global supply chains also triggered dramatic price surges for critical chip materials and extended lead times, creating a self-reinforcing cycle of "shortage-hoarding-worsening shortage" that ultimately escalated into an industry-wide systemic crisis. These factors contributed to a global chip shortage, impacting numerous industries, including the global communication module industry in which we operate.

Despite this challenge, Our Director is of the view that the impact of the chip supply crunch on our overall business and financial performance was minimal due to the following measures implemented to mitigate the chip supply crunch on our business operations:

(i) ***Alternative suppliers***. We maintained long-term access to alternative suppliers, mitigating potential disruptions in the supply chain.

(ii) ***Diversified supplier base***. We adhered to a competitive strategy with a diversified supplier base and signed strategic agreements to ensure stability in delivery and cost management. This approach has supported the continuity of operations despite global supply chain challenges.

(iii) ***Continual monitoring***. We continuously monitors supplier delivery performance and adjusts procurement and inventory strategies as needed to dynamically align with shifts in market demand and operational requirements, which allow us to maintain efficiency and mitigate risks to supply chain stability.

In light of the above, and considering our continual sales and revenue growth from 2021 to 2022, our Director is of the view that the global chip supply crunch in 2022 did not have a material impact on our business operations and financial performance.

Supply chain stability measures

To safeguard against potential supply disruptions and price volatility, we have implemented several measures to stabilize the procurement of chips and other critical raw materials:

- ***Diversifying our supplier base***. We have established a diverse and competitive supplier network, avoiding dependence on a single supplier and reducing supply chain risks. This allows us to secure a consistent supply of chips and reduce the impact of potential supply shortages.

- ***Building safety stock***. Based on production plans and the stability of raw material supplies, we maintain an appropriate level of safety stock to mitigate supply disruptions. We regularly assess and adjust inventory levels based on market demand and the supply situation.

- ***Long-term supply agreements***. We have entered into long-term supply contracts with key chip suppliers to secure a stable supply. These agreements provide us with predictable procurement volumes and pricing, reducing the uncertainty associated with fluctuating chip prices.

- ***Supplier relationship management***. We actively manage relationships with our suppliers through regular communication to stay informed about their production capacities, supply conditions, and any potential challenges they might face. This helps us to proactively address any issues that could affect chip supplies.

Procurement Management

We formulate our procurement plans dynamically, taking into account historical demand, sales forecasts, inventory levels, R&D needs, and market expansion strategies. For sample products and trial production, internal departments such as sales, R&D, quality control, and supply chain submit purchase requests, which are reviewed and approved before procurement. For mass production, our supply chain department provides a detailed material requirement plan, which is then executed by the procurement team. All materials undergo quality inspections prior to warehousing, ensuring compliance with our strict standards.

Our procurement process generally includes three phases, namely, procurement planning, product manufacturing and testing and delivery.

- *Procurement planning*. Our procurement team develops procurement plans based on sales projections from our sales and marketing team and project demand. We also consider inventory levels and the production schedules of our EMS providers.

- *Product manufacturing and testing*. Once procurement plans are finalized, we place purchase orders to raw material suppliers and EMS providers pursuant to procurement plans. Raw material suppliers deliver raw materials to our designated EMS providers, who then manufacture module products and solutions according to our specifications. Upon completion, the EMS providers conduct testing, inspection, and warehouse the products. Our on-site quality control team closely monitors and manages the entire process to ensure adherence to our quality standards.

- *Delivery*. After passing inspection, the finished products are delivered to the warehouse provided by EMS providers. We then arrange logistics based on the customer's required timing and location to ensure timely delivery to the customer.

To mitigate supply chain risks and price volatility, we closely monitor raw material costs through market trend analysis, supplier negotiations, and periodic price assessments. We strategically adjust inventory levels based on anticipated price fluctuations, ensuring an optimal balance between cost control and supply stability. For further details of our inventory management, see "—Logistics and Inventory Management."

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

OUR SUPPLIERS

Raw Material Suppliers

We procure baseband chips, radio frequency chips, memory chips and other electronic components from globally recognized semiconductor manufacturers and their authorized distributors. We generally enter into framework agreements with raw material suppliers, which set forth the general terms and conditions of purchase. Salient terms of the framework supply agreements with our raw material suppliers typically include:

- *Term*. We generally enter into framework agreements without a fixed term, which may be terminated by either party through written notice.

- *Scope of Supply*. The framework agreements generally do not specify quantity, price and payment terms, which we set out in separate purchase orders.

- *Product specifications*. We specify the product specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.

- *Logistics*. The suppliers are typically responsible for the delivery of products to our designated location specified in each purchase order.

- *Risk Transfer*. The risk transfers to us after we complete inspection and confirm receipt of the products.

- *Quality Assurance*. Suppliers generally grant a warranty period of two years. In the event of a quality issue arising during the warranty period, the supplier is obliged to provide a response and resolution or attend to our site to resort the issue.

- *Product return.* We have the right to reject, replace or return products which are non-conforming with product quality standard, product specifications or quantity with the order placed.

- *Termination.* We are entitled to terminate the agreement upon written notice at least 30 days in advance.

Sourcing of Raw Materials

During the Track Record Period, we primarily source our raw materials from overseas distributors, with the majority being of Taiwan, China origin. During the Track Record Period, the raw materials we procured of U.S. origin primarily included memory chips and radio frequency chips. Our Directors are of the view, and the Sole Sponsor concurs, that our Group has not experienced, nor is it expected to experience, any procurement restrictions or shortages as a result of the ongoing Sino-U.S. trade tension, including relevant U.S. export control restrictions, for the following reasons:

- ***Insignificant proportion of sourced raw materials of U.S. origin***. During the Track Record Period, raw materials we procured of U.S. origin represented an insignificant proportion of our cost of goods sold. In 2022, 2023, 2024 and the four months ended April 30, 2025, our purchase amount of raw materials of U.S. origin, based on statistics provided by our third-party supply chain service providers responsible for custom clearances of our sourced raw materials, was RMB0.01 million, nil, RMB0.4 million and RMB0.1 million, respectively. During the Track Record Period, our purchase amount of raw materials of U.S. origin accounted for less than 0.01% of our cost of goods sold from continuing operations. To the best of our Directors' information and knowledge after making reasonable inquiries, including seeking advice from our legal advisor as to U.S. export control, raw materials of U.S. origin are subject to the U.S. export control regulations; nevertheless, considering that raw materials of U.S. origin procured by us are not advanced-node integrated circuits or integrated circuits with high total processing performance or high performance density governed by ECCN 3A090 which are subject to tighter U.S. controls, our procurement of raw materials of U.S. origin during the Track Record Period did not violate U.S. export control regulations. During the Track Record Period and up to the Latest Practicable Date, there has been no instance where the procurement of raw materials of U.S. origin required our suppliers to obtain export control licenses under applicable U.S. regulations. In addition, according to Frost & Sullivan, there are alternative domestic suppliers capable of providing raw materials with comparable terms, pricing and quality to those of U.S. origin. As of the Latest Practicable Date, we have identified alternative suppliers that meet such criteria. As of the Latest Practicable Date, we have not experienced any material adverse changes in our procurement strategy, procurement volume, pricing, payment or logistic arrangements, nor have we received any requests from our suppliers to cancel orders or suspend procurement due to the potential restrictions under U.S. export control regulations. Accordingly, we do not expect the potential restrictions under U.S. export control regulations to pose a material adverse impact on our supply chain stability, business operations and financial performance.

- ***Limited reliance on U.S. Suppliers***. Our supply chain is structured to minimize reliance on U.S. suppliers. Among our five largest suppliers in each period during the Track Record Period, the vast majority are distributors or manufacturers in the electronics industry and are based outside U.S. Accordingly, we do not expect the potential disruptions, including those arising from Sino-U.S. trade tensions, to pose a material adverse impact on our procurement strategy and business operations. In addition, there are competitive alternatives to the raw materials of U.S. origin. These alternatives are readily available with competitive pricing supplied by domestic suppliers and we have established close business relationship with these suppliers during the Track Record Period. We also plan to further diversify our supplier base to reduce exposure to any regional or geopolitical risks and collaborate with high-quality global suppliers to ensure the resilience and efficiency of our supply chain.

In response to the potential impacts arising from Sino-U.S. trade tensions, we have implemented a series of mitigation measures:

- ***Mitigating U.S. export tariffs***. We have collaborated with EMS providers operating in jurisdictions not subject to heightened U.S. tariff. As of the Latest Practicable Date, we had two oversea EMS providers. Both EMS providers are operating in jurisdictions not subject to heightened U.S. tariff. Our Director is of the view that, the overseas EMS supplier we have identified is professional electronics manufacturing service providers able to produce module products and solutions that meet our quality standards and that collaboration with such EMS provider will help reduce the impact of U.S. tariffs on us. This strategy allows us to maintain profit margins and customer loyalty while bypassing tariffs by shifting our logistics and manufacturing footprint to more favorable jurisdictions.

- ***Mitigating tariffs imposed by China on U.S. goods***. If any of our key raw materials of U.S. origin are subject to Chinese tariff in the future, we plan to (i) engage factories in comprehensive bonded zones in China for production and (ii) utilize our overseas subsidiary to purchase raw materials and sell products, while engaging qualified domestic manufacturers to process the raw materials we supply, thereby mitigating the impact of tariffs imposed by China on U.S.-origin goods.

- ***Avoid raw materials of U.S. origin***. We have requested our suppliers to provide materials manufactured outside the U.S, thereby limiting potential disruptions by export control restrictions or tariffs. This strategy reduces our reliance on raw materials subject to sudden price hikes or export restrictions due to uncertain Sino-U.S. trade tension. By diversifying our sources of raw materials, we can better safeguard against potential supply chain bottlenecks, ensuring a more stable and cost-effective production process.

- ***Enhance use of domestically sourced raw materials***. As part of our long-term strategy, we are gradually increasing the use of domestically sourced raw materials, seeking to further reduce exposure to tariff-related risks and enhance the stability of our supply chain. This strategy enables us to decrease our vulnerability to geopolitical uncertainties and enhances the overall stability of our supply chain. By shifting towards local suppliers, we mitigate immediate risks associated with tariff volatility and strengthen the resilience of our supply chain, ensuring long-term sustainability and operational flexibility.

EMS Providers

During the Track Record Period, we engaged a group of industry-leading multinational EMS providers to manufacture the hardware of our modules and solutions. The following table sets forth a breakdown of (i) the number of our EMS providers and (ii) our procurement costs attributable to EMS providers by geographical location during the Track Record Period.

	Year ended December 31,						Four months ended April 30,	
	2022		2023		2024		2025	
EMS providers	Number	Procurement costs	Number	Procurement costs	Number	Procurement costs	Number	Procurement costs
	#	*RMB'000*	#	*RMB'000*	#	*RMB'000*	#	*RMB'000*
Domestic	10	166,195	8	171,698	10	202,046	9	57,722
Overseas	–	–	1	203	1	851	1	187
Total	**10**	**166,195**	**9**	**171,901**	**11**	**202,897**	**10**	**57,909**

Salient terms of the supply agreements with our EMS providers typically include:

- *Scope of supply*. EMS providers primarily handle manufacturing of module products and offer related technical services, including assembling, testing, repair, packaging and shipping.

- *Term and Termination*. We typically enter into framework agreement with a term of three years, which may be automatically renewed unless otherwise terminated by mutual agreement. The framework agreements set out the general terms and conditions of cooperation. Individual purchase orders are then executed on a per-need basis.

- *Capacity Planning & Line Reservation*. Each year, we provide EMS providers with estimated annual production capacity needs based on our business plan and supplier strategy. We also release rolling monthly forecasts to adjust production planning dynamically. Certain EMS providers are also required to reserve manufacturing capacity for us for a defined period, subject to periodic adjustments.

- *Pricing and Payment Terms*. Prices are determined based on production complexity, volume, and market conditions, with payments structured through pre-agreed terms. We are generally granted by our suppliers a credit period of 30 – 90 days.

- *Logistics*. EMS providers are responsible for timely delivery of our products.

- *Quality Assurance and Warranty*. EMS providers must meet our specified quality requirements and are responsible for liabilities resulting from product defects. EMS providers typically offer us a warranty period of two years from the production date.

Supplier Management

During the Track Record Period, our suppliers primarily consisted of (i) raw material suppliers, and (ii) EMS providers. We typically engage reputable suppliers with proven track records to ensure the quality of our products.

We have established a comprehensive supplier management system to ensure supply chain stability, cost efficiency, and quality compliance. Our supplier lifecycle management covers the entire engagement process, including selection, evaluation, performance tracking, and potential disengagement. We consider a comprehensive set of factors when selecting suppliers, which mainly include cost competitiveness, delivery reliability, quality assurance, and technical capabilities. New suppliers must undergo rigorous qualification processes, including registration, capability assessment, material certification, on-site inspections, and contractual agreements before being included in our approved supplier list. Existing suppliers are subject to quarterly and annual performance reviews, which classify them into different categories based on performance. Suppliers that fail to meet performance expectations may be subject to corrective action plans, reduced procurement volumes, or contract termination. In addition, we conduct regular supplier training programs to enhance their understanding of product quality, corporate social responsibility, and compliance requirements.

We also incorporate environmental and social performance metrics into the selection, approval, and regular re-evaluation of suppliers to promote quality, safety, and environmental sustainability. We require suppliers to hold key certifications, including ISO 9001. Suppliers with certifications such as ISO 14001, ISO 45001, and QC 080000, are prioritized in our evaluation process. We developed and continuously updated our standard supplier social quality assurance agreement, setting out specific ESG requirements. In 2024, 100.0% of our suppliers have signed this agreement. Social responsibility management requirements are set for each critical stage, with annual audits conducted for all suppliers. We require suppliers to adhere to the latest environmental management regulations and provide relevant testing reports periodically.

Our Major Suppliers

During the Track Record Period, purchases from our five largest suppliers in each period amounted to RMB3,150.0 million, RMB3,632.2 million, RMB4,524.1 million and RMB1,831.2 million, respectively, representing 76.1%, 81.4%, 79.3% and 89.7% of our total cost of goods sold from continuing operations, respectively. In addition, during the Track Record Period, purchases from our largest supplier in each period accounted for 34.3%, 40.5%, 34.3% and 54.6% of our total cost of goods sold from continuing operations in the same periods, respectively. All of our five largest suppliers were Independent Third Parties during the Track Record Period.

None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers during the Track Record Period. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

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

Rank	Supplier	Purchase Amount	Percentage of total cost of goods sold	Type of product provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For year ended December 31, 2022						
1 . . .	Supplier A[(1)]	1,419,690	34.3	Baseband chip, radio frequency chip, power management chip	30-60 days	2016
2 . . .	Supplier B[(2)]	862,925	20.9	Baseband chip, radio frequency chip, power management chip	30 days	2016
3 . . .	Supplier C[(3)]	452,565	10.9	Baseband chip and memory chip	90 days	2012
4 . . .	Supplier D[(4)]	249,390	6.0	Radio frequency chip	60 days	2014
5 . . .	Supplier E[(5)]	165,393	4.0	Memory chip	60 days	2020

Notes:

(1) Supplier A is a merchant wholesaler in the technology and electronics industry, established in Hong Kong and is engaged in the research, development, and sales of computer hardware and software, as well as providing technology consulting and advertising services.

(2) Supplier B is one of the subsidiaries of a leading semiconductor company in U.S., established in Singapore and engaged in providing wireless technology and services.

(3) Supplier C is a distributor established in Hong Kong and engaged in the provision of electronic components, components solutions and technology services.

(4) Supplier D is a leading electronic distributor listed in Taiwan Stock Exchange, engaged in the distribution of electronic parts and components.

(5) Supplier E is a distributor in the consumer electronics industry established in Hong Kong and is engaged in the distribution of electrical and electronic goods.

Rank	Supplier	Purchase Amount	Percentage of total cost of goods sold	Type of product provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For year ended December 31, 2023						
1 . . .	Supplier A	1,809,454	40.5	Baseband chip, radio frequency chip, power management chip	30-60 days	2016
2 . . .	Supplier B	793,993	17.8	Baseband chip, radio frequency chip, power management chip	30 days	2016
3 . . .	Supplier C	537,379	12.0	Baseband chip and memory chip	90 days	2012
4 . . .	Supplier D	292,375	6.6	Radio frequency chip	60 days	2014
5 . . .	Supplier F(1)	198,984	4.5	Memory chip	60 days	2018

Note:

(1) Supplier F is a distributor in the electronic components industry established in Hong Kong and is engaged in the distribution of semiconductors, integrated circuits, and other electronic components.

Rank	Supplier	Purchase Amount	Percentage of total cost of goods sold	Type of product provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For the year ended December 31, 2024						
1 . . .	Supplier A	1,955,925	34.3	Baseband chip, radio frequency chip, power management chip	30-60 days	2016
2 . . .	Supplier B	1,367,288	24.0	Baseband chip, radio frequency chip, power management chip	30 days	2016
3 . . .	Supplier C	629,174	11.0	Baseband chip and memory chip	90 days	2012
4 . . .	Supplier E	420,816	7.4	Memory chip	60 days	2020
5 . . .	Supplier F	150,888	2.6	Memory chip	60 days	2018

Rank	Supplier	Purchase Amount	Percentage of total cost of goods sold	Type of product provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For the four months ended April 30, 2025						
1 . . .	Supplier A	1,115,307	54.6	Baseband chip, radio frequency chip, power management chip	30-60 days	2016
2 . . .	Supplier B	410,338	20.1	Baseband chip, radio frequency chip, power management chip	30 days	2016

Rank	Supplier	Purchase Amount	Percentage of total cost of goods sold	Type of product provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
3 . . .	Supplier C	150,446	7.4	Baseband chip and memory chip	90 days	2016
4 . . .	Supplier E	88,962	4.4	Memory chip	60 days	2020
5 . . .	Supplier G[(1)]	66,169	3.2	Radio frequency chip and memory chip	60 days	2022

Note:

(1) Supplier G is a distributor established in Taiwan and is engaged in the sale of electronic components and integrated circuits.

Relationship with Supplier A

During the Track Record Period, we primarily purchase baseband chip, radio frequency chip and power management chips from Supplier A. In 2022, 2023, 2024 and the four months ended April 30, 2025, purchases from Supplier A accounted for 34.3%, 40.5%, 34.3% and 54.6% of our total cost of goods sold from continuing operations, respectively. Supplier A is a merchant wholesaler in the technology and electronics industry, primarily engaged in the distribution of electronic components, computer hardware and software. We started business collaboration with Supplier A in 2016. During the Track Record Period, purchases from Supplier A accounted for a relatively high proportion of our total cost of goods from continuing operations, primarily due to our long-standing relationship with Supplier A.

We consider our relationship with Supplier A remains stable, and we do not have material reliance on this supplier, primarily due to the following reasons:

(i) ***Market-driven collaboration***. Our procurement from Supplier A is driven by market conditions and is based on mutually agreed, commercially competitive terms. These terms allow us to evaluate in advance and swiftly adjust our sourcing strategy as market conditions change.

(ii) ***Distributorship background***. Supplier A serves as a distributor rather than a manufacturer of electronic components, including baseband chips and radio frequency chips. As a distributor, Supplier A does not have exclusive control the supply of these key raw materials, and there are a sufficient number of alternative suppliers in the market who also distribute these components, which enable us to source these materials from other suppliers with comparable quality and reliability.

(iii) ***Diversification and non-exclusivity***. During the Track Record Period, we have not relied exclusively or primarily on Supplier A for the procurement of key raw materials. We have the flexibility to procure from the original manufacturer or its other authorized distributors similar chips or chips with equivalent configurations. As we are not bound to make purchases from Supplier A, we maintain flexibility in raw material sourcing and supplier selection.

In order to maintain flexibility and mitigate any risks related to reliance on a single supplier, we also continue to diversify our supply chain by maintaining a pool of alternative suppliers and conducting regular evaluations. Specifically, our measures include (i) regular assessment of alternative suppliers to evaluate their product quality standards, delivery schedules, and capacity requirements, (ii) reviewing the operational and logistical integration of alternative suppliers into our supply chain to ensure compatibility and minimize disruptions in cases of transitions, (iii) regular examination of processes to help facilitate efficient transitions without impacting product quality, delivery timelines, or pricing stability, and (iv) continuous monitoring of the performance of alternative suppliers to adapt sourcing strategies in response to shifting market dynamics. In addition, according to F&S, there are other readily available alternative suppliers to Supplier A in the market with sufficient capacity and supply of baseband chips, radio frequency chips and power management chips at comparable terms, price levels and with equivalent product quality. Accordingly, our Directors are of the view that there are alternative suppliers in the market with sufficient capacity and supply to provide us with key raw materials under comparable terms, pricing, and product availability.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, some of our top five customers were also our suppliers, and certain of our top five suppliers were also our customers, details of which are explained below.

Customer B

Customer B, one of our top five customers in 2022, 2023, 2024 and the four months ended April 30, 2025, was also our supplier in the same periods. This is because Customer B is a leading multinational conglomerate in the consumer electronics and new energy vehicle industry and has a widely diversified product and service offering as well as business needs. Customer B does not engage in the design or development of module products, as (i) the research and development of such products involve significant costs and technical barriers, and (ii) Customer B's core business lies in NEV system integration and electric vehicle assembly. As a result, it is not commercially economical for Customer B to undertake the design and development of module products. Our sales to Customer B during the Track Record Period were neither conditional upon nor related to our purchases from them in the same periods.

- During the Track Record Period, we engaged Customer B as our EMS provider, manufacturing the hardware of our module products and solutions, while we mostly sold smart modules and provided software development services to Customer B for use in the intelligent cockpit systems of Customer B's vehicles.

- Revenue from Customer B in 2022, 2023, 2024, and the four months ended April 30, 2025 was RMB751.1 million, RMB820.4 million, RMB1,092.2 million and RMB398.8 million, respectively, accounting for 14.4%, 14.5%, 15.7% and 16.1% of our total revenue from continuing operations in the same periods, respectively.

- The purchase amount attributed to Customer B in 2022, 2023, 2024, and the four months ended April 30, 2025 amounted to RMB67.3 million, RMB91.8 million, RMB102.9 million and RMB25.9 million, respectively, accounting for 1.6%, 2.1%, 1.8% and 1.3% of our total cost of goods sold from continuing operations in the same periods, respectively.

Supplier A

Supplier A, our largest supplier in 2022, 2023, 2024 and the four months ended April 30, 2025, was also one of our customers in the same years, as it is a leading sales agent in the semiconductor industry engaged in the distribution of a wide range of electronic components. Our purchases from Supplier A during the Track Record Period were neither conditional upon nor related to our sales to them in the same periods.

- During the Track Record Period, we procured from Supplier A baseband chips, radio frequency chips and power management chip as key components of our modules, while we mostly sold data transmission modules and smart modules to Supplier A for further distribution to Supplier A's downstream customers.

- The purchase amount attributed to Supplier A in 2022, 2023, 2024 and the four months ended April 30, 2025 amounted to RMB1,419.7 million, RMB1,809.5 million, RMB1,955.9 million and RMB1,115.3 million, respectively, accounting for 34.3%, 40.5%, 34.3% and 54.6% of our total cost of goods sold from continuing operations in the same periods, respectively.

- Revenue from Supplier A in 2022, 2023, 2024 and the four months ended April 30, 2025 was RMB4.4 million, RMB28.9 million, RMB55.6 million and RMB48.2 million, respectively, accounting for 0.1%, 0.5%, 0.8% and 1.9% of our total revenue from continuing operations in the same periods, respectively.

Supplier D

Supplier D, one of our five largest suppliers in 2022 and 2023, was also one of our customers in 2022 due to a one-off sale. Our purchases from Supplier D during the Track Record Period were neither conditional upon nor related to our sales to them in the same periods.

- During the Track Record Period, we procured from Supplier D radio frequency chips as key component of our module products. In 2022, we made a one-off sale of unused raw materials to Supplier D as part of our proactive inventory management strategy aimed at minimizing the risk of inventory obsolescence.

- The purchase amount attributed to Supplier D in 2022, 2023, 2024 and the four months ended April 30, 2025 amounted to RMB249.4 million, RMB292.4 million, RMB145.2 million and RMB0.7 million, respectively, accounting for 6.0%, 6.6%, 2.5% and 0.0% of our total cost of goods sold from continuing operations in the same periods, respectively.

- Revenue from Supplier D in 2022, 2023, 2024 and the four months ended April 30, 2025 was RMB0.2 million, nil, nil and nil, respectively, accounting for 0.0%, nil, nil and nil of our total revenue from continuing operations in the same periods, respectively.

During the Track Record Period, the raw materials we purchased from the overlapping customers or suppliers mentioned above were not resold back to them, nor vice versa. Negotiations of the terms of our sales to and purchases from the overlapping customers or suppliers mentioned above were all conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from the overlapping customers or suppliers mentioned above were conducted in the ordinary course of business under normal commercial terms and on an arm's-length basis.

RECENT REGULATIONS IN RELATION TO TARIFFS

Tariff Policies

In early 2025, the U.S. government initiated a series of escalating tariffs and trade policies primarily targeting China, leading to retaliatory measures from China. For details of (i) the changes in policies issued by the U.S. in relation to imports from China and (ii) the changes in policies issued by China in relation to imports of U.S. origin, see "Regulatory Overview—U.S. and China Tariff Policies."

During the Track Record Period and up to the Latest Practicable Date, our products and solutions directly exported to the U.S. were generally subject to the following U.S. tariffs (the "**Applicable U.S. Tariffs**"):

- ***In 2022, 2023 and 2024, and from January 1, 2025 to February 3, 2025***: Our products and solutions were generally subject to a 25% U.S tariff.

- ***From February 4, 2025 to March 3, 2025***: Our products and solutions were generally subject to a 35% U.S. tariff, which included (i) the 25% U.S tariff and (ii) the 10% tariff imposed on February 4, 2025.

- ***From March 4, 2025 to the Latest Practicable Date***: Our products and solutions were generally subject to a 45% U.S. tariff, which included (i) the 25% U.S tariff, (ii) the 10% tariff imposed on February 4, 2025 and (iii) the 10% tariff imposed on March 4, 2025. Our products and solutions were generally exempt from the reciprocal tariff effective on April 5, 2025.

During the Track Record Period, the raw materials we procured of U.S. origin primarily included memory chips and radio frequency chips. During the Track Record Period and up to the Latest Practicable Date, the radio frequency chips we procured of U.S. origin were exempt from tariffs imposed by China on imports of U.S. origin. During the Track Record Period and up to April 10, 2025, the memory chips we procured of U.S. origin were exempt from tariffs imposed by China on imports of U.S. origin. From April 10, 2025 to the Latest Practicable Date, such imports became subject to a 10% reciprocal tariffs imposed by China on imports of U.S. origin.

Specifically:

In 2022, 2023 and 2024, and from January 1, 2025 to April 9, 2025, as advised by our PRC Legal Advisor, according to Customs Tariff of the People's Republic of China (2022) (《中華人民共和國進出口稅則(2022)》), the raw materials we procured of U.S. origin were exempt from tariffs imposed by China.

From April 10, 2025 to April 11, 2025, China imposed a series of reciprocal tariffs that increased its tariffs on imports of U.S. origin to 84%. From April 12, 2025 to May 11, 2025, China further raised its reciprocal tariffs and increased the tariffs on imports of U.S. origin to 125%. Products that were shipped prior to the start of April 10, 2025 and imported between April 10, 2025 and May 13, 2025 were exempted from the increased tariffs. On May 13, 2025, China lowered its reciprocal tariffs to 10%, effective May 14, 2025, by suspending 24% of the retaliatory tariffs for 90 days. On August 12, 2025, China extended the suspension of the 24% retaliatory tariffs for another 90 days.

As to baseband chips and radio frequency chips, from April 24, 2025 to the Latest Practicable Date, the baseband chips and radio frequency chips we procured of U.S. origin during our ordinary course of business were exempt from Chinese tariffs. As to memory chips, from April 10, 2025 to the Latest Practicable Date, we procured memory chips of U.S. origin of RMB7.1 million and incurred aggregate Chinese tariffs of approximately RMB0.7 million imposed on imports of U.S. origin.

Subject to the interpretation of the "U.S. origin" of these raw materials under the new tariff regime, we may incur additional costs in these purchases going forward.

Impact Assessment

Exports

On export side, our Directors are of the view, and the Sole Sponsor concurs, that the Applicable U.S. Tariffs would not have a material and adverse impact on our business and results of operations, for the following reasons:

- ***We make limited direct exports to the U.S.*** Our Directors, having consulted with our legal advisor as to U.S. tariffs, are of the view that the Applicable U.S. tariffs only apply to products directly shipped to the U.S. Pursuant to our direct sales agreements and distribution agreements, we are responsible for the tariffs imposed by the U.S. on importing goods into the U.S. only when we export products and solutions directly into the U.S.. In 2022, 2023, 2024 and the four months ended April 30, 2025, the revenue from continuing operations of our products and solutions directly shipped to the U.S. by us was RMB0.2 million, RMB5.4 million, RMB41.4 million and RMB32.9 million, respectively, representing approximately 0.0%, 0.1%, 0.6% and 1.3% of our revenue from continuing operations for the same periods, respectively. See "—Sales, Marketing and Distribution—Our Sales Network" for our revenue by geographical regions of the place of delivery during the Track Record Period. In 2022, 2023, 2024 and the four months ended April 30, 2025, we incurred U.S. tariffs of RMB49.7 thousand, RMB63.3 thousand, RMB190.1 thousand and RMB5.5 thousand, respectively.

  The revenue contribution of our products and solutions directly exported to the U.S. by us during the Track Record Period was relatively low, primarily because most large-scale manufacturers that used modules in their production are outside of the U.S..

  Given that the revenue contribution from of our products and solutions directly exported to the U.S. by us is limited, even if we experience a decrease in our direct sales to the U.S. as a result of an increase in the U.S. tariffs in the future, it would not result in a material and adverse change in our business and result of operations as a whole.

- ***The impact of U.S. tariffs on our customers is limited.*** We estimate that indirect impact on our business and result of operations as a whole caused by the U.S. tariff incurred by our customers is limited, primarily because:

  - *Direct customers.* To the best of our knowledge, the U.S. tariffs do not have material adverse impact on the business and results of operations of our direct customers, primarily because, during the Track Record Period and up to the Latest Practicable Date, none of our major customers sold their end products exclusively to the United States. This is because our major customers are mainly global industry-leading customers with diversified world sales. See "—Our Strength—Long-term relationship with global industry-leading customers." These global industry-leading customers have the flexibility to import only the necessary volume of products into the U.S. to meet domestic market demand. Meanwhile, the end products they sell in other countries can be shipped directly from manufacturers, including those located in China, to the respective markets without crossing U.S. borders, thereby avoiding the imposition of U.S. tariffs.

    During the Track Record Period, we derived a majority of our direct sales revenue from sales to our five largest customers in each of 2022, 2023, 2024, and the six months ended June 30, 2025. The U.S. tariffs would not have a material adverse impact on our business and results of operations through indirect sales into the U.S. Specifically:

    (i) Customer A and Customer F are in the smart home industry. Based on our estimation, these customers mainly sold fixed-wireless-access products to the U.S. during the Track Record Period. We estimate that U.S. tariffs do not have material impact on Customer A and Customer F, primarily because fixed-wireless-access products have been generally exempt from the U.S. reciprocal tariff effective on April 5, 2025.

    (ii) Customer B is in the automotive electronics industry. We estimate that U.S. tariffs do not have material impact on Customer B, primarily because Customer B's domestic sales in China constituted over 90.0% of its sales volume in 2024, and approximately 80.0% of its sales volume in the six months ended June 30, 2025, according to Frost & Sullivan, based on public filings.

    (iii) Customer C, Customer D and Customer E are in the consumer electronics industry. According to Frost & Sullivan, Customer C derived approximately 33.0% to 36.0% of its revenue from sales to the U.S. in 2022, 2023 and 2024, based on industry expert interviews, public filings and public information. According to the same source, Customer D derived approximately 48.0% to 54.0% of its revenue from sales to the U.S. in 2022, 2023 and 2024, and Customer E derived approximately

20.0% to 30.0% of its revenue from sales to the U.S in 2022, 2023 and 2024. Based on such statistics, we estimate that approximately 7.0% to 9.0% of our revenue were generated from our products indirectly imported into the U.S. as part of the end products of Customer C, Customer D and Customer E in 2022, 2023 and 2024.

The estimated range is determined based on the proportion of revenue generated from our products indirectly imported into the U.S. as part of the end products of Customer C, Customer D and Customer E for each year of 2022, 2023 and 2024.

The respective proportion for each year is calculated by adding up the following.

- The respective proportion of our revenue derived from Customer C from continuing operations multiplied with the approximate proportion of Customer C's revenue derived from its sales into the U.S.;

- The respective proportion of our revenue derived from Customer D from continuing operations multiplied with the approximate proportion of Customer D's revenue derived from its sales into the U.S.; and

- The respective proportion of our revenue derived from Customer E from continuing operations multiplied with the approximate proportion of Customer E's revenue derived from its sales into the U.S..

As such, even if a tariff-driven price adjustment mechanism is agreed upon by us and Customer C, Customer D and Customer E, only a limited portion of our sales will be impacted.

During the Track Record and up to the Latest Practicable Date, we did not receive any requests from any of our five largest customers to renegotiate the sales agreement, cancel orders or suspend delivery of our products because of the imposition of the U.S. tariffs.

Based on the above and our estimates, the U.S. Tariffs do not have material and adverse impact on our direct sales customers.

- *Distributors.* To the best of our knowledge, the U.S. tariffs do not have material adverse impact on the business and results of operations of our direct customers, primarily because, during the Track Record Period, the total revenue from our sales to the distributors who are authorized to sell in the U.S. are limited. Specifically, the total revenue from our sales to these distributors constituted merely approximately 0.6%, 0.3%, 0.2% and 0.4% of our total revenue from continuing operations in 2022, 2023, 2024 and the four months ended April 30, 2025.

- *Contractual terms.* During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material adverse changes in our order volume, price, customer payment or logistics arrangements, nor have we received any requests from our customers or distributors to renegotiate the sales agreement, cancel orders or suspend delivery of our products because of the imposition of the U.S. tariffs.

Imports

On import side, our Directors are of the view, and the Sole Sponsor concurs, that the tariffs imposed by China on imports of U.S. origin would not have a material and adverse impact on our business and results of operations, given that during the Track Record Period, the key raw materials, memory chips and radio frequency chips, which we procured of U.S. origin, were exempt from tariffs imposed by China. See "—Tariff Policies." Furthermore, even if such raw materials were not exempted from tariffs imposed by China, the impact of such tariffs would have been limited, primarily because during the Track Record Period, raw materials we procured of U.S. origin represented an insignificant proportion of our cost of goods sold. See "—Our Suppliers—Raw Material Suppliers" for details.

Mitigating Measures

For our measures to mitigate the impacts of the Sino-U.S. trade tensions, including the tariffs imposed by U.S. and China, see "—Our Suppliers—Raw Material Suppliers" for details.

For further details of risks related to recent regulatory changes, see "Risk Factors—Risks Relating to Our Business and Industry—We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected."

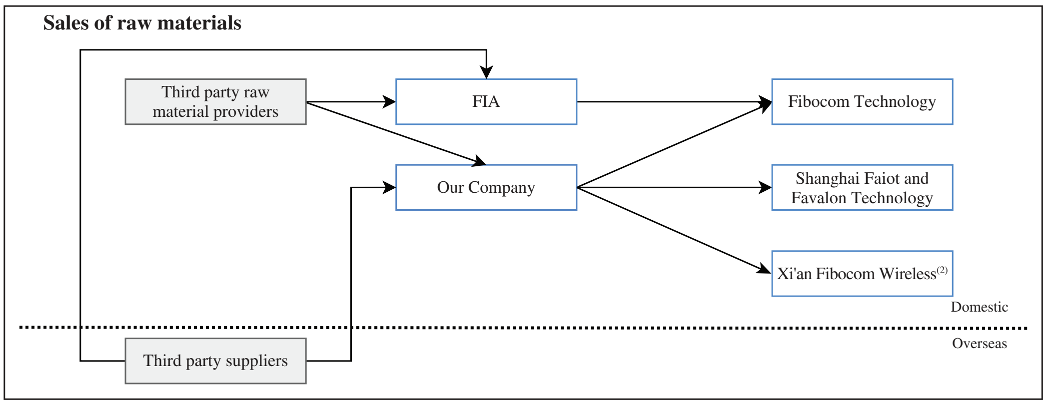
TRANSFER PRICING ARRANGEMENT

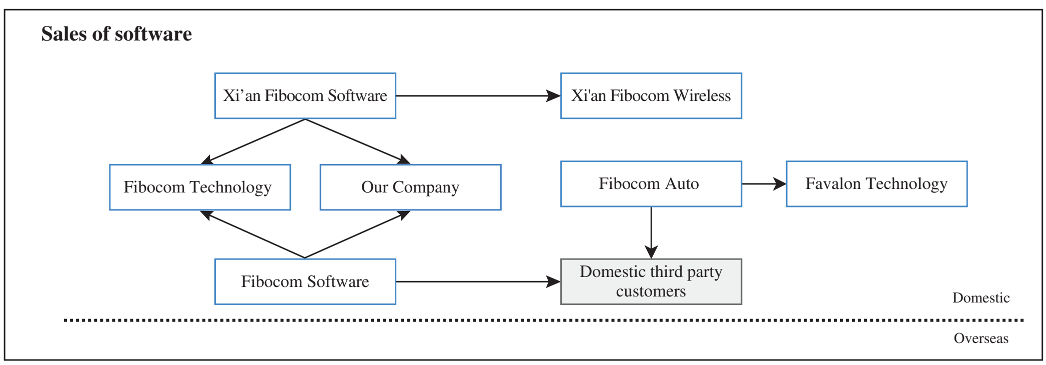
Overview

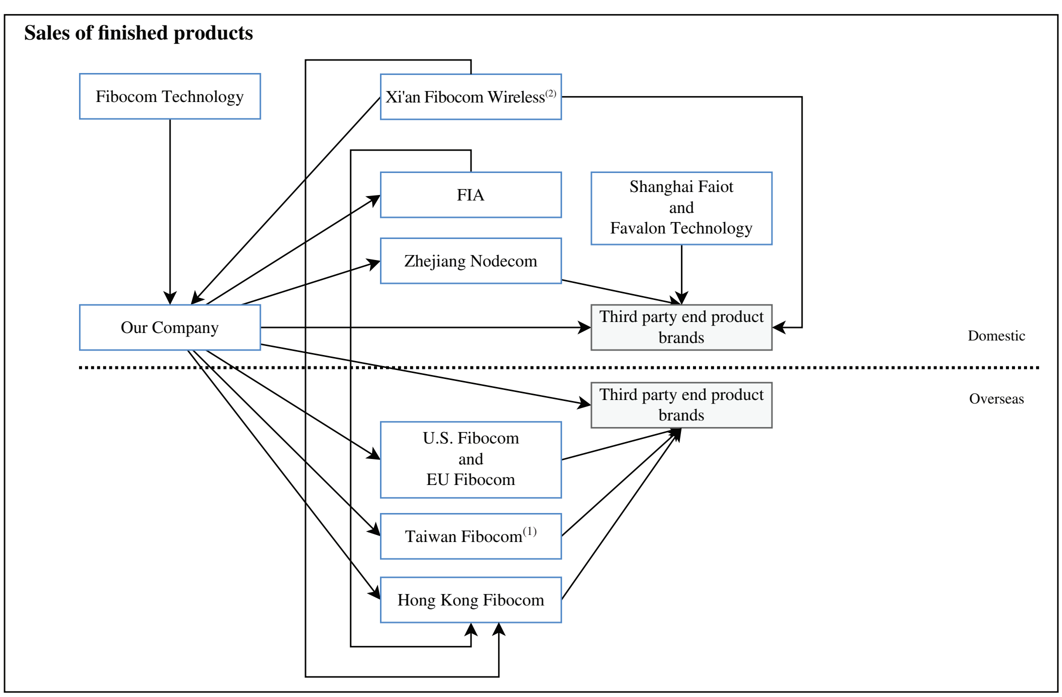
Our Group has established subsidiaries in mainland China, Hong Kong, Taiwan, the United States and Europe. During the Track Record Period, there were primarily two types of intra-group transactions, namely (i) intra-group transactions from continuing operations and (ii) intra-group transactions from discontinued operation (collectively, the "**Covered Transactions**"). In 2022, 2023 and 2024, and the four months ended April 30, 2025, the amount of intra-group transactions from continuing operations were RMB8,260.5 million, RMB9,293.9 million, RMB15,407.5 million and RMB4,428.4 million, respectively, while the amount of intra-group transactions from discontinued operation were RMB1,195.3 million, RMB1,849.3 million, RMB2,277.0 million and nil, respectively.

Intra-Group Transactions from Continuing operations

The following diagram sets forth our transaction flow in respect of the intra-group transactions within our Group from continuing operations during the Track Record Period:







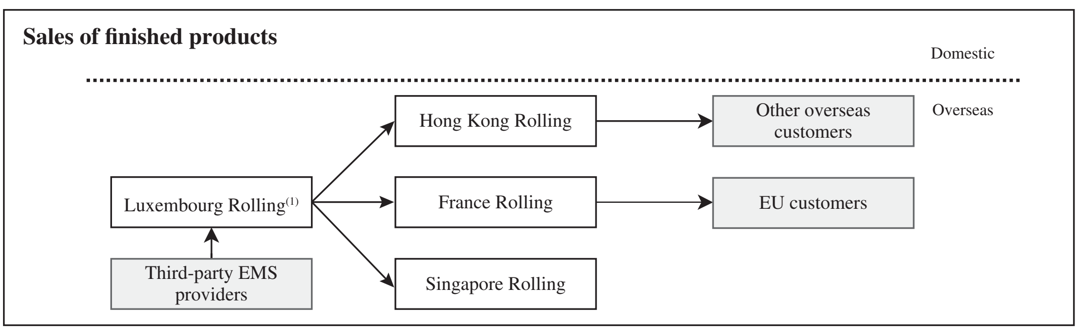
Notes:

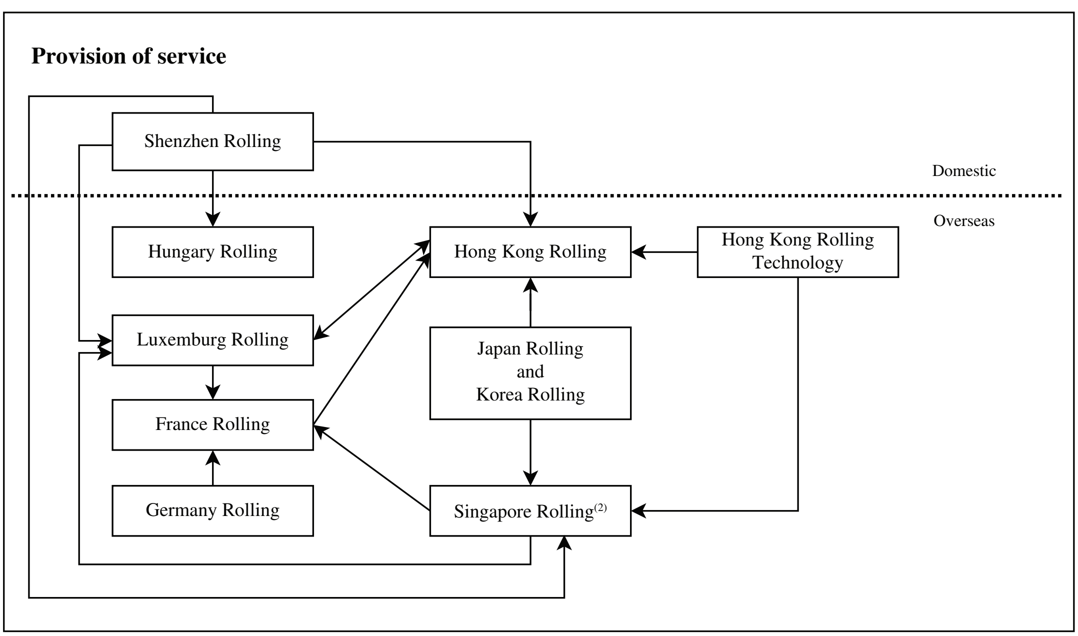
(1) Sales of finished products from our Company to Taiwan Fibocom, and subsequently from Taiwan Fibocom to overseas third-party customers, were limited to 2022 and 2023.

(2) Sales of raw materials from our Company to Xi'an Fibocom Wireless and sales of finished products from Xi'an Fibocom Wireless to our Company, Hong Kong Fibocom and third party customers were limited to 2022 and 2023.

Intra-Group Transaction related to Discontinued Operation

The following diagram sets forth our transaction flow in respect of the intra-group transactions related to discontinued operation during the Track Record Period:





Note:

(1) Luxembourg Rolling substituted the role of Hong Kong Rolling since 2023 in the sales of finished products.

(2) Singapore Rolling was established in March 2024.

Transfer Pricing Assessment

We follow the guidelines set forth by the Organization for Economic Co-operation and Development ("**OECD**") Transfer Pricing Guidelines ("**OECD Transfer Pricing Guidelines**"), which are generally consistent with the tax laws of jurisdictions involved in our intra-group transactions, including mainland China, Hong Kong, Taiwan, the United States and Europe. According to the OECD Transfer Pricing Guidelines, intra-group transactions should be conducted on an arm's length basis to avoid distorted taxable income in different jurisdictions.

We have engaged an independent Transfer Pricing Consultant, Grant Thornton, to conduct benchmarking studies (the "**Benchmarking Study**") on the Covered Transactions, in accordance with the OECD Transfer Pricing Guidelines.

Intra-Group Transactions from Continuing Operations

Based on the functional files of our Group entities involved in intra-group transactions from continuing operations, the Transfer Pricing Consultant has selected full-cost markup, operating profit margin and gross profit margin as the profit level indicators to evaluate the intra-group transactions from continuing operations of our entities.

In 2022, 2023, 2024 and the four months ended April 30, 2025, most of our Group entities engaged in the intra-group transactions from continuing operations achieved the profitability within or slightly above the arm's length profit ranges derived from the relevant comparable companies. A few of our overseas subsidiaries engaged in the intra-group transactions from continuing operations fall below the profit range, primarily because such subsidiaries incurred relatively higher business development costs during the sales and marketing process. The Transfer Pricing Consultant considered the reasons provided by our management team are legitimate business reasons and thus no transfer pricing adjustment is required.

Intra-Group Transaction from Discontinued Operation

Based on the functional files of our Group entities involved in intra-group transactions from discontinued operation, the Transfer Pricing Consultant has selected operating profit margin as the profit level indicator to evaluate the intra-group transactions from discontinued operation during the Track Record Period.

A benchmark study was conducted by selecting independent companies providing that perform activities similar to the activities performed by entities engaged in the intra-group transactions from discontinued operation. In 2022, 2023 and 2024, most of the entities engaged in the intra-group transactions related to discontinued operation achieved the profitability above the arm's length profit ranges derived from the relevant comparable companies. Nevertheless, as (i) entities engaged in the intra-group transactions from discontinued operation conducted only limited related-party transactions with one subsidiary within our Group, Hong Kong Fibocom, in 2022, that (ii) Hong Kong Fibocom recorded profitability within the arm's length profit ranges derived from the relevant comparable companies and that (iii) except for one entity that recorded lower profitability due to its early stage of operations, no entity engaged in the intra-group transactions from discontinued operation recorded profitability lower than the arm's length profit ranges derived from the relevant comparable companies, there was no indication of profit shifting from entities engaged in the intra-group transactions related to discontinued operation to our Group. The Transfer Pricing Consultant considered the reasons provided by our management are legitimate business reasons.

Based on the above analysis regarding the Covered Transactions, our Directors, along with our Transfer Pricing Consultant, are of the view that the Covered Transactions were in line with the arm's length principle and no material adjustment is required. There is no indication that these transactions are not in line with the arm's length principle.

Tax Implication

During the Track Record Period and up to the Latest Practicable Date, we did not receive any demands or challenges from relevant authorities in any jurisdiction we operate for additional tax payment. During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, we were not aware of any inquiries, audit, investigation or challenge by any relevant tax authorities in mainland China, Hong Kong, Taiwan, the United States and Europe in relation to the Covered Transactions. In light of the above, Our Directors, along with our Transfer Pricing Consultant, are of the view that our Group has been in compliance with the relevant transfer pricing laws and regulations in mainland China, Hong Kong, Taiwan, the United States and Europe during the Track Record Period and up to the Latest Practicable Date.

Our management has and will continue to closely monitor our Group's transfer pricing arrangements including reviewing the reasonableness of the pricing policy of our intra-group transactions from time to time. However, we cannot assure you that our transfer pricing arrangements will not be subject to review and possible challenge by any relevant tax authorities in the future, even though we believe we have reasonable grounds to defend ourselves against such a possible challenge. In addition, although benchmarking studies conducted in accordance with OECD Transfer Pricing guidelines would generally be followed by all tax jurisdictions involved in the Covered Transactions, it does not have binding effect on any local taxation authorities in the event of transfer pricing controversy. For further details, see "Risk Factors—Risks Relating to our Business and Industry—Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate."

Internal Control

In order to ensure our ongoing compliance with the applicable transfer pricing laws and regulations, we have adopted or are in the process of adopting the following measures:

- we will continue to engage an external tax consultant on transfer pricing matters annually to conduct analysis on our transfer pricing method and profit level indicator selected, and plan our transfer pricing policy of the transactions through financial budgeting according to the result of the analysis.
- we will provide training to our finance team relating to updates on relevant transfer pricing laws and regulations in the relevant jurisdictions.
- we will review all reporting forms before submitting to the relevant tax authority.
- we will optimize supporting of functional profiles for the main operating business.
- we will ensure that profit arrangement is aligned with each entity's value contribution.
- we will document and file relevant supporting documents of the value contribution of each entity for risk management purposes, including but not limited to responsibilities planning, correspondences, performance and outcome assessment of relevant work.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We engage qualified third-party logistics service providers to deliver our products from the manufacturing facilities of our EMS providers to the locations specified by our customers. We conduct regular evaluations of these third-party logistics providers to ensure their compliance with our quality standards and efficient delivery performance. To the best of our knowledge, during the Track Record Period, all of our logistics service providers are independent third parties.

Inventory Management

We place high importance on our inventory and turnover health, assigning dedicated personnel in our supply chain team to maintain routine inventory checks and provide reports to our management team for review. Our inventories primarily consist of (i) raw materials, (ii) contract cost, (iii) consigned processing materials, (iv) finished goods and (v) goods in transit. As of December 31, 2022, 2023 and 2024, and April 30, 2025, our inventories amounted to RMB1,096.6 million, RMB1,285.6 million, RMB979.7 million and RMB1,306.2 million, respectively.

To maintain our competitiveness, align our products with evolving market demand, and prevent inventory obsolescence, we have implemented measures to optimize our inventory levels. We adopt a first-in, first-out management policy and maintain a safety stock level to prepare for unexpected increases in demand or delay, shortage in supply. Our procurement department takes into consideration characteristics of the materials, demand profiles, market supply trends and potential supply constraints to determine the necessity of safety stock levels for raw materials. If necessary, for commonly used raw materials, we generally maintain an additional month's supply beyond regular turnover to cover up to two months of sales demand, while for key raw materials such as radio frequency chips, memory chips and baseband trips, we may adjust our safety stock to cover between three to twelve months of anticipated demand. For materials assessed to carry future supply risk due to anticipated shifts in market supply trends, our procurement department may initiate targeted stockpiling measures to mitigate such risks. Additionally, if suppliers anticipate capacity constraints, we typically extend the coverage of our safety stock as needed and work closely with distributors to ensure the availability of backup stock through distributor channels, thereby mitigating potential supply chain disruptions. We routinely monitor our inventory and ensure that all goods in transit are effectively managed. We also proactively track market condition changes and pre-order and stockpile in advance strategic raw materials in anticipation of potential supply shortage. In 2022, 2023, 2024 and the four months ended April 30, 2025, our inventory turnover days were 77.0 days, 72.8 days, 62.6 days and 68.1 days, respectively. For further details, see "Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Inventories."

QUALITY CONTROL

We strive to maintain quality across our products and solutions. Our comprehensive quality management system facilitates full lifecycle quality control, covering R&D, design, testing, production, delivery, and after-sales service. Our quality policy, guided by the principles of customer-centricity, continuous improvement, and zero-defect execution, serves as the foundation for all quality-related activities.

We have established a structured quality governance framework, with our Chairman acting as the chief decision-maker overseeing the quality management strategy. The Board of Directors formulates annual quality objectives, which are reviewed and approved by the Chairman. Our quality control department leads quality implementation efforts, working closely with all business units to execute quality initiatives, conduct performance evaluations, and ensure compliance.

Certifications

We adhere to globally recognized quality and environmental management standards. We have obtained ISO 9001, ISO 14001, and ISO 45001 certifications, covering R&D, supply chain management, and customer service, which systematically enhance our operational quality and risk management capabilities.

To ensure compliance with environmental and hazardous substance regulations, we follow European Union's Restriction of Hazardous Substances ("**RoHS**") ("歐盟有害物質限制") and Registration, Evaluation, Authorization, and Restriction of Chemicals ("**REACH**") ("歐盟關於化學物質的註冊、評估、授權和限制法規") directives, ensuring that all our products meet the latest environmental safety requirements. Additionally, our laboratory has been awarded CNAS certification ("中國合格評定國家認可委員會"), with testing and calibration capabilities aligned with the international ISO/IEC 17025 standard, further reinforcing our commitment to precision, reliability, and proactive quality control.

R&D Activities

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

We integrate quality control into every stage of R&D through a structured IPD framework, ensuring that all products are designed, tested, and validated to meet performance and reliability standards. During the project initiation phase, we conduct market research, competitive analysis, and feasibility studies to align new products with customer demands. In the specification and design stage, we define product specifications, technical architectures, and manufacturing feasibility to ensure smooth downstream execution. The validation phase focuses on hardware and software integration, prototype testing, and compliance verification, reducing potential defects before mass production. Once a product reaches the integration phase, we conduct final quality audits and regulatory reviews to ensure a stable and market-ready product. Even after commercialization, we maintain lifecycle quality tracking, analyzing customer feedback and performance data to drive cost optimization and continuous improvements.

Supply Chain Quality Control

A robust supply chain quality control process is essential to maintaining consistent and high-performing components. We enforce strict supplier audits, evaluating potential partners based on manufacturing capabilities, quality track record, and regulatory compliance. Only materials that pass our rigorous qualification and certification process are approved for use. Throughout the procurement and production cycle, we maintain full-process quality management, ensuring that raw materials meet our design specifications and environmental compliance standards.

We utilize quality detection and calibration technologies to proactively address potential issues before they arise. We implement multi-layered quality checks, from incoming material inspections to critical material sealing procedures, preventing substandard components from entering production. This proactive approach enables us to minimize quality risks, strengthen supplier accountability, and ensure stable supply chain performance.

We also engage employees in various activities such as quality-themed lectures, knowledge competitions, and case studies, promoting quality awareness throughout the organization. Additionally, we regularly organize quality control working group initiatives for employees to identify key challenges and drive effective quality improvements.

Finished Products and Reliability

Before shipment, all finished products undergo comprehensive quality testing to ensure performance, reliability, and compliance with international standards. Our hardware testing verifies circuit integrity, thermal stability, and structural durability, while software testing assesses functionality, firmware stability, and user experience. We conduct extensive reliability testing, simulating real-world operating conditions to validate long-term product performance. Additionally, we ensure compliance with international certification requirements, such as environmental substance testing and target market regulatory approvals, to facilitate seamless global market entry. Through these rigorous validation processes, we endeavor to guarantee that every product meets our strict quality benchmarks before reaching customers.

Customer Services

Our after-sales quality control system is designed to provide rapid and effective support to customers, ensuring long-term product reliability. To streamline customer onboarding, we offer comprehensive integration documentation such as detailed application guidance manuals offering clear instructions on product deployment, maintenance, and troubleshooting, ensuring that clients can seamlessly adopt our products into their operations. Our on-site technical support teams provide fast-response solutions, minimizing downtime and maximizing customer satisfaction. By maintaining close communication with customers and continuously monitoring product performance, we proactively address potential quality issues and enhance user experience.

Production through EMS Providers

To ensure defect-free product delivery, we implement advanced risk assessment, manufacturability reviews. We also require our EMS providers to utilize precision manufacturing technologies. We conduct Process Failure Mode and Effects Analysis ("**PFMEA**") to identify and mitigate potential failure points in production through our EMS providers, ensuring that risks are controlled before mass production. Our MES system enables real-time tracking of quality metrics throughout the entire production process in the manufacturing facilities of our EMS providers. We require our EMS providers to utilize high-precision surface mount technology equipment, along with automated optical inspection, to detect and correct any assembly defects. Before shipment, all products undergo our strict final inspections and quality control checks, guaranteeing that only fully verified, high-quality products are delivered to us.

INFORMATION SECURITY AND DATA PRIVACY

We believe that the confidentiality, integrity, and availability of data are vital to our business operations. In recent years, data security and privacy protection have become a global regulatory priority, with cybersecurity, data security, and personal information protection laws in mainland China undergoing rapid development.

Data Collection and Usage

Given that we only make transactions with enterprises, our business does not involve the collection or processing of personal or sensitive data from individual consumers. However, in the course of our business, we collect, store and process business data and transaction data, which are subject to evolving regulatory requirements and administrative oversight.

We mainly collect (i) business-related data, which includes background information of our enterprise customers, and (ii) transaction data, such as AI model installation package related to the development of customized Edge AI solutions for our customers. We do not collect or store personal or sensitive data.

Data used in AI model training

Within our module products and solutions, three types of AI models are integrated: (i) open-source, (ii) customer-provided and (iii) self-developed AI models.

For data used in open-source AI model and customer-provided AI model, we have no access to the data used in the training of open-source AI models and customer-provided AI models. We are responsible for integrating the models into our AI modules and solutions. However, we do not engage in the training of these models nor are we provided with access to the data used in the training by customers.

For data used in self-developed AI model, we use two primary sources of data: (i) externally sourced data and (ii) internally collected data. We safeguard the legality of data used in training of our self-developed AI models through the following measures:

- ***Externally sourced data.*** We source external data from reputable suppliers and require them to provide proof of the data's legal origin. This ensures that the data we use complies with applicable data protection laws and regulations.

- ***Internally collected data.*** We also use data collected through proprietary simulation platforms, such as our internal robot simulation environment, which mimics real-world conditions. For example, during the training of our robotic systems, we gather sensory data from internal equipment, such as cameras and microphones, integrated into devices like lawnmowers or hunting cameras. These devices capture real-world data, such as images from cameras in night-time scenarios, to train our models. The internally collected data is obtained through these controlled testing environments before any real-world application, ensuring compliance with relevant data protection regulations and maintaining the integrity of the data used in model training.

For further details on potential regulatory risks associated with data security and privacy, see "Risk Factors—Risks Relating to Our Business and Industry—Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches."

Data Sharing and Transmission

We do not share or transfer data collected by us to any third party without prior explicit consent. Without explicit consent, we are prohibited from disclosing collected data to any third party unless mandated by a court or administrative order. We do not engage in cross-border data transmission.

Data Protection

Our information security framework

To ensure data integrity, confidentiality, and security and mitigate data security risks, we have developed a comprehensive information security management system in accordance with IEC 62443-4-1 cybersecurity standards which pertains to a series of standards that address security for operational technology in automation and control systems. Our information security framework spans multiple stages of our business operations, and include measures such as strict access controls, network security protocols, data classification systems, and incident response mechanisms, ensuring the resilience and reliability of our information infrastructure.

- *Information Security Management*. We have established an experienced information security management team responsible for implementing, monitoring, and improving our data protection measures.

- *Information security internal policies.* We have formulated and enforced comprehensive internal policies and operational procedures covering data security governance, cybersecurity management, system emergency response, and risk control measures. These policies include the "Information Security Management Manual," "Information Security Monitoring Procedures," "Cybersecurity Management Procedures," and "Asset Identification and Risk Control Procedures."

- *Information security management measures.* We have implemented network segmentation, multi-layered access control, data encryption, and continuous system vulnerability scanning to safeguard against potential cyber threats.

- *AI-governance policies*. Our AI governance policies also integrate security planning, vulnerability assessments, and compliance checks throughout the lifecycle of AI-driven projects and cloud computing environments. To safeguard AI infrastructure, we enforce strict hardware security measures, conduct comprehensive vulnerability scans, and continuously optimize our AI computing platform, ensuring high-performance capabilities while maintaining robust cybersecurity defenses.

Data protection measures

To ensure data security, privacy and prevent unauthorized access to or leakage of data, we implement a variety of safety measures:

- ***Collection consent***. We obtain written authorization from customers through collaboration agreements before collecting any business and transaction data.

- ***Data encryption***. We use advanced encryption technologies to encrypt collected data and prevent leakage during storage and transmission, and regularly update our technologies to ensure its' up-to-date.

- ***Access control***. We enforce identity authentication and access control protocols to provide limited authorization to our employees holding specific positions at specific levels to access and process corporate data on a need-to-know basis, who shall use such data only for the purposes of performing their work assignment.

- ***Data Backup and Integrity***. We have a comprehensive and incremental backup systems to store data on servers in different locations in order to maintain data integrity and availability and minimize the risk of data loss.

- ***Data retention***. We retain business and transaction data only as long as necessary for business purposes, such as for facilitation of maintenance when customers experience installing or operation issues. After customers confirm receipt of our module products or solutions, we typically delete the relevant data.

- ***Training***. We provide data privacy trainings to employees on a periodic basis to increase their information security compliance awareness.

During the Track Record Period, we did not experience any breach of confidential information of users or any other user information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. We remain committed to enhancing data security, strengthening compliance with evolving regulations, and investing in cybersecurity technologies to mitigate potential risks and maintain the highest standards of data protection.

INFORMATION TECHNOLOGY SYSTEM

Our information technology systems are integral to our operational efficiency, data security, and business continuity. We have developed a comprehensive IT infrastructure aligned with our organizational structure, business scope, and technological capabilities. To ensure reliability, security, and efficiency, we continuously refine IT management policies, standardize software and server management, and enforce strict access control measures. We conduct regular system updates, data backups, and cybersecurity checks to enhance system stability and prevent potential disruptions. Our core information technology systems include:

- *SAP System*. Our SAP system integrates finance, procurement, production, logistics, sales, and quality control, allowing seamless interdepartmental coordination and improving overall business efficiency.

- *PLM System*. Our PLM system supports the entire product development process, including design, engineering changes, and version control, ensuring efficient research and development innovation management.

- *CRM System*. Our CRM system facilitates customer data management, business opportunity tracking, quotation processing, contract administration, and after-sales services, ensuring an optimized sales and service process.

- *SRM System*. Our SRM system comprehensively supports the full supplier lifecycle, including order management, quotation and bidding processes, and supplier collaboration, enhancing overall supply chain efficiency.

- *MES System.* Our MES system enables real-time monitoring of production processes, personnel, equipment, and materials, enhancing production efficiency, reducing operational errors, and improving product quality.

- *JIRA System*. Our JIRA system is used for project management and issue tracking, facilitating agile development, task assignment, and progress monitoring across teams.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations. See "Risk Factors—Risks Relating to Our Business and Industry—Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches."

COMPETITION

The global wireless communication module industry features a tiered and concentrated competitive landscape, with companies in each tier exhibiting different levels of market influence and revenue. According to Frost & Sullivan, the top five market players accounted for 76.1% of the overall market share in the global wireless communication module industry in 2024. We operate in this competitive market, where key entry barriers include technical complexity and certification hurdles and high capital intensity and R&D investment. We are the second largest wireless communication module provider globally with a market share of 15.4%, in terms of our revenue from continuing operations in 2024. Leveraging our strengths in the innovation of products and solutions, our vertical industry application scenario coverage and our long-term stable customer base, we believe we are well-prepared to further penetrate the market, capitalize on the growth potential of global wireless communication module industry catalyzed by AI technology to remain at the forefront. For further details, see "Industry Overview."

Nevertheless, we operate in a highly competitive industry. Failure to compete effectively could negatively and adversely affect our business operations, market share and profitability. For further details, see "Risk Factors—Risks Relating to Our Business and Industry—The industry in which we operate is highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected."

EMPLOYEES

Substantially most of our employees are based in mainland China during the Track Record Period. The table sets forth a breakdown of our employees by function as of April 30, 2025.

Function	Number	Percentage of Total Number
		(%)
R&D	1,194	67.9
Sales and marketing	237	13.5
Supply chain	151	8.6
Administrative	176	10.0
Total	**1,758**	**100.0**

Recruitment and Human Resource Management

We highly value the potential of our employees and have invested substantial effort and resources in recruiting and training our employees. Our success hinges on our ability to attract, retain and motivate qualified talent, and we believe that our high-quality and diverse talent pool is one of our core strengths. We recruit employees through various methods including campus hiring, online recruitment, and external recruitment channels to meet our talent demands across different functions. In addition to regular recruitment programs through specialized recruiting firms and other third parties, we have also implemented an internal referral policy to attract potential talent to join us.

We offer competitive compensation and benefits to attract and retain top talent. In addition to base salaries, we provide performance-based bonuses and long-term incentive plans for eligible employees. We also conduct regular performance evaluations and offer merit-based promotions and salary adjustments to reward outstanding employees.

In light of the long-term benefits of talent cultivation, we provide internal training programs to our employees periodically to enhance their technical know-how and solidify their knowledge and expertise for the industry.

Employee Training and Development

We are committed to enhancing employee capabilities through a structured training and development system. Our programs include onboarding training, corporate culture education, professional skills development, leadership training for management, and specialized training for technical personnel. Employees can also enhance their expertise through access to our E-learning platforms.

We have continuously operated our “E-Learning” online academy, adhering to the philosophy of “leaders developing leaders.” As of April 30, 2025, we have built a team of over 300 professional internal trainers and developed a diverse learning resource library with more than 1,000 training materials, covering text, audio, live-streamed courses, and recorded sessions. This multi-format, continuously expanding training system provides employees with ongoing access to high-quality learning content, fostering a culture of continuous development and knowledge sharing.

We are dedicated to fostering a learning-oriented organization by providing comprehensive training programs and clear career development pathways for our employees. For management personnel, we have implemented a tiered evaluation system to identify strengths and areas for improvement, feeding into leadership development programs such as the Eagle Program (“雛鷹計劃”), Advanced Eagle Program (“飛鷹計劃”), and Elite Program (“精鷹計劃”). These programs integrate practical experience with structured learning to accelerate leadership capabilities and talent pipeline development. For technical employees, we continually refine competency models and learning pathways, engaging industry experts to organize specialized training courses such as the “Winning General Program” (“贏將計劃”)

and "Warrior Program," ("戰將計劃") while integrating high-quality internal and external learning resources to enhance professional skills. Our training programs are designed based on employee feedback collected through training needs surveys and evaluation questionnaires, allowing us to tailor content to specific job roles and career stages.

Employment Contract and Employee Benefits

We enter into standard employment agreements and confidentiality agreements with all full-time employees and sign noncompetition agreements with key management personnel and professionals. These agreements typically include confidentiality obligations and noncompetition provisions effective during and after employment.

We established our labor unions in 2021 and our employees actively participate in union activities, fully enjoying the rights and responsibilities provided by the union. We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

Pursuant to PRC social insurance regulations, we provide social insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China.

We also maintain insurance policies to cover various aspects of our business, including commercial general liability insurance, employer's liability insurance and cargo insurance, to safeguard our business continuity. In line with general market practice, we do not maintain any business interruption insurance or insurance policies covering damages to our network or information technology systems. We regularly review our insurance policies to ensure compliance with statutory requirements. We believe that our existing insurance coverage is adequate for our operations and aligns with industry standards.

During the Track Record Period, we were not subject to any material claim of insurance. However, we may still be exposed to potential claims and liabilities exceeding our insurance coverage. For further details, see "Risk Factors—Risks Relating to Our Business and Industry—Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations."

PROPERTIES

As of the Latest Practicable Date, we owned the land use rights of two land parcels in China with an aggregate land area of approximately 24,900 sq.m., and leased 31 properties in China and overseas with an aggregate GFA of approximately 29,015 sq.m.

Owned Properties

As of Latest Practicable Date, we owned and occupied the land use rights of two land parcels in China, with an aggregate land area of approximately 24,900 sq.m., which is expected to be used as our offices, manufacturing and R&D base. As of the Latest Practicable Date, we have obtained the land use rights certificates for all of the land parcels we owned and occupied.

Lease Properties

As of Latest Practicable Date, we leased (i) 25 properties across China, with an aggregate GFA of approximately 28,095 sq.m. and (ii) six properties offshore in (a) Hong Kong, (b) Taiwan, (c) France, (d) Germany, (e) Japan and (f) India, with an aggregate GFA of approximately 920 sq.m., which were mainly used as our office space. Our leases generally have a term ranging from one to five year(s). We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility. We believe that there is sufficient supply of properties in mainland China, and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration for the vast majority of our leased properties, with a GFA of approximately 23,250 sq.m.. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As advised by our PRC Legal Advisors, the lack of registration of the lease agreements does not affect the validity of such lease agreements.

Additionally, as of the Latest Practicable Date, we had not received real estate ownership certificates or proof of authorizations from the lessors or the property owners for 12 of our 24 leased properties in China, which were used as our R&D center and office space, with a GFA of approximately 6,540 sq. m. As advised by our PRC Legal Adviser, if the lessor of the leased properties do not have the requisite rights to lease the relevant properties, we would not be subject to any administrative penalties with respect to these properties, but our lease may be affected, and, as a result, we may be required to vacate the relevant properties and relocate. As of the Latest Practicable Date, we were not aware of any challenge made by a third party or competent government authority on the titles of any of these leased properties that might affect our current occupation. We believe that in the event that the relevant rightful title holders or other third parties challenge our use of such leased properties and we are required to relocate, we are able to find suitable alternative properties within the proximate area, without incurring substantial additional costs nor imposing any material adverse effect on our business, financial condition and results of operations. For further details, see "Risk Factors—Risks Relating to Our Business and Industry—Failure to renew our leases or comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business."

Property Valuation

As of the Latest Practicable Date, no single property interest forming part of our Group's property activities had a carrying amount of 1% or more of our total assets and no single property interest forming part of our Group's non-property activities had a carrying amount of 15% or more of our total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

We recognize the importance of Environmental, Social, and Governance (the "**ESG**") factors in our path towards sustainable development. Our primary goal is to create a positive impact on our employees, customers and business partners. Simultaneously, we strive to enhance our environmental accountability and our role in the public sphere. To comply with applicable laws and regulations, our Board of Directors periodically reviews our policies and, if needed, makes adjustments to accommodate substantial modifications in labor and workplace safety regulations.

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisors, we had not been subject to any material claim or penalty or accident in relation to health, work safety, social and environmental protection, and we had been in compliance with the relevant PRC laws and regulations in all material aspects.

ESG Governance

We integrate ESG principles into our corporate strategy and daily operations. To enhance decision-making effectiveness and governance efficiency, we have established a structured ESG governance framework that aligns with our long-term development strategy. Our ESG governance structure consists of three levels, strategic, policy, and execution, covering our Board of Directors, ESG committee, and ESG Working Group, each with distinct roles and responsibilities to facilitate effective implementation of ESG initiatives.

- ***Strategy Level***: Our Board of Directors serves as the highest decision-making body for ESG strategy. It is responsible for formulating overarching ESG objectives, reviewing and approving major ESG-related decisions, and ensuring ESG considerations are integrated into our business strategy. The Chairman of the Board also acts as the head of the ESG Committee to promote the integration of ESG into the Company's daily operations.

- ***Policy Level***: The ESG Committee is responsible for analyzing, evaluating, and overseeing our ESG policies and performance. The committee conducts research on ESG matters, proposes development recommendations, and submits progress reports to the Board. It also identifies key challenges in ESG governance and presents solutions to enhance overall ESG management. The ESG Committee conducts periodic reviews and approves our annual ESG reports before submission to the Board for approval.

- ***Execution Level***: Under the guidance of the ESG Committee, the ESG Working Group is responsible for executing ESG-related tasks and ensuring the implementation of ESG policies at the operational level. The working group organizes ESG committee meetings, coordinates company-wide ESG initiatives and prepares ESG reports in line with corporate sustainability goals.

We encourage ESG awareness within our organization. Through training programs, we encourage employees, including senior management and directors, to understand ESG-related responsibilities and best practices. We conduct ESG training sessions to enhance corporate-wide capabilities in sustainability governance, risk management, and compliance with ESG standards. We require that all business departments fully understand and implement ESG strategies through targeted training and internal coordination. We will continue to refine our ESG governance mechanisms to improve decision-making quality and enhance governance effectiveness.

ESG-related Risk Identification, Assessment

We prioritize risk management as a core element of our operational stability. We have established a comprehensive risk prevention and control system that spans our business value chain, implementing a dynamic management mechanism with proactive prevention, in-process control, and post-incident improvement. We integrate risk identification and management into strategic decision-making, business operations, and internal management processes. Given the nature of our business, we do not produce any material generation of emissions and wastes and cause severe pollution. Nonetheless, we monitor environmental and climate-related risks that may impact on our business, strategy and financial performance as our key agenda.

Under the supervision of the Board, we employ a comprehensive approach to identify and assess ESG-related risks, incorporating both internal strategic analysis and external stakeholder engagement to evaluate potential risks. We evaluate risks based on the latest regulatory requirements, industry trends, company policies, and benchmarking against leading industry practices. We also conduct periodic surveys and direct engagements with key stakeholders, including employees, customers, investors, suppliers, regulatory authorities, and community representatives, to assess their expectations and concerns regarding ESG risks.

Strategies Addressing ESG-related Risks

We have implemented various internal policies to manage and mitigate ESG-related risks:

- ***Regulatory Compliance and ESG Monitoring***: We regularly review and assess ESG reports from comparable industry peers to facilitate timely identification of emerging ESG-related risks. We monitor regulatory developments and update internal policies and management processes to maintain compliance with evolving environmental and governance requirements.

- ***Environmental Risk Management***: We regularly organize environmental education and awareness programs to reinforce employees' responsibilities in environmental protection and prevent potential environmental incidents. We also periodically assess the implementation of environmental safety management goals to facilitate the effective implementation of management measures, thereby reducing environmental compliance risks. Additionally, we have successfully passed the ISO 14001 Environmental Management System certification audit in 2024, demonstrating the effectiveness of our environmental management framework.

- ***Carbon Emission and Climate Risk Mitigation***: We assess carbon emission risks and update our carbon management policies to comply with the latest government regulations. We set short-term and long-term environmental targets, including reductions in emissions and resource consumption, to minimize our environmental impact.

- ***Supply Chain and Third-Party Environmental Responsibility***: We implement environmental responsibility management for external suppliers and service providers to encourage their compliance with our environmental control standards. Additionally, we enforce oversight of contractors and third-party personnel, requiring adherence to relevant environmental regulations to prevent environmental pollution.

Goals, Measures and Targets

Our ESG working group have established quantitative target KPI at the beginning of each financial year and implemented measures to manage and mitigate the environmental, social, and climate-related risks identified through our ESG risk assessment process. Our approach aims to balance business growth with sustainability while enhancing resource efficiency and minimizing environmental impact. Our quantitative targets for 2025 include achieving zero major safety incidents as defined by regulations, zero environmental incidents, a 3.0% reduction in electricity consumption per million revenues compared to 2024 and a 5.0% reduction in water consumption per million revenues compared to 2024.

Environmental and Energy Management Measures

Our energy management strategy focuses on enhancing energy efficiency in office operations, promoting low-carbon initiatives, and implementing advanced energy-saving technologies. We continuously monitor and analyze energy consumption trends to improve operational efficiency and reduce environmental impact. We also implement energy conservation training and awareness programs to encourage employees to adopt sustainable practices.

Reduce GHG emission

We are committed to managing our environmental impact and have implemented a range of measures to reduce our greenhouse gas emissions:

- ***Green supply chain management.*** We actively engage with our supply chain partners to reduce Scope 1-3 greenhouse gas emissions, such as (i) providing carbon management training to suppliers, (ii) encouraging the adoption of energy-efficient practices and (iii) establishing green supply chain alliances.

- ***Promotion of low-carbon technologies.*** We invest in energy-saving initiatives within our operations, such as upgrading energy-efficient facilities and promoting green office practices to reduce Scope 2 emissions. Additionally, we advance the development and deployment of low-carbon products, such as our LE370-CN low-power Cat.1 bis module, which reduces energy consumption in IoT applications. By innovating products with energy efficiency in mind, we aim to minimize the emissions associated with our product line.

- ***Support for low-carbon alternative materials.*** We support the development and use of low-carbon alternative materials that contribute to reducing the environmental impact of our products. This initiative helps minimize the carbon footprint of the materials we use in our manufacturing processes.

- ***Optimization of logistics to reduce transportation emissions.*** To minimize Scope 3 emission, we streamline logistics operations, optimize shipping routes, improve fleet efficiency, and transition to greener transportation methods where feasible. We also encourage the use of green vehicles in our supply chain and have begun replacing conventional vehicles with electric ones in our own fleet to reduce Scope 3 emissions.

- ***Employee Initiatives and Business Travel.*** We encourage employees to adopt green commuting practices, including the use of public transportation and carpooling, to reduce Scope 3 emissions. Additionally, we optimize employee travel by prioritizing virtual meetings and reducing air travel, while promoting the use of ground transportation, such as rail and electric vehicles, to further minimize Scope 3 emissions.

- ***Promotion of recycling and regeneration technologies.*** We promote the use of recycling and regeneration technologies within our operations and product offerings. This includes enhancing recycling processes and encouraging the adoption of regenerative technologies, which helps reduce emissions associated with waste and material disposal.

- ***Zero-Carbon Management System.*** We have instituted a net-zero management framework, which includes specialized training for board members on climate change issues and strategic decision-making related to climate risks and opportunities. We also regularly conduct climate risk and opportunity analysis, including scenario planning, to identify and address climate-related risks and opportunities across our value chain.

Reduce electricity consumption

We implement comprehensive energy management practices to reduce electricity consumption, including:

- Reduce overall electricity consumption intensity (kWh per million revenue) by optimizing energy use in office operations.

- Enforce strict temperature controls for air conditioning and laboratory environments.

- Conduct regular inspections to prevent energy waste, and implement peak-hour electricity reduction strategies.

- Schedule lighting and equipment usage to avoid unnecessary energy use.

- Conduct regular monitoring and analysis of energy consumption data.

- Assign dedicated personal to oversee compliance with these measures to ensure consistent implementation.

Reduce water consumption

We place great importance on the conservation of water resources and the proper management of waste. We actively promote initiatives that improve water use efficiency and waste disposal practices.

- Source all water supply from municipal sources, with no significant direct or indirect impact from water extraction, consumption, drainage, or storage changes.

- Actively promote employee awareness campaigns on water conservation, conduct facility inspections to prevent leaks, encourage employees to promptly turn off taps and report any leaks and optimize water usage efficiency in office operations.

- Wastewater generated during operations, primarily from domestic sources, is pre-treated through septic tanks and oil separation facilities before being connected to the municipal sewage system for further processing at wastewater treatment plants.

- Require EMS providers and third-party treatment facilities to sign agreements that establish discharge limits for wastewater and related pollutants, in accordance with local laws, regulatory requirements, and the treatment capacity of the third-party facilities.

- Implement waste reduction and recycling initiatives by promoting source reduction, material reuse, and responsible waste disposal to minimize the amount of solid waste, primarily household waste, and reduce its environmental impact.

- Minimize air pollutant emissions by allowing small quantities of volatile organic compounds ("**VOCs**") are used in certain facilities, with emissions kept to negligible levels, minimizing environmental impact.

Monitoring Indicators

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business operations.

	Year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Indicator				
GHG Emission				
– Scope 1 Emissions (tons of CO_2e)	24.4	31.0	36.9	15.6
– Scope 2 Emissions (tons of CO_2e)	751.3	681.9	1,576.6	517.1
– Scope 3 Emissions (tons of CO_2e)(1)	1,384,659.2	1,531,761.8	2,389,182.1	760,682.4
– Total GHG emission (tons of CO_2e)	1,385,434.9	1,532,474.7	2,390,795.6	761,215.1
– Total GHG emission per unit of revenue(2) (tons of CO_2e/RMB in million)	266.3	271.1	343.0	306.9
– Year-over-year/period-over-period change of total GHG emission per unit of revenue(2) (%)	N/A	4.9	71.8	(36.1)
Gasoline Consumption				
– Total gasoline consumption (Liters)	11,136	14,118	12,848	5,609
– Total gasoline consumption per unit of revenue(2) (Liters/RMB in million)	2.0	1.8	1.6	2.3
– Year-over-year/period-over-period change of total gasoline consumption per unit of revenue(2) (%)	N/A	(0.2)	(0.2)	0.7
Power Consumption				
– Total electricity consumption (MWh)	1,317.4	1,224.7	2,938.2	963.6
– Total electricity consumption per unit of revenue(2) (MWh/RMB in million)	0.2	0.2	0.4	0.4
– Year-over-year/period-over-period change of total electricity consumption per unit of revenue(2) (%)	N/A	0.0	0.2	0.0
Water Consumption				
– Total water consumption (MWh)	702.0	679.0	1,896.0	731.0
– Total water consumption per unit of revenue(2) (tons/RMB in million)	0.1	0.1	0.2	0.3
– Year-over-year/period-over-period change of total water consumption per unit of revenue(2) (%)	N/A	0.0	0.1	0.1

	Year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Waste generation				
– Amount of non-hazardous waste (tons)	162.6	138.6	111.2	31.3
– Amount of hazardous waste (tons)	–	–	–	–
– Total amount of waste	162.6	138.6	111.2	31.3
– Total amount of waste per unit of revenue(2) (tons/RMB in million)	0.03	0.02	0.01	0.01
– Year-over-year/period-over-period change of total amount of waste per unit of revenue(2) (%)	N/A	(0.01)	(0.01)	0.00

Note:

(1) Scope 3 GHG emissions refer to all indirect emissions (not included in scope 2) that occur in the value chain of us, including both upstream and downstream emissions.

(2) Refer to revenue generated from continuing operations and discontinued operation for the respective year.

During the Track Record Period, our overall energy consumption, water usage, and waste generation increased in line with our business expansion. Our primary energy consumption is concentrated in office environments, with electricity and water being the main energy sources. From 2022 to 2024, our total electricity consumption increased from 1,317.4 MWh to 2,938.2 MWh while our total water consumption increased from 702.0 tons to 1,896.0 tons. In terms of greenhouse gas emissions, we categorize our emissions into Scope 1 (direct emissions from fuel consumption) and Scope 2 (indirect emissions from electricity consumption) following Greenhouse Gas Accounting System—Enterprise Accounting and Reporting Standard. During the Track Record Period, the total amount of GHG emission (Scope 1, Scope 2 and Scope 3) were 775.7 tons, 712.9 tons, 2.4 million tons and 0.8 million tons of CO_2e, respectively. In terms of gasoline consumption, the total amount of gasoline consumption decreased from 14,118 liters in 2023 to 12,848 liters in 2024, reflecting our effort in improving consumption efficiency.

Moving forward, we aim to further optimize energy use, reduce greenhouse gas emissions, and improve water efficiency. Based on our 2024 consumption data, we plan to lower electricity and water consumption intensity by 20.0% by 2028 and GHG emission by 5.0% in 2026, 10.0% in 2027 and 20.0% by 2028 while maintaining sustainable waste management practices to minimize environmental impact.

Corporate Social Responsibility

Employment and Care

We operate our business activities within legal, ethical, and compliant frameworks, safeguarding employees' fundamental rights and the public interest. We comply with applicable PRC labor laws and regulations, such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and international labor conventions and initiatives such as the Universal Declaration of Human Rights. We actively support gender equality and aim to create equal career development opportunities for women. As of April 30, 2025, 30.0% of our workforce comprised female employees, with women holding 16.2% of mid-to-senior management positions.

We have established a talent selection system that combines internal promotion and external recruitment to attract outstanding professionals who align with our corporate values. For key positions, we uphold the principles of openness, fairness, and impartiality, ensuring a structured and transparent hiring process.

Employee Benefits and Welfare

We enhance employees' quality of work and life by offering comprehensive benefits and support programs. Our goal is to enhance employee productivity and satisfaction while ensuring a healthy work-life balance. In 2024, we introduced a range of innovative and personalized employee care initiatives, ensuring that our employees feel valued and supported in both their professional and personal lives.

We have established a mutual assistance fund to provide employees with additional financial security in times of need. Under this program, employees can receive financial support when their spouse or children are diagnosed with critical illnesses, helping alleviate the financial burden during difficult times. We have implemented a flexible attendance management system for all members of the Company. Employees are provided with flexible working hours, allowing them to choose their start times within a defined flexible range based on their work arrangements and personal needs.

Occupational Health Safety

We have established a comprehensive safety management framework, with the Chairman overseeing workplace safety initiatives. The framework is jointly managed with the responsible Vice President to formulate health and safety policies, while our Administrative Department assumes the role of the emergency response office. Our ISO 45001-certified occupational health and safety management system facilitates adherence to international safety standards.

We conduct regular safety training sessions on occupational health, workplace safety protocols, and emergency response preparedness. In 2024, we organized two fire emergency drills, nine fire safety trainings and launched fire safety awareness campaigns to reinforce risk prevention. We also recorded zero major safety incidents and zero fire-related accidents in 2024. We remain dedicated to enhancing safety measures and fostering a strong safety culture across our operations.

Anti-corruption and Anti-bribery

We have adopted a set of policies to facilitate compliance with applicable anti-bribery and anti-corruption regulations in jurisdictions where we operate. Our anti-corruption framework includes a comprehensive set of policies, such as our anti-corruption management system, employee code of conduct, and anti-commercial bribery agreement. These policies clearly define prohibited behaviors, including bribery, kickbacks, excessive gifts, and any payment made to gain an undue business advantage.

To mitigate risks, we have implemented a multi-layered governance system that integrates policy enforcement, internal controls, and transparent management practices. All employees are required to sign the employee code of conduct commitment and undergo regular anti-bribery and anti-corruption training. We require suppliers to adhere to anti-bribery provisions outlined in our "Anti-Commercial Bribery Agreement," which applies to our business partners. In 2024, we conducted four anti-corruption policies and ethical conduct training for employees and management team members. Additionally, we maintain a compliance system to investigate and address any reported incidents.

Community Engagement

We are committed to community engagement and integrating social responsibility into our operations. Our efforts focus on fostering educational collaboration, empowering local communities, and supporting social welfare initiatives, including:

- ***Industry-academic collaboration for social good.*** We actively partner with universities and research institutions to promote technology innovation and contribute to social welfare. This collaboration helps us give back to society while advancing academic and technological progress.

- ***Empowering education through technology.*** We support education by partnering with universities to promote IoT and AIoT innovation. Through initiatives like the National University Student IoT Design Competition, we provide development kits and technical guidance, supporting students in practical applications of technology.

- ***Supporting disadvantaged communities.*** We provide educational support to underprivileged students in rural areas, offering resources such as books and practical gifts. We also visit schools to engage with students and understand their needs.

- ***Humanitarian support and donations.*** We actively contribute to humanitarian aid by donating supplies and offering support to organizations like the Bailu Yuan Children's Rescue Center. These actions improve the well-being of children and communities in need.

Following our listing, we will continue to prioritize these initiatives, with a commitment to expanding our community engagement efforts and further integrating social responsibility into our long-term growth strategy.

LEGAL PROCEEDINGS AND COMPLIANCE

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

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. For further details, see "Risk Factors—Risks Relating to Our Business and Industry—We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations."

Third Party Payment Arrangements

Background and Reasons

During the Track Record Period, we accepted payments made on behalf of certain customers (the "**Relevant Customer(s)**"), through the accounts of third-party payors designated by the Relevant Customers (the "**Third-Party Payment Arrangement(s)**"). In 2022, 2023, 2024 and the four months ended April 30, 2025, the number of the Relevant Customers was 12, 13, five and two, respectively. In 2022, 2023, 2024 and the four months ended April 30, 2025, the aggregate amount they settled under the Third-Party Payment Arrangements was RMB3.8 million, RMB3.3 million, RMB20.1 million and RMB0.8 million, respectively, which accounted for 0.07%, 0.06%, 0.29% and 0.03% of our total revenue in the same periods, respectively.

No individual Relevant Customer had made material contribution to our revenue during the Track Record Period. To the best of our knowledge, none of the third-party payors designated by the Relevant Customer is our connected person, and all designated third-party payors are independent from each of our Directors, senior management, and Controlling Shareholder.

During the Track Record Period, Third-party Payment Arrangements primarily comprise two scenarios: (i) payments from supply chain payment service providers and (ii) payments from employees of the Relevant Customers. During the Track Record Period, payments made under these two scenarios accounted for over 99.5% of the total payments settled under Third-Party Payment Arrangements.

Third-party Payment Arrangements—Scenario I

During the Track Record Period, to the best of our knowledge, the third-party payors designated by the Relevant Customers primarily include supply chain payment service providers which made payments to us pursuant to the payment service arrangements with the Relevant Customers. Supply chain payment service providers are specialized service providers engaged in a range of services within supply chain management, including goods receipt, logistics and storage services, customs clearance, warehousing, and payment settlement. Relevant Customers typically engage supply chain payment service providers to facilitate and centralize the payment process, ensuring a smoother transaction flow and the timely settlement of financial obligations on behalf of the Relevant Customers. In 2022, 2023, 2024 and the four months ended April 30, 2025, four, three, two and one customer(s) settled transactions with us under this scenario. In 2022, 2023, 2024 and the four months ended April 30, 2025, the aggregate amount of revenue generated under this scenario was RMB3.7 million, RMB3.2 million, RMB19.9 million and RMB0.8 million, respectively, representing approximately 0.1%, 0.1%, 0.3% and 0.03% of our revenue for the respective periods.

Third-party Payment Arrangements—Scenario II

During the Track Record Period, certain Relevant Customer settled payments via their employees upon requests of the Relevant Customers, and such employees also constitute the third-party payors of the Relevant Customer. In 2022, 2023, 2024 and the four months ended April 30, 2025, seven, seven, three and one customer(s) settled transactions with us under this scenario. In 2022, 2023, 2024 and the four months ended April 30, 2025, the aggregate amount of revenue generated under this scenario was RMB0.03 million, RMB0.07 million, RMB0.2 million and RMB0.002 million, respectively, representing approximately 0.001%, 0.001%, 0.003% and 0.0001% of our revenue for the respective periods.

Reasons for the Third-party Payment Arrangements

To the best of our knowledge, the use of the Third-party Payment Arrangements primarily stems from the following reasons:

- *Industry norm*. According to Frost & Sullivan, it is a common commercial practice in China for customers to settle payments through third-party payors for various personal reasons; and

- *Payment convenience*. Certain Relevant Customers are small- and medium-sized enterprises, and, as confirmed by Frost & Sullivan, it is common for them to settle payments through personal bank accounts of their employees for convenience.

Implication and Termination of the Third-party Payment Arrangements

During the Track Record Period, our Directors confirm that (i) we had not proactively initiated any Third-party Payment Arrangements or participated in any of such arrangement in other forms, (ii) we had not provided any discount, commission, rebate, or other benefit to any of the Relevant Customers to facilitate or incentivize the Third-party Payment Arrangements, (iii) the pricing and payment terms of the agreements we entered into with the Relevant Customers were generally in line with customers not involved in the Third-party Payment Arrangements under similar scenarios, and (iv) the Third-party Payment Arrangements have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period, we have undertaken the following measures to monitor and manage the Third-Party Payment Arrangements:

- *Genuine underlying transactions*. To ensure the Third-party Payment Arrangements are supported by genuine transactions, for payments received from the designated third-party payors, we required the Relevant Customers to provide us with the relevant information including, among other things, the payor's account, payment information and the relevant payment agreement between the Relevant Customers and the payors to us after completion of the order and payment. The financial staff of us were allowed to recognize payments from designated third-party payors of the Relevant Customers and our business staff were allowed to ship our products to the Relevant Customers on the condition that the information submitted by Relevant Customers is consistent with the order.

- *Prevention of fraud or money laundering*. We also had know-your-customer procedures in place to have a comprehensive understanding of our customers. In addition, we conduct regular business meetings with corporate customers to understand the nature of their operations and business models. We also maintain active communication with our customers through both online and offline channels.

Based on the above, we have no basis to believe that the Relevant Customers are involved in fraudulent or money laundering activities, nor any reason to suspect that the Third-Party Payment Arrangements involve proceeds or gains from such activities.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, (i) all settlements were based on bona fide underlying transactions and valid contractual relationships, (ii) the settlement amounts were consistent with the amounts incurred under the relevant transactions, (iii) we are not aware of any instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements, (iv) Relevant Customers have not claimed any interests as to any transaction payment to or from us through the Third-party Payment Arrangements, (v) we had not encountered any refund requests, actual or pending dispute or disagreement due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements.

As advised by our PRC Legal Advisor, in light of the above, the Third-party Payment Arrangements are not in breach of mandatory requirements of current applicable laws and regulations in China in material aspects.

In line with our commitment to strengthen internal control, as of the Latest Practicable date, we have terminated all Third-party Payment Arrangements. We do not plan to engage in any third-party payment arrangement again in the future. We believe that this termination will not have, a material adverse effect on our business, liquidity or financial performance, given that (i) revenue generated from the Third-party Payment Arrangements represented an insignificant percentage of our total revenue during the Track Record Period, (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us, and (iii) we have not experienced any decline in sales or number of customers while our business scale continued to grow, nor have any customers altered their relationship with us as a result of the cessation of Third-party Payment Arrangement. For risks related to the Third-party Payment Arrangement, see "Risk Factors—Risks Relating to Our Business and Industry—We face risks in connection with Third-party Payment Arrangements."

Enhanced Internal Control

To safeguard our interest against risks associated with Third-Party Payment Arrangements, we have significantly enhanced and implemented various internal control measures in order to rectify Third-Party Payment Arrangements, including:

- we initiated the implementation of Third-Party Payment Arrangements rectification measures and informed our employees regarding the enhanced internal control measures;

- our employees are required not to proactively initiate any Third-Party Payment Arrangements, to inform all customers that Third-Party Payment Arrangements are not accepted, and to understand and implement our policies and measures related to the termination of Third-Party Payment Arrangements, alongside regular training sessions on fraud prevention and anti-money laundering practices;

- when contracts are signed, our employees are required to collect the customers' bank account information, including the account name, and ensure that all payment transactions are made using the account of the contracting party; and

- Our finance department is required to conduct monthly reviews of internal operations to identify any potential Third-Party Payment Arrangements. This includes sample checking of contracts to verify whether the payer matches the contracting party, among other measures.

We regularly check the effectiveness of our internal control measures in relation to the Third-Party Payment Arrangements and promptly address any abnormalities. Based on the follow-up review on the implementation of measures, our Directors are of the view that the above measures are effective and adequate in ensuring the accuracy and completeness of our accounting books and records and preventing Third-party Payment Arrangements and its associated risks. Our internal control consultant has conducted a follow-up review on a factual finding basis pursuant to Technical Bulletin-AATB1 "Assistance Options to New Applicants and Sponsors in connection with Due Diligence Obligations, including Internal Controls over Financial Reporting" issued by the HKICPA. Based on the result of the above mentioned follow-up review, no material weakness or further recommendation was raised.

INTERNAL CONTROL AND RISK MANAGEMENT

We have established a comprehensive risk management and internal control system to facilitate compliance, operational efficiency, and financial integrity. Our risk management policies cover various critical aspects of our operations, including financial reporting, information system and data security, compliance, intellectual property, capital management, audit mechanisms and human resources management. Our Board of Directors is responsible for overseeing risk management and internal controls, ensuring that they are adequate, effective and aligned with our strategic goals. Our senior management team oversees the daily implementation of these internal control procedures, ensuring compliance across all subsidiaries and functional departments. We also conduct periodic reviews of our policies and procedures to mitigate risks and align with regulatory requirements and business objectives.

Financial Reporting Risk Management

We maintain strict controls over financial reporting to ensure accuracy, completeness, and compliance with applicable accounting standards and regulatory requirements. To manage financial reporting risks effectively, we have adopted comprehensive accounting policies covering financial management, budget management, and financial statement preparation. Our financial reporting process is structured to prevent material misstatements and ensure timely disclosure. We implement a multi-layer review system for financial statements, incorporating segregation of duties, approval hierarchies, and automated accounting systems such as SAP to enhance financial data integrity.

To safeguard against fraudulent reporting, our finance department conducts regular internal audits and independent external audits to assess financial reporting risks. Our finance department evaluates financial controls, monitors compliance with accounting policies, and ensures transparency in financial disclosures. Additionally, we employ advanced data security measures to protect financial data from unauthorized access and cyber threats.

Information System and Data Security Risk Management

The maintenance, storage, and protection of our data and related information are vital to our success. To safeguard against data leakage and loss, we have implemented a structured IT governance framework to manage cybersecurity risks, data privacy, and system reliability. Our core business systems include SAP, PLM, CRM, SRM, JIRA and MES, which are integrated to ensure seamless data flow and operational efficiency. Our data protection policies are designed to prevent unauthorized access and ensure the security of our sensitive information.

We enforce strict access control measures, including role-based permissions and regular audits of system usage. To mitigate cybersecurity risks, we conduct periodic security assessments, implement multi-factor authentication, and ensure timely updates to software and security protocols. Data encryption and regular backup procedures are in place to prevent data breaches and ensure business continuity in case of system failures or cyber incidents.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data breaches, loss of information, or security threats such as cyberattacks, viruses, or ransomware. For further details, see "—Information Technology System" and "—Information Security and Data Privacy."

Compliance Risk Management

We have implemented strict internal procedures to facilitate the compliance of our operations with relevant laws and regulations. Our legal team is responsible for monitoring changes in regulatory frameworks and implementing necessary adjustments to our policies and procedures. We conduct comprehensive due diligence before entering into contracts with customers, suppliers, and third parties. Our compliance risk management framework includes regular training programs, internal audits, and monitoring mechanisms to ensure adherence to relevant laws and corporate policies.

We conduct regular compliance training programs to enhance employees' awareness of regulatory obligations and ethical standards. We have also established an internal reporting mechanism that allows employees to report potential compliance violations anonymously. The compliance team evaluates reported cases and takes corrective actions as necessary to prevent compliance breaches. There have been no material compliance issues or violations during the Track Record Period and as of the Latest Practicable Date.

Intellectual Property Risk Management

As a technology-intensive company, we have been and may continue to be subject to claims from companies holding patents or other intellectual property rights, alleging infringement of such rights or otherwise asserting their rights and urging us to obtain licenses in the course of our operations. See "Risk Factors—Risks Relating to Our Business and Industry—If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products or solutions involved."

We have established a robust intellectual property management system and implemented various internal policies to safeguard proprietary technologies, patents, trade secrets, trademarks and copyrights. We have developed and implemented structured policies for patent applications and maintenance to secure and protect our innovations. We conduct regular intellectual property research to assess potential risks of infringement and ensure compliance with intellectual property laws. We require employees handling sensitive information to sign confidentiality agreements and non-compete clauses to protect our proprietary technologies.

We have established a dedicated legal team responsible for monitoring potential intellectual property disputes and taking necessary legal action to enforce our rights. We continuously review and improve our intellectual property policies to enhance the protection of our technological assets and maintain our competitive edge.

Treasury Management and Investment Risk Management

We have implemented strict policies for managing corporate funds to enhance liquidity, optimize capital allocation, and mitigate financial risks. Our capital management framework is designed to ensure efficient use of funds while maintaining financial stability.

We have established a centralized cash management system to optimize cash flow and ensure efficient capital allocation. We have implemented strict approval processes for capital expenditures, investments, and financial transactions to strengthen financial oversight and facilitate the compliance of our financial transactions with internal policies and regulatory requirements. We conduct regular audits and reconciliations to safeguard corporate funds and prevent financial irregularities. We also actively manage foreign exchange risks by employing hedging strategies to minimize exposure to currency fluctuations.

Human Resources Risk Management

We recognize that human capital is fundamental to our success and have implemented a structured human resource management framework to support talent acquisition, employee development, performance evaluation, training work ethics, and compliance with labor laws.

We established a digital HR management system to streamline recruitment, payroll, and performance assessment, improving efficiency and accuracy in human resources management. We have developed and implemented structured hiring and evaluation processes to ensure talent alignment with corporate objectives. Regular performance reviews are conducted, with compensation tied to performance outcomes. We also provide regular employee trainings on ethics, compliance, cybersecurity, and technical skills to enhance workforce competency. Our legal team also closely monitors the implementation of internal risk management policies to address potential noncompliance with our code of conduct, work ethics, or internal policies. We have developed human resources policies in accordance with national laws and regulations, ensuring compliant operations. We regularly update our policies to reflect changes in legal and regulatory requirements, such as statutory holidays, ensuring our management practices remain aligned with national standards.

Internal Control and Board Oversight

We have implemented strict segregation of duties to prevent conflicts of interest and unauthorized transactions. We have established delegation of authority for approving procurement, financial transactions, and contract execution to enhance control mechanisms. We have integrated automated control systems with SAP and other enterprise management tools to ensure compliance and efficiency in business operations.

We conduct periodic audits and risk assessments and findings are reported to Board of Directors. We continuously monitor and improve our internal control processes to enhance corporate governance and risk mitigation.

IMPACT OF COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic introduced significant global challenges, impacting economies worldwide since 2020. These challenges included travel restrictions, quarantine measures, and shifts in working arrangements. Throughout this period, we adhered closely to government guidelines and regulations, including implementing remote working policies and prioritizing the safety and well-being of our employees.

While these restrictions temporarily disrupted various sectors of the global economy, our business operations continued with minimal disruption. Notably, our sales and revenue demonstrated sustained growth throughout the Track Record Period. Key operational areas, including research and development, product commercialization, product delivery, and customer engagement, remained on track without significant delays. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption to our regular operations due to the COVID-19 pandemic. In light of the above, our Director is of the view that, the COVID-19 pandemic has not had any material adverse impact on our business operations and financial performance.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuingly overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date.

Award/Recognition	Award Year	Awarding Institution/Authority
AI + Telecom Industry Pioneer Case (“人工智能+電信業”賦智先鋒案例)	2024	China Academy of Information and Communications
National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)	2023	China National Intellectual Property Administration
Shenzhen Science and Technology Progress Award (深圳市科技進步獎)	2023	Shenzhen Science and Technology Innovation Committee
National-Level Manufacturing Individual Champions (The Seventh Round) (第七批國家級製造業單項冠軍)	2022	Ministry of Industry and Information Technology of PRC (中國工業和信息化部)

The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this prospectus.

OVERVIEW

We are the second largest wireless communication module provider globally in terms of our revenue from continuing operations in 2024, according to Frost & Sullivan. We provide (i) module products and (ii) solutions to customers. During the Track Record Period, we primarily generated revenue from our module products, including (i) data transmission modules and (ii) smart modules. In 2024 and 2025, we launched a range of new module products and solutions, including (i) AI modules, (ii) Edge AI solutions and (iii) robotic solutions. Our module products and solutions are used in a diverse range of application scenarios, primarily including (i) automotive electronics, (ii) smart home, (iii) consumer electronics and (iv) smart retail.

Our revenue from continuing operations increased by 8.6% from RMB5,202.7 million in 2022 to RMB5,651.8 million in 2023, and further increased by 23.3% to RMB6,971.2 million in 2024. Our revenue increased by 21.2% from RMB2,047.1 million in the four months ended April 30, 2024 to RMB2,480.6 million in the four months ended April 30, 2025. Our gross profit increased by 11.4% from RMB1,065.8 million in 2022 to RMB1,186.9 million in 2023, and further increased by 6.7% to RMB1,266.9 million in 2024. Our gross profit increased by 7.4% from RMB408.5 million in the four months ended April 30, 2024 to RMB438.9 million in the four months ended April 30, 2025.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Demand from Downstream Market and End Customers

Our business performance is affected by the market size and customer demand for wireless communication modules. The global wireless communication module market size has grown significantly in recent years. According to Frost & Sullivan, the global wireless communication module market size grew from RMB32.3 billion in 2020 to RMB43.6 billion in 2024, with a CAGR of 7.7%, and the market is expected to further grow from RMB48.6 billion in 2025 to RMB72.6 billion in 2029, with a CAGR of 10.6%.

Wireless communication modules are used in a diverse range of application scenarios. According to Frost & Sullivan, (i) the automotive electronics application scenario and (ii) the smart home scenario are the main growth drivers for the wireless communication module market:

- *Automotive electronics.* According to Frost & Sullivan, the global market size of automotive electronics application scenario grew from RMB7.8 billion in 2020 to RMB11.7 billion in 2024, representing a CAGR of 10.9%, and is expected to further grow to RMB21.2 billion in 2029, representing a CAGR of 12.6% from 2025 to 2029. Among the automotive electronics application scenario, NEVs are a key growth driver. According to Frost & Sullivan, the global market size of NEV front-fit application scenario is expected to further grow from RMB4.5 billion in 2025 to RMB11.6 billion in 2029, representing a CAGR of 26.5%.

- *Smart home.* According to Frost & Sullivan, the global market size of smart home application scenario grew from RMB4.4 billion in 2020 to RMB6.6 billion in 2024, representing a CAGR of 10.5%, and is expected to further grow to RMB11.4 billion in 2029, representing a CAGR of 11.2% from 2025 to 2029.

Furthermore, the integration of wireless communication modules with AI has been an industry trend. According to Frost & Sullivan, the global Edge AI market in terms of revenue grew from RMB90.2 billion in 2020 to RMB251.7 billion in 2024, representing a CAGR of 29.3%, and is expected to further grow to RMB1,223 billion in 2029, representing a CAGR of 39.6% from 2025 to 2029. Wireless communication modules with integrated computing power have been evolving to meet the growing demand for Edge AI processing. This represents an opportunity to grow our AI modules and Edge AI solutions.

Technical Innovation and Investment in Research and Development

Our operating results depend significantly on our ability to adapt to and effectively utilize the latest technological advancements. Staying at the forefront of innovation is critical to maintaining our competitiveness and meeting evolving market demands. Our ability to continue our R&D activities, develop new technologies, design new products and enhance existing products is crucial to our market success. Therefore, we continue to invest in technology development and innovation to reinforce our competitive strengths against our peers.

We have historically dedicated our resources towards R&D. In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, we recorded R&D expenses from continuing operations of RMB542.6 million, RMB540.2 million, RMB582.7 million, RMB193.9 million and RMB182.3 million, representing over 10.4%, 9.6%, 8.4%, 9.5% and 7.3% of our total revenue, respectively. Specifically, the progress of our technology and product development depends largely on our R&D talents. As of April 30, 2025, our R&D team consisted of 1,194 members, representing 67.9% of total employees. Employee compensation for our research and development staff was 69.2%, 69.7%, 67.6%, 70.9% and 68.0% of our research and development expenses in 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, respectively.

Our Ability to Manage the Supply of Our Raw Materials

Our profitability to a large extent depends on our ability to manage raw material costs. In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, our cost of goods sold from continuing operations was RMB4,137.0 million, RMB4,464.9 million, RMB5,704.3 million, RMB1,638.6 million and RMB2,041.8 million, respectively, representing 79.5%, 79.0%, 81.8%, 80.0% and 82.3% of our total revenue from continuing operations.

The raw material costs were the largest component of our cost of goods sold during the Track Record Period. In 2022, 2023 and 2024, and the four months ended April 30, 2024 and 2025, our raw material costs represented 95.4%, 95.8%, 95.5%, 95.4% and 95.7% of our total cost of goods sold, respectively, and represented 75.9%, 75.7%, 78.2%, 76.4% and 78.7% of our total revenue, respectively. During the Track Record Period, our raw materials primarily included (i) baseband chips, (ii) radio frequency chips and (iii) memory chips. The stability of the supply of such chips may be affected by factors beyond our control. These factors primarily include supply and demand dynamics, cost of raw materials for chips, manufacturing capacity, geopolitical factors and technical development. Among our raw materials, memory chips used in our smart modules may experience more fluctuations in the market price than other raw materials.

To mitigate supply chain risks and price volatility, we closely monitor raw material costs through market trend analysis, supplier negotiations and periodic price assessments. We procure raw materials and adjust inventory levels based on price forecast to avoid disruption in our supply chain and control our raw material costs. For details of our inventory management, see "Business—Logistics and Inventory Management."

Our Product Portfolio

Our ability to offer a comprehensive portfolio of module products and solutions is one of the primary factors influencing our financial conditions and results of operations. Our future success depends on our ability to anticipate industry trends and develop products with high-performance that meet the evolving demand of downstream customers in various application scenarios.

During the Track Record Period, we primarily derived our revenue from the sale of module products, including (i) data transmission modules and (ii) smart modules. We price each products based on a variety of factors, primarily including (i) customer demands, (ii) raw material costs, (iii) product differentiation and (iv) competitive landscape of the markets.

We aim to further enrich our product portfolio and maintain a strong focus on high-margin product categories. By continuously refining our product mix and leveraging technological innovation, we are committed to sustaining robust financial performance and driving long-term growth. However, fluctuations in product demand, shifts in market dynamics and evolving competitive pressures may impact our financial performance.

Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024

During the Track Record Period, we acquired Shenzhen Rolling, a company principally engaged in overseas in-vehicle front-fit wireless communication business, and subsequently disposed our overseas in-vehicle front-fit wireless communication business segment under Shenzhen Rolling. Specifically:

- ***Acquisition***. Shenzhen Rolling became our wholly-owned subsidiary following our acquisition of 51% of equity interest in this entity in November 2022 (the "**Acquisition of Rolling**"). We acquired Shenzhen Rolling primarily to expand our overseas in-vehicle front-fit wireless communication business and further strengthen our market position. We consolidated Shenzhen Rolling to our financial statements starting from November 2022. From November 2022 to July 2024, Shenzhen Rolling mainly provided data transmission modules.

- ***Disposal***. In July 2024, we disposed the assets related to Shenzhen Rolling's overseas in-vehicle front-fit wireless communication business, which consisted of (i) 100% of the equity interest in Luxembourg Rolling and (ii) certain assets and liabilities of Hong Kong Rolling (together representing all of our operation of overseas in-vehicle front-fit wireless communication business segment at the relevant time) (the "**Disposal of Rolling**"). We made such disposal primarily in light of the increasingly complex changes in the international market environment and the difficulties and costs associated with navigating such changes.

See "History and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024" for details.

Our results of operations, including our profit for the year and balance sheet items, were affected by the Acquisition of Rolling and the Disposal of Rolling.

BASIS OF PRESENTATION AND PREPARATION

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRSs effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost basis, except for certain financial assets and liabilities which are stated at fair value.

The preparation of the historical financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the management to make judgements, estimates and assumptions in the process of applying our accounting policies. Judgements made by the management in the application of IFRSs that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 4 to the Accountants' Report included in Appendix I to this prospectus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Details of our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 2 and 4 to the Accountants' Report in Appendix I to this prospectus.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Continuing Operations

Revenue

During the Track Record Period, our revenue was primarily derived from sales of module products, including (i) data transmission modules and (ii) smart modules.

Cost of goods sold

Our cost of goods sold consists of (i) raw material cost, which primarily includes components of our module products and solutions, such as (a) baseband chips, (b) radio frequency chips, and (c) memory chips; (ii) manufacturing service fees, which primarily include fees we paid to our EMS providers for manufacturing services; and (iii) testing and transportation cost.

Gross profit and gross profit margin

Our gross profit represents our revenue less our cost of goods sold, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

Other income, net

Our net other income consists of (i) government subsidies, (ii) sundry income, which primarily includes deduction for value-added tax, and (iii) gain on disposal of associate.

Other gains and losses, net

Our net other gains and losses consist of (i) remeasurement gain on interest previously held, (ii) net loss on disposal of property, plant and equipment, (iii) gain and loss on early termination of lease, (iv) realized and unrealized net fair value gains on financial assets at fair value through profit or loss ("**FVTPL**"), (v) net exchange gain and loss, and (vi) others.

Research and development expenses

Our research and development expenses consist of (i) employee compensation, (ii) depreciation and amortization, (iii) material fees, (iv) technical consulting fees, (v) testing and verification fees and (vi) others.

Selling and distribution expenses

Our selling and distribution expenses consist of (i) employee compensation, (ii) travel expenses, (iii) marketing expenses, (iv) hospitality expenses, (v) office expenses, (vi) business development expenses and (vii) others.

Administrative expenses

Our administrative expenses consist of (i) employee compensation, (ii) impairment losses, (iii) taxes and surcharges, (iv) depreciation and amortization, (v) professional service fees, (vi) office expenses, (vii) utility and management fees, (viii) hospitality expenses, (ix) travel expenses and (x) others.

Finance income

Our finance income consists of interest income from our bank deposits.

Finance costs

Our finance costs consist of interest expense.

Share of result of associate

Our share of result of associate represents our share of the net profit or loss of our associates.

Income tax credit and expense

Our income tax credit and expense consists of deferred tax and income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled.

Discontinued Operation

Results of our discontinued operation were recorded as a separate line titled "Profit for the year from discontinued operation." See Note 10 to Accountants' Report in Appendix I to this prospectus and "History and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Shenzhen Rolling in 2022 and Subsequent Disposal in 2024" for details.

RESULTS OF OPERATIONS

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

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Continuing operations										
Revenue	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**
Cost of goods sold	(4,136,956)	(79.5)	(4,464,939)	(79.0)	(5,704,274)	(81.8)	(1,638,586)	(80.0)	(2,041,797)	(82.3)
Gross profit	**1,065,780**	**20.5**	**1,186,875**	**21.0**	**1,266,915**	**18.2**	**408,514**	**20.0**	**438,851**	**17.7**
Other income, net	69,356	1.3	61,483	1.1	86,229	1.2	43,833	2.1	22,442	0.9
Other gains and losses, net	5,260	0.1	12,988	0.2	(8,426)	(0.1)	(3,535)	(0.2)	(1,230)	(0.1)
Research and development expenses	(542,563)	(10.4)	(540,156)	(9.6)	(582,684)	(8.4)	(193,933)	(9.5)	(182,250)	(7.4)
Selling and distribution expenses	(155,039)	(3.0)	(178,445)	(3.2)	(162,243)	(2.3)	(58,777)	(2.9)	(46,678)	(1.9)
Administrative expenses	(107,484)	(2.1)	(145,510)	(2.6)	(200,326)	(2.9)	(43,571)	(2.1)	(53,048)	(2.1)
Reversal/(Provision) of expected credit losses ("**ECL**") allowance of trade and bills receivables	(619)	(0.0)	2,813	0.0	(12,112)	(0.2)	(1,266)	(0.1)	(1,991)	(0.1)
Operating profit	**334,691**	**6.4**	**400,048**	**7.1**	**387,353**	**5.6**	**151,265**	**7.4**	**176,096**	**7.1**
Finance income	5,304	0.1	12,144	0.2	24,581	0.4	4,598	0.2	6,101	0.3
Finance costs	(24,183)	(0.5)	(29,387)	(0.5)	(37,447)	(0.5)	(10,677)	(0.5)	(10,510)	(0.4)
Finance costs, net	(18,879)	(0.4)	(17,243)	(0.3)	(12,866)	(0.2)	(6,079)	(0.3)	(4,409)	(0.2)
Share of result of associate	23,213	0.4	2,017	0.0	(3,898)	(0.1)	(2,466)	(0.1)	(1,282)	(0.1)
Profit before income taxes	**339,025**	**6.5**	**384,822**	**6.8**	**370,589**	**5.3**	**142,720**	**7.0**	**170,405**	**6.9**
Income tax credit/(expense)	13,240	0.3	(8,053)	(0.1)	52,562	0.8	(2,834)	(0.1)	(10,140)	(0.4)
Profit for the year/period from continuing operations	**352,265**	**6.8**	**376,769**	**6.7**	**423,151**	**6.1**	**139,886**	**6.8**	**160,265**	**6.5**
Discontinued operation										
Profit for the year/period from discontinued operation	12,568	0.2	188,219	3.3	253,687	3.6	93,458	4.6	–	–
Profit for the year/period	**364,833**	**7.0**	**564,988**	**10.0**	**676,838**	**9.7**	**233,344**	**11.4**	**160,265**	**6.5**
Other comprehensive income arising from continuing operations										
Items that will not be reclassified subsequently to profit or loss										
Changes in fair value of financial assets at fair value through other comprehensive Income ("**FVTOCI**")	2,049	0.0	51,858	0.9	70,724	1.0	73,481	3.6	17,387	0.7
Items that will be reclassified subsequently to profit or loss										
Share of other comprehensive income of investment in associate	8,568	0.2	–	–	–	–	–	–	–	–
Currency translation difference	3,132	0.1	(689)	(0.0)	14,909	0.2	1,384	0.1	1,913	0.1
	13,749	0.3	51,169	0.9	85,633	1.2	74,865	3.7	19,300	0.8

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Other comprehensive expense arising from discontinued operation										
Items that will not be reclassified subsequently to profit or loss										
Remeasurement of post-employment benefit obligations.	(2,977)	(0.1)	1,874	0.0	1,104	0.0	(356)	0.0	–	–
Items that will be reclassified subsequently to profit or loss										
Currency translation difference . .	1,797	0.0	11,367	0.2	(13,165)	(0.2)	991	0.0	–	–
	(1,180)	(0.0)	13,241	0.2	(12,061)	(0.2)	635	0.0	–	–
Total comprehensive income for the year/period	**377,402**	**7.3**	**629,398**	**11.1**	**750,410**	**10.8**	**308,844**	**15.1**	**179,565**	**7.2**

Continuing Operations

Revenue

Revenue by products and solutions

The following table sets forth a breakdown of our revenue by product and solution types, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Continuing operations										
Module products	**5,107,847**	**98.2**	**5,485,083**	**97.0**	**6,704,471**	**96.1**	**1,991,385**	**97.3**	**2,310,582**	**93.1**
Data transmission modules	2,259,515	43.5	2,567,413	45.4	3,049,693	43.7	964,044	47.1	789,589	31.8
Smart modules	2,848,332	54.7	2,917,670	51.6	3,654,778	52.4	1,027,341	50.2	1,520,993	61.3
Solutions	**71,910**	**1.4**	**130,944**	**2.3**	**203,914**	**3.0**	**42,254**	**2.1**	**144,275**	**5.8**
Edge AI solutions	–	–	–	–	81,244	1.2	13,762	0.7	24,548	1.0
Robotic solutions	–	–	–	–	1,032	0.0	–	–	3,367	0.1
Other solutions	71,910	1.4	130,944	2.3	121,638	1.8	28,492	1.4	116,360	4.7
Others(1)	**22,979**	**0.4**	**35,787**	**0.7**	**62,804**	**0.9**	**13,461**	**0.6**	**25,791**	**1.1**
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Primarily include (i) sales of complementary electronic components and (ii) IoT data connection services, which refer to the provision of supplementary cellular data connection plans to customers at comparable market prices.

The following table sets forth the sales volume of our module products for the periods indicated:

	As of December 31,			For the four months ended April 30,	
	2022	2023	2024	2024	2025
	'000	*'000*	*'000*	*'000*	*'000*
Continuing operations					
Module products	**29,217**	**30,949**	**45,126**	**14,606**	**14,570**
Data transmission modules	23,451	25,148	37,592	12,412	11,968
Smart modules	5,766	5,801	7,534	2,194	2,602

The following table sets forth the average selling price of our module products for the periods indicated:

	As of December 31,			For the four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Continuing operations					
Module products	**174.8**	**177.2**	**148.6**	**136.3**	**158.6**
Data transmission modules	96.3	102.1	81.1	77.7	66.0
Smart modules	494.0	503.0	485.1	468.3	584.5

Comparison between the four months ended April 30, 2024 and 2025: Our revenue increased by 21.2% from RMB2,047.1 million in the four months ended April 30, 2024 to RMB2,480.6 million in the four months ended April 30, 2025, primarily due to an increase in revenue from smart modules.

Module products

Our revenue generated from the sales of module products increased by 16.0% from RMB1,991.4 million in the four months ended April 30, 2024 to RMB2,310.6 million in the four months ended April 30, 2025, due to an increase in revenue from smart modules. Specifically:

- *Data transmission modules*. Our revenue generated from the sales of data transmission modules decreased by 18.1% from RMB964.0 million in the four months ended April 30, 2024 to RMB789.6 million in the four months ended April 30, 2025, primarily due to a decrease in the sales of our data transmission modules used in consumer electronics to overseas customers.

- *Smart modules*. Our revenue generated from the sales of smart modules increased by 48.1% from RMB1,027.3 million in the four months ended April 30, 2024 to RMB1,521.0 million in the four months ended April 30, 2025, primarily due to (i) an increase in the sales and average selling price of our smart modules used in smart home as a result of an increase in customer demand; and (ii) an increase in the average selling price of our smart modules applied in automotive electronics as a result of an increase in customer demand.

Solutions

Our revenue generated from the sales of our solutions increased by 241.1% from RMB42.3 million in the four months ended April 30, 2024 to RMB144.3 million in the four months ended April 30, 2025, primarily due to an increase in the revenue generated from other solutions. Specifically:

- *Edge AI solutions.* Our revenue from the sales of Edge AI solutions increased by 77.5% from RMB13.8 million in the four months ended April 30, 2024 to RMB24.5 million in the four months ended April 30, 2025, primarily due to an increase in the sales of our Edge AI solutions used in smart retail as a result of increased customer demand.

- *Robotic solutions.* Our revenue from the sales of robotic solutions increased from nil in the four months ended April 30, 2024 to RMB3.4 million in the four months ended April 30, 2025, primarily because we generated revenue from robotic solutions starting from August 2024.

- *Other solutions.* Our revenue generated from the sales of other solutions increased by 308.4% from RMB28.5 million in the four months ended April 30, 2024 to RMB116.4 million in the four months ended April 30, 2025, primarily due to an increase in the sales of our other solutions in smart home and consumer electronics because we received additional customer orders for these other solutions.

Others

Our revenue generated from the sales of others increased by 91.1% from RMB13.5 million in the four months ended April 30, 2024 to RMB25.8 million in the four months ended April 30, 2025, primarily due to an increase in the sales of complementary electronic components.

Comparison between 2024 and 2023: Our revenue increased by 23.3% from RMB5,651.8 million in 2023 to RMB6,971.2 million in 2024, primarily attributable to an increase in revenue from module products.

Module products

Our revenue generated from the sales of module products increased by 22.2% from RMB5,485.1 million in 2023 to RMB6,704.5 million in 2024, attributable to an increase in revenue from data transmission modules and smart modules. Specifically:

- *Data transmission modules*. Our revenue generated from the sales of data transmission modules increased by 18.8% from RMB2,567.4 million in 2023 to RMB3,049.7 million in 2024, primarily attributable to a 49.5% increase in the sales volume of our data transmission modules from 25.1 million units in 2023 to 37.6 million units in 2024. The increase in the sales volume was primarily attributable to an increase in the customer demand for our data transmission modules in application scenarios such as smart home, consumer electronics and smart retail.

  The increase in the sales volume of our data transmission modules was partially offset by a 20.6% decrease in the average selling price of our data transmission modules from RMB102.1 per unit in 2023 to RMB81.1 per unit to 2024. Such decrease was primarily because our customers in application scenarios such as smart retail and consumer electronics purchased more cost-effective data transmission modules with lower average selling price. Some of these customers chose more cost-effective data transmission modules with basic functions and more competitive pricing that fulfill their business needs for modules with basic functions.

- *Smart modules*. Our revenue generated from the sales of smart modules increased by 25.3% from RMB2,917.7 million in 2023 to RMB3,654.8 million in 2024, primarily due to a 29.9% increase in the sales volume of our smart modules from 5.8 million units in 2023 to 7.5 million units in 2024. Such increase in the sales volume was primarily attributable to an increase in the customer demand in application scenarios such as smart home, smart retail and automotive electronics where our smart modules are mainly used.

Solutions

Our revenue generated from the sales of our solutions increased by 55.7% from RMB130.9 million in 2023 to RMB203.9 million in 2024, primarily attributable to the revenue generated from Edge AI solutions and robotic solutions, partially offset by a decrease in revenue from other solutions. Specifically:

- *Edge AI solutions*. Our revenue from the sales of Edge AI solutions increased from nil in 2023 to RMB81.2 million in 2024 as we launched Edge AI solutions in January 2024. See "Business—Our Products and Solutions—Our Solutions—Edge AI Solutions."

- *Robotic solutions*. Our revenue from the sales of robotic solutions increased from nil in 2023 to RMB1.0 million in 2024 as we launched robotic solutions in the first half of 2024. See "Business—Our Products and Solutions—Our Solutions—Robotic Solutions."

- *Other solutions*. Our revenue generated from the sales of other solutions decreased by 7.1% from RMB130.9 million in 2023 to RMB121.6 million in 2024, primarily because we allocated more of our resources to launch Edge AI solutions and robotic solutions in 2024.

Others

Our revenue generated from the sales of others increased by 75.5% from RMB35.8 million in 2023 to RMB62.8 million in 2024, primarily due to the expansion of the customer base of our IoT data connection services.

Comparison between 2023 and 2022: Our revenue increased by 8.6% from RMB5,202.7 million in 2022 to RMB5,651.8 million in 2023, primarily attributable to an increase in revenue from module products.

Module products

Our revenue generated from the sales of module products increased by 7.4% from RMB5,107.8 million in 2022 to RMB5,485.1 million in 2023, attributable to an increase in revenue from data transmission modules and smart modules. Specifically:

- *Data transmission modules*. Our revenue generated from the sales of our data transmission modules increased by 13.6% from RMB2,259.5 million in 2022 to RMB2,567.4 million in 2023, primarily attributable to:

  (i) a 7.2% increase in the sales volume of our data transmission modules from 23.5 million units in 2022 to 25.1 million units in 2023, primarily attributable to an increase in the customer demand for our data transmission modules in application scenarios such as smart home and consumer electronics; and

  (ii) a 6.0% increase in the average selling price of data transmission modules from RMB96.3 per unit in 2022 to RMB102.1 per unit in 2023. Such increase was primarily attributable to an increase in the sales proportion of data transmission modules in application scenarios such as automotive electronics with higher selling price.

- *Smart modules*. Our revenue generated from the sales of our smart modules remained relatively stable at RMB2,848.3 million in 2022 and RMB2,917.7 million in 2023.

Solutions

Our revenue generated from the sales of our solutions increased by 82.1% from RMB71.9 million in 2022 to RMB130.9 million in 2023, which was attributable to an increase in revenue from other solutions. The increase in our revenue generated from other solutions was primarily attributable to an increase in the sales of our handheld devices used in the smart retail application scenario.

Others

Our revenue generated from the sales of other products increased by 55.7% from RMB23.0 million in 2022 to RMB35.8 million in 2023, primarily due to an increase in the sales of our IoT data connection services.

Revenue by geographical region

The following table sets forth a breakdown of our revenue by geographic region of the place of registration of counter-parties to our sales contracts, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000* (*unaudited*)	%	*RMB'000*	%
Continuing operations										
Mainland China	2,096,271	40.3	2,354,952	41.7	2,831,447	40.6	862,609	42.1	1,016,393	41.0
Taiwan	1,602,862	30.8	1,661,522	29.4	1,967,367	28.2	588,630	28.8	884,361	35.7
United States	621,163	12.0	578,111	10.2	817,172	11.7	237,363	11.6	269,913	10.9
Singapore	370,601	7.1	419,265	7.4	380,903	5.5	170,457	8.3	115,640	4.7
Hong Kong	304,036	5.8	391,620	6.9	363,126	5.2	106,970	5.2	53,051	2.1
Others[(1)]	207,803	4.0	246,344	4.4	611,174	8.8	81,071	4.0	141,290	5.6
Total	**5,202,736**	**100.0**	**5,651,814**	**100.0**	**6,971,189**	**100.0**	**2,047,100**	**100.0**	**2,480,648**	**100.0**

Note:

(1) Others primarily include India, Thailand and Brazil.

During the Track Record Period, we derived approximately 60% of our revenue from overseas markets. The revenue proportion of our major markets, including Mainland China, Taiwan, United States, Singapore and Hong Kong, remained relatively stable during the Track Record Period. The revenue proportion of other geographic region increased from 4.0% in 2022 to 4.4% in 2023, and further to 8.8% in 2024, primarily due to our expansion in new markets such as India and Thailand. The revenue proportion of Taiwan increased from 28.8% in the four months ended April 30, 2024 to 35.7% in the four months ended April 30, 2025, primarily attributable to an increase in revenue generated from the sales of our products and solutions used in smart home and smart retail in Taiwan.

Cost of goods sold

The following table sets forth a breakdown of our cost of goods sold, in absolute amounts and as percentages of our total revenue, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Raw material cost	3,948,207	75.9	4,276,685	75.7	5,448,457	78.2	1,563,889	76.4	1,953,211	78.7
Manufacturing service fees	150,661	2.9	136,998	2.4	197,856	2.8	58,528	2.9	54,126	2.2
Testing and transportation cost	38,088	0.7	51,256	0.9	57,961	0.8	16,169	0.8	34,461	1.4
Total	**4,136,956**	**79.5**	**4,464,939**	**79.0**	**5,704,274**	**81.8**	**1,638,586**	**80.1**	**2,041,797**	**82.3**

Comparison between the four months ended April 30, 2024 and 2025: Our cost of goods sold increased by 24.6% from RMB1,638.6 million in the four months ended April 30, 2024 to RMB2,041.8 million in the four months ended April 30, 2025 which was in line with our business growth.

Comparison between 2024 and 2023: Our cost of goods sold increased by 27.8% from RMB4,464.9 million in 2023 to RMB5,704.3 million in 2024, primarily due to an increase in raw material cost which was in line with our business growth.

Comparison between 2023 and 2022: Our cost of goods sold increased by 7.9% from RMB4,137.0 million in 2022 to RMB4,464.9 million in 2023, primarily due to an increase in raw material cost, which was in line with our business growth.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Module products	**1,029,834**	**20.2**	**1,156,810**	**21.1**	**1,221,796**	**18.2**	**398,589**	**20.0**	**405,663**	**17.6**
Data transmission modules	572,078	25.3	571,013	22.2	598,390	19.6	191,341	19.8	158,117	20.0
Smart modules	457,756	16.1	585,797	20.1	623,406	17.1	207,248	20.2	247,546	16.3
Solutions	**32,972**	**45.9**	**26,432**	**20.2**	**39,558**	**19.4**	**6,849**	**16.2**	**29,498**	**20.4**
Edge AI solutions	–	–	–	–	23,221	28.6	3,787	27.5	9,152	37.3
Robotic solutions	–	–	–	–	272	26.4	–	–	1,251	37.2
Other solutions	32,972	45.9	26,432	20.2	16,065	13.2	3,062	10.7	19,095	16.4
Others[(1)]	**2,974**	**12.9**	**3,633**	**10.2**	**5,561**	**8.9**	**3,076**	**22.9**	**3,690**	**14.3**
Total	**1,065,780**	**20.5**	**1,186,875**	**21.0**	**1,266,915**	**18.2**	**408,514**	**20.0**	**438,851**	**17.7**

Note:

(1) Primarily include (i) sales of complementary electronic components and (ii) IoT data connection services.

As a result of the foregoing, our gross profit increased by 11.4% from RMB1,065.8 million in 2022 to RMB1,186.9 million in 2023, and further increased by 6.7% to RMB1,266.9 million in 2024. Our gross profit increased by 7.4% from RMB408.5 million in the four months ended April 30, 2024 to RMB438.9 million in the four months ended April 30, 2025. Our gross profit margin remained at relatively stable at 20.5% in 2022 and 21.0% in 2023, and decreased to 18.2% in 2024. Our gross profit margin decreased from 20.0% in the four months ended April 30, 2024 to 17.7% in the four months ended April 30, 2025.

Going forward, we plan to maintain a stable gross profit margin through the following means.

(i) On the sales side, we plan to

- ***Establish and reinforce technological barriers through enhanced product mix***. We intend to further enhance the performance of our smart modules with higher computing power to establish and reinforce technological barriers. Additionally, we plan to increase our investment in the research and development of Edge AI solutions and robotic solutions to vertically integrate its Edge AI solutions and robotic solutions to cover more scenarios tailored to our customers' needs;

- ***Grow our customer base***. In terms of customer base and relationship, we plan to strengthen our business connection and relationship with our major customers by adhering to rigorous industry standards, creating multi-layered customer relationship management and providing competitive vertically integrated solutions; and

- ***Expand our overseas market***. We plan to increase our overseas sales by introducing products with higher gross profit margin to overseas markets by establishing sales centers and recruiting local talents.

(ii) On the supply side, we plan to

- ***Increase our economics of scale***. We plan to optimize our cost structure and improve our operational efficiency. For example, we plan to improve our cost control capabilities through growing procurement and increase our bargaining power;

- ***Optimize our supply chain***. We plan to diversify the source of our raw materials and reduce the cost of goods sold by engaging domestic raw material suppliers and EMS providers. We also plan to collaborate with domestic chip companies to develop cost-effective customized chips to reduce the channel cost of our raw materials; and

- ***Establish our production facility***. We intend to establish our own production facility, the Shenzhen Facility, to reduce reliance on EMS providers and the cost of goods sold of our modules and solutions. The addition of the Shenzhen Facility will reduce our manufacturing service fees and boost our overall profitability. See "Future Plans and Use of Proceeds—Use of Proceeds" for further details.

Comparison between the four months ended April 30, 2024 and 2025: Our gross profit margin decreased from 20.0% in the four months ended April 30, 2024 to 17.7% in the four months ended April 30, 2025, primarily due to a decrease in the gross profit margin of smart modules. Specifically:

Module products

Our gross profit margin of module products decreased from 20.0% in the four months ended April 30, 2024 to 17.6% in the four months ended April 30, 2025, due to a decrease in gross profit margin of smart modules. Specifically:

- *Data transmission modules*. Our gross profit margin of data transmission modules remained relatively stable at 19.8% in the four months ended April 30, 2024 and 20.0% in the four months ended April 30, 2025.

- *Smart modules*. Our gross profit margin of smart modules decreased from 20.2% in the four months ended April 30, 2024 to 16.3% in the four months ended April 30, 2025, primarily due to an increase in the unit cost of goods sold of our smart modules, primarily attributable to an increase in the purchase price of raw materials.

  The increase in the unit cost of goods sold was partially offset by an increase in the average selling price of our smart modules from RMB468.3 per unit in the four months ended April 30, 2024 to RMB584.5 per unit in the four months ended April 30, 2025. This increase was primarily attributable to (i) an increase in the average selling price of our smart modules used in smart home and (ii) an increase in the sales proportion of our smart modules used in automotive electronics with higher selling price.

Solutions

Our gross profit margin of solutions increased from 16.2% in the four months ended April 30, 2024 to 20.4% in the four months ended April 30, 2025, primarily due to an increase in the gross profit margin of Edge AI solutions and other solutions. Specifically:

- *Edge AI solutions.* Our gross profit margin of Edge AI solutions increased from 27.5% in the four months ended April 30, 2024 to 37.3% in the four months ended April 30, 2025, primarily due to an increase in the sales proportion of edge AI solutions used in other application scenarios with higher gross profit margin.

- *Robotic solutions.* Our gross profit margin of robotic solutions was 37.2% in the four months ended April 30, 2025, primarily because we generated revenue from robotic solutions starting from August 2024.

- *Other solutions.* Our gross profit margin of other solutions increased from 10.7% in the four months ended April 30, 2024 to 16.4% in the four months ended April 30, 2025, primarily due to an increase in the sales proportion of some solutions with higher gross profit margin.

Comparison between 2024 and 2023: Our gross profit margin decreased from 21.0% in 2023 to 18.2% in 2024, primarily due to a decrease in the gross profit margin of module products.

Module products

Our gross profit margin of module products decreased from 21.1% in 2023 to 18.2% in 2024, due to a decrease in gross profit margin of data transmission modules and smart modules. Specifically:

- *Data transmission modules.* Our gross profit margin of data transmission modules decreased from 22.2% in 2023 to 19.6% in 2024, primarily due to a 20.6% decrease in the average selling price of our data transmission modules from RMB102.1 per unit in 2023 to RMB81.1 per unit in 2024. The decrease in the average selling price was primarily because our customers in application scenarios such as smart retail and consumer electronics purchased more cost-effective data transmission modules with lower average selling price. These cost-effective data transmission modules offered more competitive pricing with similar functionalities compared to their alternatives used by our customers.

  The decrease in the average selling price was partially offset by a decrease in the unit cost of goods sold of our data transmission modules, primarily attributable to a decrease in the purchase price of raw materials.

- *Smart modules*. The gross profit margin of our smart modules decreased from 20.1% in 2023 to 17.1% in 2024, primarily due to a 3.6% decrease in the average selling price of our smart modules from RMB503.0 per unit in 2023 to RMB485.1 per unit in 2024. Such decrease in the average selling price was primarily because we adjusted the price of the smart modules used in the smart home application scenario to enhance our competitiveness and boost our sales volume.

Solutions

The gross profit margin of our solutions remained relatively stable at 20.2% in 2023 and 19.4% in 2024. Specifically:

- *Edge AI solutions*. The gross profit margin of our Edge AI solutions increased from nil in 2023 to 28.6% in 2024 as we launched Edge AI solutions in January 2024. See "Business—Our Products and Solutions—Our Solutions—Edge AI Solutions."

- *Robotic solutions*. The gross profit margin of our robotic solutions increased from nil in 2023 to 26.4% in 2024 because we launched our robotic solutions in the first half of 2024. See "Business—Our Products and Solutions—Our Solutions—Edge AI Solutions."

- *Other solutions*. The gross profit margin of other solutions decreased from 20.2% in 2023 to 13.2% in 2024. Our other solutions generally include two phases, including (i) providing R&D services related to the development of PCBAs or end-products of these solutions, and (ii) providing PCBAs or end-products of these solutions. See "Business—Our Products and Solutions—Our Solutions" for details. The decrease in the gross profit margin of other solutions was primarily due to an increase in the proportion of PCBAs and end-products we delivered in 2024. PCBAs and end-products generally have lower gross profit margin than R&D services, which was in line with the industry, according to Frost & Sullivan.

Comparison between 2023 and 2022: Our gross profit margin remained relatively stable at 20.5% in 2022 and 21.0% in 2023.

Module products

Our gross profit margin of module products remained relatively stable at 20.2% in 2022 and 21.1% in 2023.

- *Data transmission modules.* Our gross profit margin of data transmission modules decreased from 25.3% in 2022 to 22.2% in 2023, primarily due to an increase in the sales proportion of data transmission modules used in application scenarios such as automotive electronics and consumer electronics. These new products had relatively lower gross profit margin.

- *Smart modules*. The gross profit margin of our smart modules increased from 16.1% in 2022 to 20.1% in 2023. Such increase was primarily attributable to a decrease in the unit cost of goods sold of smart modules, as a result of a decrease in the purchase price of memory chips, a key component of smart modules.

Solutions

Our gross profit margin of solutions decreased from 45.9% in 2022 to 20.2% in 2023, which was due to a decrease in gross profit margin of other solutions. Our other solutions generally include two phases, including (i) providing R&D services related to the development of PCBAs or end-products of these solutions, and (ii) providing PCBAs or end-products of these solutions. See "Business—Our Products and Solutions—Our Solutions" for details. The decrease in the gross profit margin of other solutions was primarily due to an increase in the proportion of the PCBA and end-products we delivered in 2023. PCBAs and end-products generally have lower gross profit margin than R&D services, which was in line with the industry, according to Frost & Sullivan.

Other income, net

The following table sets forth a breakdown of our net other income, in absolute amounts and as percentages of our total net other income and gains, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Government subsidies	68,894	99.3	58,790	95.6	63,589	73.7	25,013	57.1	21,592	96.2
Sundry income	462	0.7	2,065	3.4	22,640	26.3	18,820	42.9	850	3.8
Gain on disposal of associate	–	–	628	1.0	–	–	–	–	–	–
Total	**69,356**	**100.0**	**61,483**	**100.0**	**86,229**	**100.0**	**43,833**	**100.0**	**22,442**	**100.0**

Comparison between the four months ended April 30, 2024 and 2025: Our net other income decreased by 48.9% from RMB43.8 million in the four months ended April 30, 2024 to RMB22.4 million in the four months ended April 30, 2025, primarily due to a decrease in sundry income as a result of a decrease in additional deduction for value-added-tax.

Comparison between 2024 and 2023: Our net other income increased by 40.2% from RMB61.5 million in 2023 to RMB86.2 million in 2024, primarily attributable to an increase in sundry income as a result of an increase in additional deduction for value-added-tax.

Comparison between 2023 and 2022: Our net other income decreased by 11.4% from RMB69.4 million in 2022 to RMB61.5 million in 2023, primarily due to a decrease in government subsidies.

Other gains and losses, net

The following table sets forth a breakdown of our net other gains and losses, in absolute amounts and as percentages of our total net other gains and losses, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Remeasurement gain on interest previously held	22,751	432.5	–	–	–	–	–	–	–	–

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Loss on disposal of property, plant and equipment, net	(246)	(4.7)	(357)	(2.7)	(282)	3.3	(2)	0.1	(328)	26.7
(Loss)/gain on early termination of lease	(7)	(0.1)	86	0.7	1	0.0	–	–	9	(0.7)
Net fair value gains on financial assets at FVTPL – realised	1,995	37.9	3,059	23.6	2,182	(25.9)	1,859	(52.6)	2,347	(190.8)
Net fair value gains on financial assets at FVTPL – unrealised	107	2.0	1,473	11.3	7,910	(93.9)	964	(27.3)	–	–
Exchange (loss)/gain, net	(18,398)	(349.8)	9,304	71.6	(18,595)	220.7	(8,812)	249.3	(2,792)	227.0
Others	(942)	(17.8)	(577)	(4.5)	358	(4.2)	2,456	(69.5)	(466)	37.8
Total	**5,260**	**100.0**	**12,988**	**100.0**	**(8,426)**	**100.0**	**(3,535)**	**100.0**	**(1,230)**	**100.0**

Comparison between the four months ended April 30, 2024 and 2025: Our net other losses decreased by 65.7% from RMB3.5 million in the four months ended April 30, 2024 to RMB1.2 million in the four months ended April 30, 2025, primarily due to a decrease in net exchange loss as a result of fluctuations in foreign exchange rate.

Comparison between 2024 and 2023: We recorded net other losses of RMB8.4 million in 2024, primarily due to exchange loss as a result of fluctuations in foreign exchange rates.

Comparison between 2023 and 2022: Our net other gains increased by 145.3% from RMB5.3 million in 2022 to RMB13.0 million in 2023, primarily because we recorded net exchange loss of RMB18.4 million in 2022 and net exchange gain of RMB9.3 million in 2023, as a result of fluctuations in foreign exchange rates. The net exchange gain was partially offset by a decrease in fair value gain of previously-held interest. We recorded fair value gain of previously-held interest in 2022 primarily because, following the Acquisition of Rolling, we reevaluated the fair value of the 49% equity interest we held in Shenzhen Rolling prior to the Acquisition of Rolling.

Research and development expenses

The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as percentages of our total research and development expenses, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Continuing operations										
Employee compensation	375,688	69.2	376,352	69.7	393,627	67.6	137,488	70.9	124,020	68.0
Depreciation and amortization	74,257	13.7	91,729	17.0	105,472	18.1	35,429	18.3	31,826	17.5
Material fees	16,236	3.0	26,541	4.9	19,299	3.3	5,809	3.0	5,345	2.9
Technical consulting fees	35,532	6.5	2,027	0.4	17,886	3.1	1,542	0.8	649	0.4
Testing and verification fees	14,161	2.6	9,487	1.8	7,683	1.3	1,329	0.7	10,437	5.7
Others[(1)]	26,689	5.0	34,020	6.2	38,717	6.6	12,336	6.3	9,973	5.5
Total	**542,563**	**100.0**	**540,156**	**100.0**	**582,684**	**100.0**	**193,933**	**100.0**	**182,250**	**100.0**

Note:

(1) Others primarily include utility fees, traveling expenses, lease payments, licensing fees, share-based payments and office expenses.

Comparison between the four months ended April 30, 2024 and 2025: Our research and development expenses decreased by 6.0% from RMB193.9 million in the four months ended April 30, 2024 to RMB182.3 million in the four months ended April 30, 2025, primarily due to a decrease in employee compensation. Our employee compensation decreased primarily because we adjusted the structure of our R&D team.

Comparison between 2024 and 2023: Our research and development expenses increased by 7.9% from RMB540.2 million in 2023 to RMB582.7 million in 2024, primarily due to (i) an increase in employee compensation primarily attributable to the expansion of our R&D team; and (ii) an increase in technical consulting fees, primarily due to an increase in the technical consulting service paid to our suppliers.

Comparison between 2023 and 2022: Our research and development expenses remained relatively stable at RMB542.6 million in 2022 and RMB540.2 million in 2023.

Selling and distribution expenses

The following table sets forth a breakdown of our selling and distribution expenses, in absolute terms and as percentages of our total selling and distribution expenses, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Employee compensation	120,500	77.7	125,345	70.2	115,373	71.1	41,782	71.1	34,793	74.5
Travel expenses	6,319	4.1	9,659	5.4	10,295	6.3	3,005	5.1	3,549	7.6
Marketing expenses	5,890	3.8	7,366	4.1	10,278	6.3	4,522	7.7	2,972	6.4
Hospitality expenses	8,566	5.5	8,497	4.8	8,192	5.0	2,699	4.6	3,533	7.6
Office expenses	2,290	1.5	3,291	1.8	3,565	2.2	929	1.6	493	1.1
Business development expenses	2,617	1.7	9,878	5.5	778	0.5	765	1.3	5	0.0
Others[(1)]	8,857	5.7	14,409	8.2	13,762	8.6	5,075	8.6	1,333	2.8
Total	**155,039**	**100.0**	**178,445**	**100.0**	**162,243**	**100.0**	**58,777**	**100.0**	**46,678**	**100.0**

Note:

(1) Others primarily include share-based payments, lease payments and depreciation and amortization.

Comparison between the four months ended April 30, 2024 and 2025: Our selling and distribution expenses decreased by 20.6% from RMB58.8 million in the four months ended April 30, 2024 to RMB46.7 million in the four months ended April 30, 2025, primarily due to a decrease in employee compensation as we adjusted the structure of our sales and marketing teams to enhance operational efficiency.

Comparison between 2024 and 2023: Our selling and distribution expenses decreased by 9.0% from RMB178.4 million in 2023 to RMB162.2 million in 2024, primarily due to a decrease in employee compensation as we adjusted the structure of our overseas sales and marketing teams to enhance operational efficiency.

Comparison between 2023 and 2022: Our selling and distribution expenses increased by 15.1% from RMB155.0 million in 2022 to RMB178.4 million in 2023, primarily due to (i) an increase in employee compensation as the average salary of our sales and marketing team increased; and (ii) an increase in business development expenses primarily attributable to an increase in our business development activities.

Administrative expenses

The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as percentages of our total administrative expenses, for the periods indicated:

	For the year ended December 31,						For the four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Continuing operations										
Employee compensation	46,162	42.9	63,468	43.6	89,745	44.8	17,589	40.4	25,581	48.2
Impairment losses	6,747	6.3	15,307	10.5	39,015	19.5	3,986	9.1	4,748	9.0
Taxes and surcharges	13,047	12.1	17,740	12.2	17,894	8.9	3,686	8.5	5,945	11.2
Depreciation and amortization	13,637	12.7	15,063	10.4	14,164	7.1	5,173	11.9	4,634	8.7
Professional service fees	8,358	7.8	9,965	6.8	10,443	5.2	3,210	7.4	2,637	5.0
Office expenses	3,350	3.1	4,545	3.1	5,128	2.6	902	2.1	1,166	2.2
Utility and management fees	1,740	1.6	2,617	1.8	3,688	1.8	1,385	3.2	2,390	4.5
Hospitality expenses	2,242	2.1	3,942	2.7	3,659	1.8	1,646	3.8	1,349	2.5
Travel expenses	598	0.6	1,740	1.2	2,585	1.3	784	1.7	880	1.7
Others[1]	11,603	10.8	11,123	7.7	14,005	7.0	5,210	11.9	3,718	7.0
Total	**107,484**	**100.0**	**145,510**	**100.0**	**200,326**	**100.0**	**43,571**	**100.0**	**53,048**	**100.0**

Note:

(1) Others primarily include share-based payments, training fees, handling fees, automotive expenses and lease payments.

Comparison between the four months ended April 30, 2024 and 2025: Our administrative expenses increased by 21.6% from RMB43.6 million in the four months ended April 30, 2024 to RMB53.0 million in the four months ended April 30, 2025, primarily due to an increase in employee compensation as a result of the structural adjustment of our administrative teams.

Comparison between 2024 and 2023: Our administrative expenses increased by 37.7% from RMB145.5 million in 2023 to RMB200.3 million in 2024, primarily due to (i) an increase in employee compensation as a result of the structural adjustment of our administrative teams and an increase in the average salary of our administrative and management teams and (ii) an increase in impairment losses due to an increase in inventory provision in 2024.

Comparison between 2023 and 2022: Our administrative expenses increased by 35.4% from RMB107.5 million in 2022 to RMB145.5 million in 2023, primarily due to an increase in employee compensation as a result of an increase in the average salary of our administrative and management teams.

Finance income

We recorded finance income of RMB5.3 million, RMB12.1 million and RMB24.6 million in 2022, 2023 and 2024, respectively.

Comparison between the four months ended April 30, 2024 and 2025: Our finance income increased by 32.6% from RMB4.6 million in the four months ended April 30, 2024 to RMB6.1 million in the four months ended April 30, 2025, primarily due to an increase in interest income due to an increase in our bank deposits with higher interest rates.

Comparison between 2024 and 2023: Our finance income increased by 103.3% from RMB12.1 million in 2023 to RMB24.6 million in 2024, primarily attributable to an increase in interest income as a result of an increase in our bank deposits.

Comparison between 2023 and 2022: Our finance income increased by 129.0% from RMB5.3 million in 2023 to RMB12.1 million in 2024, primarily attributable to an increase in interest income as a result of (i) an increase in our bank deposits and (ii) an increase in the interest rates related to our bank deposits.

Finance costs

We recorded finance costs of RMB24.2 million, RMB29.4 million and RMB37.4 million in 2022, 2023 and 2024, respectively.

Comparison between the four months ended April 30, 2024 and 2025: Our finance costs remained relatively stable at RMB10.7 million in the four months ended April 30, 2024 and RMB10.5 million in the four months ended April 30, 2025.

Comparison between 2024 and 2023: Our finance costs increased by 27.2% from RMB29.4 million in 2023 to RMB37.4 million in 2024, primarily due to an increase in interest expense as a result of an increase in our bank borrowings.

Comparison between 2023 and 2022: Our finance costs increased by 21.5% from RMB24.2 million in 2022 to RMB29.4 million in 2023, primarily due to an increase in interest expense, as a result of an increase in the interest rates related to our bank borrowings.

Income Tax Expense/(Credit)

The following table sets forth a breakdown of our income tax credit or expense for the periods indicated:

	For the year ended December 31,			**For the four months ended April 30,**	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Current tax					
PRC enterprise income tax ("EIT")	18,770	17,492	12,751	3,324	3,600
Hong Kong income tax	972	(346)	295	–	–
Other's country income tax	30	(1)	–	–	–
Deferred tax	(33,012)	(9,092)	(65,608)	(490)	6,540
Total	**(13,240)**	**8,053**	**(52,562)**	**2,834**	**10,140**

Our effective tax rate in 2023 was 2.1%. We had a low effective tax rate in 2023 primarily attributable to deductions from research and development expenses. In 2023, our research and development expenses amounted to RMB540.2 million, of which RMB445.7 million was eligible for additional pre-tax deductions. Had there been no additional deduction, the effective tax rate for 2023 would have been 22.9%, which aligns with our applicable tax rates.

Our deferred taxation was RMB33.0 million, RMB9.1 million and RMB65.6 million in 2022, 2023 and 2024, respectively. We recorded deferred taxation of RMB0.5 million in the four months ended April 30, 2024 and deferred tax credit of RMB6.5 million in the four months ended April 30, 2025. The fluctuations in deferred taxation was primarily due to the unrecognized deductible losses and deductible temporary differences and the recognition of unrecognized deductible losses and deductible temporary differences in previous years from our subsidiaries. We expect our subsidiaries to generate sufficient taxable income in the future to offset these losses.

Comparison between the four months ended April 30, 2024 and 2025: We recorded an income tax expense of RMB2.8 million in the four months ended April 30, 2024 and an income tax expense of RMB10.1 million in the four months ended April 30, 2025, primarily due to an increase in deferred tax expense because some of our subsidiaries recognized profits and recorded a decrease in deductible losses.

Comparison between 2024 and 2023: We recorded an income tax expense of RMB8.1 million in 2023 and an income tax credit of RMB52.6 million in 2024, primarily due to an increase in deferred tax.

Comparison between 2023 and 2022: We recorded an income tax credit of RMB13.2 million in 2022 and an income tax expense of RMB8.1 million in 2023, primarily due to a decrease in deferred tax.

Profit for the Year from Continuing Operations

As a result of the foregoing, our profit for the year from continuing operations increased by 7.0% from RMB352.3 million in 2022 to RMB376.8 million in 2023, increased by 12.3% to RMB423.2 million in 2024, and further increased by 14.6% from RMB139.9 million in the four months ended April 30, 2024 to RMB160.3 million in the four months ended April 30, 2025.

Discontinued Operation

Profit for the Year from Discontinued Operation

Our profit for the year from discontinued operation was RMB12.6 million, RMB188.2 million and RMB253.7 million in 2022, 2023 and 2024, respectively.

Comparison between 2024 and 2023: Our profit for the year from discontinued operation increased by 34.8% from RMB188.2 million in 2023 to RMB253.7 million in 2024, primarily due to an increase in the other gains and losses as a result of the gains from the Disposal of Rolling.

Comparison between 2023 and 2022: Our profit for the year from discontinued operation increased by 1,397.6% from RMB12.6 million in 2022 to RMB188.2 million in 2023. This substantial increase was primarily attributable to the consolidation of Shenzhen Rolling into our financial statements starting from November 2022, resulting in only two months of consolidation in 2022 compared to a full year in 2023.

Profit for the Year/Period

As a result of the foregoing, our profit for the year increased by 54.9% from RMB364.8 million in 2022 to RMB565.0 million in 2023, and further increased by 19.8% to RMB676.8 million in 2024, and further decreased by 31.3% from RMB233.3 million in the four months ended April 30, 2024 to RMB160.3 million in the four months ended April 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We historically financed our operations through cash generated from our business operations. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations, the net proceeds from the Global Offering and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Working Capital Sufficiency

Taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents and cash flows from operating activities, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this prospectus. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this prospectus.

Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net cash flows from/(used in) operating activities	291,593	581,099	429,366	119,998	(138,710)
Net cash flows used in investing activities	(233,952)	(199,353)	(210,719)	(80,063)	(23,195)
Net cash flows from/(used in) financing activities	258,620	(178,552)	(231,935)	(168,705)	(12,974)
Net increase/(decrease) in cash and cash equivalents	**316,261**	**203,194**	**(13,288)**	**(128,770)**	**(174,879)**
Cash and cash equivalents at the beginning of the year/period	434,135	775,468	978,262	978,262	980,120
Cash and cash equivalents at the end of the year/period	**775,468**	**978,262**	**980,120**	**852,034**	**807,073**

Operating activities

Our cash flows from operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as depreciation of property, plant and equipment, amortization of intangible assets and financial income; (ii) the effects of movement in working capital such as inventories, trade and other receivables and trade and other payables; and (iii) other cash items such as income tax credit or income tax paid. We will continue to monitor our cash flows from operations closely and improve our net operating cash out flows position through a variety of means, including (i) managing our trade and bills receivables by monitoring the credit profile of our customers and enhancing our payment collection system, (ii) increasing our inventory turnover rate to increase our cash flows from operating activities, and (iii) increase our bargaining power and extend our credit period with our suppliers.

In the four months ended April 30, 2025, we had net cash flows used in operating activities of RMB138.7 million, which primarily consisted of profit before income taxes of RMB170.4 million, adjusted for (i) non-cash and non-operating items such as depreciation of right-of-use assets of RMB17.1 million and financial costs of RMB10.5 million; (ii) the effects of movement in working capital such as increase in inventories of RMB326.4 million; and (iii) income tax paid of RMB133.7 million.

In 2024, we had net cash flows from operating activities of RMB429.4 million, which primarily consisted of (i) profit before income taxes from continuing operations of RMB370.6 million and (ii) profit before income taxes from discontinued operation of RMB299.9 million, adjusted for (i) non-cash and non-operating items such as gain on disposal of associate of RMB162.6 million; (ii) the effects of movement in working capital such as decrease in inventories of RMB262.0 million and increase in trade and other receivables of RMB352.9 million; and (iii) income tax paid of RMB19.1 million.

In 2023, we had net cash flows from operating activities of RMB581.1 million, which primarily consisted of (i) profit before income taxes from continuing operations of RMB384.8 million and (ii) profit before income taxes from discontinued operation of RMB238.3 million, adjusted for (i) non-cash and non-operating items such as depreciation of property, plant and equipment of RMB66.4 million, amortization of intangible assets of RMB58.7 million, financial costs of RMB42.4 million and impairment loss of inventories of RMB37.7 million; (ii) the effects of movement in working capital such as an increase in inventories of RMB234.5 million, an increase in trade and other payables and provisions of RMB133.9 million and an increase in trade and other receivables of RMB98.6 million; and (iii) income tax paid of RMB33.7 million.

In 2022, we had net cash flows from operating activities of RMB291.6 million, which primarily consisted of profit before income taxes from continuing operations of RMB339.0 million, adjusted for (i) non-cash and non-operating items such as depreciation of property, plant and equipment RMB37.6 million, amortization of intangible assets of RMB26.2 million, share of results of associate of RMB23.2 million and financial costs of RMB26.6 million; (ii) the effects of movement in working capital such as increase in trade and other payables of RMB255.2 million and increase in trade and other receivables of RMB326.5 million; and (iii) income tax paid of RMB37.9 million.

Investing activities

In the four months ended April 30, 2025, we had net cash flows used in investing activities of RMB23.2 million, which primarily resulted from purchase of financial assets at FVTPL of RMB618.7 million, partially offset by proceeds from financial assets at FVTPL of RMB577.5 million.

In 2024, our net cash flows used in investing activities were RMB210.7 million, which primarily resulted from purchase of financial assets at FVTPL of RMB806.1 million and purchase for property, plant and equipment of RMB124.1 million, partially offset by proceeds from financial assets at FVTPL of RMB656.4 million.

In 2023, our net cash flows used in investing activities were RMB199.4 million, which primarily resulted from purchase of financial assets at FVTPL of RMB534.2 million and purchase for property, plant and equipment of RMB155.6 million, partially offset by proceeds from financial assets at FVTPL of RMB517.3 million.

In 2022, our net cash flows used in investing activities were RMB234.0 million, which primarily resulted from purchase of financial assets at FVTPL of RMB830.5 million and purchase for property, plant and equipment of RMB172.6 million, partially offset by proceeds from financial assets at FVTPL of RMB776.9 million.

Financing activities

In the four months ended April 30, 2025, we had net cash flows used in financing activities of RMB13.0 million, which primarily resulted from repayments of bank borrowings of RMB410.5 million, partially offset by proceeds from bank borrowings of RMB402.2 million.

In 2024, our net cash flows used in financing activities were RMB231.9 million, which primarily resulted from repayments of bank borrowings of RMB1,268.5 million and dividend of RMB290.0 million, partially offset by proceeds from bank borrowings of RMB1,347.2 million.

In 2023, our net cash flows used in financing activities was RMB178.6 million, which primarily resulted from repayments of bank borrowings of RMB1,201.0 million, partially offset by proceeds from bank borrowings of RMB980.2 million.

In 2022, our net cash flows from financing activities were RMB258.6 million, which primarily resulted from proceeds from bank borrowings of RMB1,508.2 million, partially offset by repayments of bank borrowings of RMB1,183.1 million.

SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of August 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current assets					
Inventories	1,096,606	1,285,630	979,719	1,306,150	1,304,211
Trade and other receivables	2,888,139	2,929,340	3,415,407	3,490,986	2,998,246
Tax recoverable	35,901	19,272	17,021	27,741	7,812
Financial assets at FVTOCI	201,940	324,464	363,685	327,093	140,729

	As of December 31,			As of April 30,	As of August 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Financial assets at FVTPL	86,468	104,138	608,465	575,821	551,659
Pledged deposits	1,874	35,378	67,980	51,874	35,856
Cash and cash equivalents	775,468	978,262	980,120	807,073	940,663
Total current assets	**5,086,396**	**5,676,484**	**6,432,397**	**6,586,738**	**5,979,176**
Current liabilities					
Trade and other payables	2,245,453	2,347,426	2,407,388	2,488,152	2,000,905
Contract liabilities	67,057	49,376	27,943	44,000	32,240
Bank borrowings	798,240	790,901	1,079,682	1,211,979	1,299,530
Lease liabilities	18,473	18,142	10,984	71,008	72,469
Provisions	102,440	173,820	–	–	–
Income tax payable	75,059	109,167	120,685	1,848	6,440
Total current liabilities	**3,306,722**	**3,488,832**	**3,646,682**	**3,816,987**	**3,411,584**
Net current assets	**1,779,674**	**2,187,652**	**2,785,715**	**2,769,751**	**2,567,592**

Comparison between December 31, 2022 and December 31, 2023: Our net current assets increased by 22.9% from RMB1,779.7 million as of December 31, 2022 to RMB2,187.7 million as of December 31, 2023, primarily due to (i) an increase in cash and cash equivalents of RMB202.8 million, (ii) an increase in inventories of RMB189.0 million and (iii) an increase in trade and other receivables of RMB41.2 million, partially offset by an increase in trade and other payables of RMB102.0 million.

Comparison between December 31, 2023 and December 31, 2024: Our net current assets increased by 27.3% from RMB2,187.7 million as of December 31, 2023 to RMB2,785.7 million as of December 31, 2024, primarily due to (i) an increase in financial assets at FVTPL of RMB504.3 million and (ii) an increase in trade and other receivables of RMB486.1 million, partially offset by (i) a decrease in inventories of RMB306.0 million and (ii) an increase in bank borrowings of RMB288.8 million.

Comparison between December 31, 2024 and April 30, 2025: Our net current assets remained relatively stable at RMB2,785.7 million as of December 31,2024 and RMB2,769.8 million as of April 30, 2025.

Comparison between April 30, 2025 and August 31, 2025: Our net current assets decreased by 7.3% from RMB2,769.8 million as of April 30, 2025 to RMB2,567.6 million as of August 31, 2025, primarily due to (i) a decrease in trade and other receivables of RMB492.7 million, (ii) a decrease in financial assets at FVTOCI of RMB186.4 million, as partially offset by a decrease in trade and other payables of RMB487.2 million.

Inventories

Our inventories consist of (i) raw materials, primarily including components of our module products and solutions stored at our Group; (ii) consigned processing materials, primarily including (a) components of our module products and solutions stored at our EMS suppliers and (b) work-in-progress manufactured by our EMS providers; (iii) finished goods; (iv) goods in transit, primarily including (a) components of our module products and solutions in the process of shipping to our Group or EMS providers and (b) finished products in the process of shipping to customers; and (v) contract cost, primarily including cost related to the R&D services of our solutions. The following table sets forth our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	136,300	89,226	862	316,940
Consigned processing materials	612,041	510,170	555,461	474,525
Finished goods	252,636	359,546	312,266	351,285
Goods in transit	105,506	368,174	147,697	190,267
Contract cost	5,319	4,012	7,343	3,709
	1,111,802	1,331,128	1,023,629	1,336,726
Less: Provision for inventories	(15,196)	(45,498)	(43,910)	(30,576)
Total	**1,096,606**	**1,285,630**	**979,719**	**1,306,150**

Our inventory increased by 17.2% from RMB1,096.6 million as of December 31, 2022 to RMB1,285.6 million as of December 31, 2023, primarily attributable to (i) an increase in goods in transit and (ii) an increase in finished goods, which were in line with our revenue growth. Such increase was partially offset by (i) a decrease in raw materials and (ii) a decrease in consigned processing materials as more components of module products and solutions were manufactured into finished products.

Our inventory decreased by 23.8% from RMB1,285.6 million as of December 31, 2023 to RMB979.7 million as of December 31, 2024, primarily due to (i) a decrease in raw materials as a result of the Disposal of Rolling, and (ii) a decrease in goods in transit as a result of an increase in the volume of products and solutions delivered to our customers.

Our inventory increased by 33.3% from RMB979.7 million as of December 31, 2024 to RMB1,306.2 million as of April 30, 2025, primarily due to (i) an increase in our procurement of raw materials attributable to an increase in customer orders; and (ii) an increase in raw materials as we rented production lines from one of our EMS providers and recorded the value of our raw materials stored with them.

The below tables set forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
One to six months	902,129	1,120,970	834,162	1,170,834
Seven to twelve months	109,540	77,527	66,516	49,120
Over one year	100,133	132,631	122,951	116,772
Total	**1,111,802**	**1,331,128**	**1,023,629**	**1,336,726**

The following table sets forth our inventory turnover days for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Inventory turnover days[(1)]	77.0	72.8	62.6	68.1

Note:

(1) Inventory turnover days for each year or period equals the average of the beginning and ending net inventory for the year or period divided by the sum of cost of goods sold from continuing operations and discontinued operation for the same year or period and multiplied by the number of days in that year or period.

Our inventory turnover days decreased from 77.0 days in 2022 to 72.8 days in 2023, primarily due to (i) the enhancement of our inventory utilization efficiency; and (ii) the relatively higher increase in cost of goods sold as compared to the increase in inventory, given that the Acquisition of Rolling was in November 2022, which resulted in consolidation of the cost of goods sold of Shenzhen Rolling for only two months in 2022, as compared to a full year in 2023.

Our inventory turnover days decreased from 72.8 days in 2023 to 62.6 days in 2024, primarily due to the relatively higher increase in cost of goods sold as compared to the increase in inventory, given that the Disposal of Rolling was in July 2024, which resulted in consolidation of the cost of goods sold of Shenzhen Rolling for approximately seven months in 2024.

Our inventory turnover days increased from 62.6 days in 2024 to 68.1 days in the four months ended April 30, 2025, primarily due to an increase in inventories as we procured more raw materials as a result of increased customer orders.

As of August 31, 2025, RMB1,067.5 million, or 79.9%, of our inventories as of April 30, 2025 had been sold or utilized.

Trade and other receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables				
Trade receivables	2,235,692	1,974,782	1,993,351	2,071,372
Bills receivables	62,003	86,513	119,222	95,037
Trade and bills receivables, gross	2,297,695	2,061,295	2,112,573	2,166,409
Less: ECL allowance	(42,613)	(35,464)	(47,277)	(49,250)
Trade and bills receivables, net	2,255,082	2,025,831	2,065,296	2,117,159
Other receivables, deposits and prepayments				
Value-added tax recoverable	116,805	230,725	348,923	518,145
Prepayments	101,463	116,316	100,506	82,141
Deposit	49,985	24,345	9,380	9,944
Other receivables	365,990	532,604	891,694	764,031
	634,243	903,990	1,350,503	1,374,261
Less: ECL allowance	(1,186)	(481)	(392)	(434)
	633,057	903,509	1,350,111	1,373,827
Total	**2,888,139**	**2,929,340**	**3,415,407**	**3,490,986**

Our trade and other receivables remained relatively stable at RMB2,888.1 million as of December 31, 2022 and RMB2,929.3 million as of December 31, 2023.

Our trade and other receivables increased by 16.6% from RMB2,929.3 million as of December 31, 2023 to RMB3,415.4 million as of December 31, 2024, primarily because of (i) an increase in value-added tax recoverable as we increased our procurement and (ii) an increase in other receivables primarily due to receivables owed by EUROPASOLAR S.À R.L related to the Disposal of Rolling.

Our trade and other receivables remained relatively stable at RMB3,415.4 million as of December 31, 2024 and RMB3,491.0 million as of April 30, 2025.

The following table sets forth the aging analysis of the trade and bills receivables based on the invoice date and net of loss allowance as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 365 days	2,250,444	1,995,813	1,970,701	2,021,094
One to two years	4,638	30,018	91,630	93,077
Two to three years	–	–	2,965	2,988
Total	**2,255,082**	**2,025,831**	**2,065,296**	**2,117,159**

The following table sets forth our trade receivables turnover days for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Trade receivables turnover days[(1)]	107.1	97.7	86.6	97.3

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of net trade receivables for the year or period, divided by the sum of revenue from continuing operations and discontinued operation for the same year or period and multiplied by the number of days for that year or period.

Our trade receivables turnover days decreased from 107.1 days in 2022 to 97.7 days in 2023, primarily due to (i) our active collection of trade receivables; and (ii) the relatively higher increase in revenue as compared to the increase in trade receivables, given that the Acquisition of Rolling was in November 2022, which resulted in consolidation of the revenue of Shenzhen Rolling for only two months in 2022, as compared to a full year in 2023.

Our trade receivables turnover days decreased from 97.7 days in 2023 to 86.6 days in 2024, primarily due to the relatively higher increase in revenue as compared to the increase in trade receivables, given that the Disposal of Rolling was in July 2024, which resulted in consolidation of the revenue of Shenzhen Rolling for approximately seven months in 2024.

Our trade receivables turnover days increased from 86.6 days in 2024 to 97.3 days in the four months ended April 30, 2025, primarily due to an increase in trade receivables as a result of our business growth.

During the Track Record Period, we did not experience any significant losses associated with our trade receivables, and the fluctuation in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of August 31, 2025, RMB1,821.9 million, or 88.0%, of our trade receivables as of April 30, 2025, had been settled.

Financial assets at FVTOCI

Our financial assets at FVTOCI consist of bills receivables. Our financial assets at FVTOCI increased by 60.7% from RMB201.9 million as of December 31, 2022 to RMB324.5 million as of December 31, 2023 and further increased by 12.1% to RMB363.7 million as of December 31, 2024, primarily due to an increase in the sales to our customers. Our financial assets at FVTOCI decreased by 10.1% to RMB327.1 million as of April 30, 2025, primarily due to a decrease in our unmatured bills.

Financial assets at FVTPL

The following table sets forth a breakdown of our financial assets at FVTPL as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash management products	86,468	104,138	254,813	295,383
Contingent consideration	–	–	353,652	280,438
Total	**86,468**	**104,138**	**608,465**	**575,821**

Our financial assets at FVTPL increased by 20.4% from RMB86.5 million as of December 31, 2022 to RMB104.1 million as of December 31, 2023, primarily because we purchased additional cash management products, primarily including as certificate deposits and structured deposits.

Our financial assets at FVTPL increased by significantly from RMB104.1 million as of December 31, 2023 to RMB608.5 million as of December 31, 2024, primarily because (i) we purchased additional cash management products, primarily including as certificate deposits and structured deposits, and (ii) we received contingent consideration from the Disposal of Rolling.

Our financial assets at FVTPL decreased by 5.4% from RMB608.5 million as of December 31, 2024 to RMB575.8 million as of April 30, 2025, primarily because we received part of the contingent consideration from the Disposal of Rolling.

We had established a comprehensive set of internal policies and guidelines to monitor and control our investment risk. We ensure that investments are made in secure, liquid products offered by qualified financial institutions and closely monitor the fair value of our investments. Our investments are made subject to the annual approval by the Board of Directors or Shareholder's meeting and the monitor by our Independent Directors and Supervisors. We also perform internal audits and compliance checks to ensure adherence to our internal policies and liquidity needs.

Upon Listing, we intend to continue to invest strictly in accordance with our internal policies, and to the extent that an investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules as applicable.

Trade and other payables

The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,707,827	1,726,225	1,718,555	1,922,855
Bills payables	185,198	249,754	345,723	259,700
Salaries payables	144,330	185,807	136,864	62,105
Value-added tax payable	25,316	64,494	30,395	49,007
Other payables	182,782	121,146	175,851	194,485
Total	**2,245,453**	**2,347,426**	**2,407,388**	**2,488,152**

Our trade and other payables increased by 4.5% from RMB2,245.5 million as of December 31, 2022 to RMB2,347.4 million as of December 31, 2023, primarily due to an increase in trade payables and bills payables as we increased our procurement from our suppliers.

Our trade and other payables remained relatively stable at RMB2,347.4 million and RMB2,407.4 million as of December 31, 2023 and 2024, respectively.

Our trade and other payables remained relatively stable at RMB2,407.4 million as of December 31, 2024 and RMB2,488.2 million as of April 30, 2025, primarily due to an increase in procurement of raw materials.

The following table sets forth an aging analysis of our trade payables based on invoice date as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	1,684,473	1,725,886	1,717,220	1,917,836
Over one year	23,354	339	1,335	5,019
Total	**1,707,827**	**1,726,225**	**1,718,555**	**1,922,855**

The following table sets forth our trade payables turnover days for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Trade payables turnover days(1)	109.7	104.9	95.2	108.5

Note:

(1) Trade payables turnover days for each year or period equals the average of the beginning and ending trade payables for the year or period divided by the sum of cost of goods sold from continuing operations and discontinued operation for the same year or period and multiplied the number of days in that year or period.

Our trade payables turnover days decreased from 109.7 days in 2022 to 104.9 days in 2023, primarily attributable to (i) our efforts in settling outstanding balance with relevant suppliers and (ii) the relatively higher increase in cost of goods sold as compared to the increase in trade payables, given that the Acquisition of Rolling was in November 2022, which resulted in consolidation of the cost of goods sold of Shenzhen Rolling for only two months in 2022, as compared to a full year in 2023.

Our trade payables turnover days decreased from 104.9 days in 2023 to 95.2 days in 2024, primarily due to the relatively higher increase in cost of goods sold as compared to the increase in trade payables, given that the Disposal of Rolling was in July 2024, which resulted in consolidation of the cost of goods sold of Shenzhen Rolling for approximately seven months in 2024.

Our trade payables turnover days increased from 95.2 days in 2024 to 108.5 days in the four months ended April 30, 2025, primarily due to an increase in our trade payables. Our trade payables increased as a result of an increase in procurement of raw materials.

As of August 31, 2025, RMB1,866.9 million, or 97.1%, of total trade payables as of April 30, 2025, had been subsequently settled.

Contract liabilities

Our contract liabilities consist of advances received from our customers. We typically require our customers to pay part of the consideration for their purchases from us upon or prior to the delivery of the products and solutions. Our contract liabilities decreased by 26.4% from RMB67.1 million as of December 31, 2022 to RMB49.4 million as of December 31, 2023, decreased by 43.4% to RMB27.9 million as of December 31, 2024 as we fulfilled our contractual obligations and delivered more module products and solutions to our customers. Our contract liabilities increased by 57.7% from RMB27.9 million as of December 31, 2024 to RMB44.0 million as of April 30, 2025, primarily due to an increase in the prepayment received from our customers.

As of August 31, 2025, RMB33.6 million, or 76.3%, of our contract liabilities as of April 30, 2025 had been subsequently recognized as revenue.

Bank borrowings

Our bank borrowings remained relatively stable at RMB798.2 million as of December 31, 2022 and RMB790.9 million as of December 31, 2023. Our bank borrowings increased by 36.5% from RMB790.9 million as of December 31, 2023 to RMB1,079.7 million as of December 31, 2024, primarily because we obtained additional loans. Our bank borrowings increased by 12.3% from RMB1,079.7 million as of December 31, 2024 to RMB1,212.0 million as of April 30, 2025, mainly due to conversion of part of our non-current bank borrowings due within a year to current bank borrowings. As of December 31, 2022, 2023 and 2024, and April 30, 2025, the range of the effective interest rate of our bank borrowings was 1.0% to 5.0% per annum, 2.5% to 5.8% per annum, 2.3% to 4.7% per annum and 2.1% to 4.7% per annum, respectively.

Our bank borrowings during the Track Record Period were primarily used for business operation purposes.

Lease liabilities

Our lease liabilities remained relatively stable at RMB18.5 million as of December 31, 2022 and RMB18.1 million as of December 31, 2023. Our lease liabilities decreased by 39.2% from RMB18.1 million as of December 31, 2023 to RMB11.0 million as of December 31, 2024, primarily due to the Disposal of Rolling and payments of our lease liabilities in 2024. Our lease liabilities increased by 545.5% from RMB11.0 million as of December 31, 2024 to RMB71.0 million as of April 30, 2025, mainly because we rented production lines from one of our EMS providers.

Provisions

Our provisions consist of provisions for service warranties and for legal matters. Our provisions increased by 69.7% from RMB102.4 million as of December 31, 2022 to RMB173.8 million as of December 31, 2023 due to an increase in provisions for service warranties and legal matters as a result of the Acquisition of Rolling. Our provisions decreased from RMB173.8 million as of December 31, 2023 to nil as of December 31, 2024 due to a decrease in provisions for service warranties and legal matters as a result of the Disposal of Rolling. Our provisions remained stable at nil as of December 31, 2024 and as of April 30, 2025.

Non-Current Assets/Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	237,962	218,252	171,822	180,757
Right-of-use assets	110,573	103,978	135,418	235,527
Deferred tax assets	95,101	119,728	156,563	150,792
Goodwill	311,219	311,219	12,902	12,902
Intangible assets	373,111	367,496	247,976	244,010
Financial assets at FVTOCI	112,135	217,280	329,578	352,761
Deposit	8,102	20,373	5,126	3,985
Interests in associates	63,132	60,477	57,274	63,334
Total non-current assets	**1,311,335**	**1,418,803**	**1,116,659**	**1,244,068**
Non-current liabilities				
Bank borrowings	599,920	394,472	189,970	50,000
Lease liabilities	27,290	22,922	10,683	62,132
Deferred income	953	13,288	11,338	9,210
Deferred tax liabilities	27,557	39,278	77,422	83,197
Employee benefits obligations	7,041	7,886	–	–
Total non-current liabilities	**662,761**	**477,846**	**289,413**	**204,539**

Property, plant and equipment

Our property, plant and equipment consist of (i) research equipment, (ii) motor vehicles, (iii) office equipment, (iv) machinery and equipment and (v) construction in progress. The following table sets forth our property, plant and equipment as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Research equipment	96,327	65,828	56,346	54,882
Motor vehicles	459	671	842	771
Office equipment	18,321	14,697	12,404	12,328
Machinery and equipment	69,044	70,367	9,379	9,442
Construction in progress	53,811	66,689	92,851	103,334
Total	**237,962**	**218,252**	**171,822**	**180,757**

The carrying amount of our property, plant and equipment decreased by 8.3% from RMB238.0 million as of December 31, 2022 to RMB218.3 million as of December 31, 2023, mainly due to depreciation and amortization of research equipment.

The carrying amount of our property, plant and equipment decreased by 21.3% from RMB218.3 million as of December 31, 2023 to RMB171.8 million as of December 31, 2024, primarily attributable to the decrease in the carrying amount of machinery and equipment due to the Disposal of Rolling.

The carrying amount of our property, plant and equipment increased by 5.2% from RMB171.8 million as of December 31, 2024 to RMB180.8 million as of April 30, 2025, primarily due to an increase in construction in progress related to office space.

Right-of-use assets

Our right-of-use assets consist of (i) land, (ii) buildings and (iii) machineries. The following table sets forth our right-of-use assets as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Land	69,498	66,842	114,356	112,897
Buildings	41,011	37,103	21,062	28,516
Machineries	64	33	–	94,114
Total	**110,573**	**103,978**	**135,418**	**235,527**

Our right-of-use assets remained relatively stable at RMB110.6 million as of December 31, 2022 and RMB104.0 million as of December 31, 2023.

Our right-of-use assets increased by 30.3% from RMB104.0 million as of December 31, 2023 to RMB135.4 million as of December 31, 2024, primarily due to an increase in right-of-use on land for our planned construction of manufacturing facilities and additional office buildings.

Our right-of-use assets increased by 73.9% from RMB135.4 million as of December 31, 2024 to RMB235.5 million as of April 30, 2025, primarily because we rented production lines from one of our EMS providers.

Goodwill

Our goodwill primarily arises from our acquisition of 51% equity interest in Shenzhen Rolling in November 2022, and Zhejiang Nodecom in 2017. Our goodwill remained stable at RMB311.2 million as of December 31, 2022 and 2023. Our goodwill decreased by 95.9% from RMB311.2 million as of December 31, 2023 to RMB12.9 million as of December 31, 2024, primarily due to the Disposal of Rolling. Our goodwill remained stable at RMB12.9 million as of December 31, 2024 and April 30, 2025.

We based our cash flow projections on negative revenue growth rates at 10.99% for 2022 and 7.42% for 2023, primarily due to a decrease in the revenue growth rate of the in-vehicle front-fit wireless communication business under Shenzhen Rolling in 2024 and 2025 as a result of lower-than-expected sales volume of newly launched products. Such negative revenue growth rate was temporary and we continue to optimize cost structure and develop new markets to mitigate the impact.

We based our cash flow projections on a forecast revenue growth rate at 105.03% for 2024 primarily because of the expected growth of the early-stage automotive data connection services business of Shanghai Sevenfold Universe, a subsidiary which we acquired in 2024. Because the revenue base of the business is relatively small, we expect higher growth rate as the revenue increases in 2026.

The carrying amount of goodwill allocated to the group of CGUs are as follows:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Zhejiang Nodecom Technology Co., Ltd. and its consolidated subsidiaries ("Zhejiang Nodecom Group")	22,970	22,970	22,970	22,970
Rolling Wireless S.à r.l. and its consolidated subsidiaries (" Rolling Group")	303,133	303,133	–	–
Shanghai Sevenfold Universe Digital Technology Co., Ltd. and its consolidated subsidiaries ("Sevenfold Group")	–	–	4,816	4,816
	326,103	326,103	27,786	27,786
Less: Impairment	(14,884)	(14,884)	(14,884)	(14,884)
	311,219	311,219	12,902	12,902

Goodwill arising from our business is tested at least annually for impairment. For the purpose of impairment review, the recoverable amount of cash generating units is determined based on value-in-use calculations based on five-year financial budgets. See Note 19 in the Accountants' Report to this prospectus for details. The following table sets forth each key assumption of CGU:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
ZheJiang Nodecom Group				
Revenue annual growth rate	8.98%-13.06%	5.97%-12.39%	6.80%-13.66%	(29.03%)-7.00%
Gross margin	3.21%-3.54%	4.49%-6.94%	5.62%-7.31%	14.17%-14.34%
Pre-tax discount rate	12.63%	13.22%	15.87%	13.80%
Rolling Group				
Revenue annual growth rate	(10.99%)-28.17%	(7.42%)-15.10%	N/A	N/A
Gross margin	20.87%-21.27%	22.71%-26.14%	N/A	N/A
Pre-tax discount rate	12.84%	14.55%	N/A	N/A
Sevenfold Group				
Revenue annual growth rate	N/A	N/A	5.00%-105.03%	8.00%-105.00%
Gross margin	N/A	N/A	27.96%-28.36%	28.76%-33.17%
Pre-tax discount rate	N/A	N/A	14.22%	12.71%

We determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated based on past performance and our expectations of market development. We used a projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, we considered that before the projections move into a long term stable period, such projection was reasonable and supportable.

Gross margin	Based on past performance and our expectations for the future.
Pre-tax discount rate	The pre-tax discount rate was determined using a risk premium approach, based on the risk-free rate aligned with the cash flow projection period and adjusted for specific risk factors including market risk, capital investment risk, technology development risk, quality control and execution risk. The rate reflects the relationship between the project's cost of capital and the associated future cash flows.

Based on our assessment on the recoverable amount of the CGU, no impairment provision was considered necessary as of December 31, 2022, 2023 and 2024 and as of April 30, 2025.

Impact of possible changes in key assumption

Based on our assessment on the recoverable amounts, the headroom of ZheJiang Nodecom Group, Rolling Group and Sevenfold Group was as follows:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ZheJiang Nodecom Group . . .	19,884	13,658	24,327	12,147
Rolling Group	205,328	235,549	–	–
Sevenfold Group	–	–	24,045	22,054

For the sensitivity analysis of ZheJiang Nodecom Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 0.5%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of ZheJiang Nodecom Group as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2022, the recoverable amount would decrease by RMB4.1 million, RMB13.1 million and RMB5.0 million. As of December 31, 2023, the recoverable amount would decrease by RMB3.1 million, RMB7.3 million and RMB3.1 million. As of December 31, 2024, the recoverable amount would decrease by RMB3.2 million, RMB7.0 million and RMB3.7 million. As of April 30, 2025, the recoverable amount would decrease by RMB4.1 million, RMB4.3 million and RMB6.5 million.

For the sensitivity analysis of Rolling Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 0.5%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of Rolling Group as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2022, the recoverable amount would decrease by RMB122.2 million, RMB76.9 million and RMB115.7 million. As of December 31, 2023, the recoverable amount would decrease by RMB103.4 million, RMB82.6 million and RMB87.2 million.

For the sensitivity analysis of Sevenfold Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 0.5%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of Rolling Group as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2024, the recoverable amount would decrease by RMB7.6 million, RMB3.3 million and RMB3.0 million. As of April 30, 2025, the recoverable amount would decrease by RMB8.5 million, RMB4.5 million and RMB6.7 million.

As disclosed above, we had considered and assessed reasonably possible changes for the key assumptions and had not identified any instances that would cause the carrying amounts of the CGUs to exceed their recoverable amounts as of December 31, 2022, 2023 and 2024, and April 30, 2025, respectively.

Intangible assets

Our intangible assets consist of (i) patent, (ii) development platform, (iii) customer relationships, (iv) software and (v) development cost. The following table sets forth our intangible assets as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Patent	129,088	119,902	70,926	73,116
Development platform	96,615	127,301	125,262	119,088
Customer relationships	95,681	81,367	–	–
Software	27,742	26,240	23,424	22,036
Development cost	23,985	12,686	28,364	29,770
Total	**373,111**	**367,496**	**247,976**	**244,010**

Our intangible assets remained relatively stable at RMB373.1 million as of December 31, 2022 and RMB367.5 million as of December 31, 2023. Our intangible assets decreased by 32.5% from RMB367.5 million as of December 31, 2023 to RMB248.0 million as of December 31, 2024, primarily due to (i) a decrease in patent assets and (ii) a decrease in customer relationships assets, as a result of the Disposal of Rolling. Our intangible assets remained relatively stable at RMB248.0 million as of December 31, 2024 and RMB244.0 million as of April 30, 2025.

The carrying amount of development cost allocated to the group CGUs are as follows:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Data transmission modules	13,175	3,907	14,212	13,083
Smart modules	10,810	8,779	6,603	8,493
Robotic and other solutions	–	–	7,549	8,194
	23,985	12,686	28,364	29,770
Less: Impairment	–	–	–	–
	23,985	12,686	28,364	29,770

The following table sets out the key assumptions used for value in use calculations of development cost.

	As of December 31,			As of April 30,
	2022	2023	2024	2025
Revenue annual growth rate	(27.99%)-111.35%	(31.15%)-61.90%	(82.17%)-140.49%	(82.17%)-151.75%
Contribution rate	5.50%	5.50%	5.50%	5.50%
Pre-tax discount rate	15.77%	15.57%	15.44%	15.70%

We determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated based on past performance and our expectations of market development. We used a projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, we considered that before the projections move into a long term stable period, such projection was reasonable and supportable.
Contribute rate	The applied contribution rate reflects the estimated revenue contribution or economic return expected from the development projects. This rate was determined with reference to factors such as the project's technical exclusivity, commercialization timeline, industry acceptance, target market structure, and product lifecycle, to reasonably estimate the future revenue-generating potential.
Pre-tax discount rate	The pre-tax discount rate was determined using a risk premium approach, based on the risk-free rate aligned with the cash flow projection period and adjusted for specific risk factors including market risk, capital investment risk, technology development risk, quality control and execution risk. The rate reflects the relationship between the project's cost of capital and the associated future cash flows.

Based on our assessment on the recoverable amount of development cost, no impairment provision was considered necessary as of December 31, 2022, 2023 and 2024, and April 30, 2025.

Impact of possible changes in key assumption

Based on our assessment on the recoverable amounts, the headroom of development cost as follows:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Data transmission modules . .	3,588	82,231	96,008	148,978
Smart modules	77,143	49,638	117,548	125,242
Robotic and other solutions .	–	–	7,306	461

For the sensitivity analysis of data transmission modules conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of contribution rate of each year during the forecast period by 0.1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of development cost as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2022, the recoverable amount would decrease by RMB0.2 million, RMB0.3 million and RMB0.3 million. As of December 31, 2023, the recoverable amount would decrease by RMB4.2 million, RMB1.6 million and RMB1.3 million. As of December 31, 2024, the recoverable amount would decrease by RMB5.8 million, RMB2.2 million and RMB1.9 million. As of April 30, 2025, the recoverable amount would decrease by RMB1.4 million, RMB3.0 million and RMB2.7 million.

For the sensitivity analysis of smart modules conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of contribution rate of each year during the forecast period by 0.1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of development cost as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2022, the recoverable amount would decrease by RMB1.0 million, RMB1.7 million and RMB1.4 million. As of December 31, 2023, the recoverable amount would decrease by RMB2.9 million, RMB1.2 million and RMB0.9 million. As of December 31, 2024, the recoverable amount would decrease by RMB4.1 million, RMB2.4 million and RMB1.4 million. As of April 30, 2025, the recoverable amount would decrease by RMB1.0 million, RMB2.5 million and RMB1.1 million.

For the sensitivity analysis of robotic and other solutions conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of contribution rate of each year during the forecast period by 0.1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of development cost as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2024, the recoverable amount would decrease by RMB0.8 million, RMB0.3 million and RMB0.3 million. As of April 30, 2025, the recoverable amount would decrease by RMB0.1 million, RMB0.2 million and RMB0.2 million.

As disclosed above, the management has considered and assessed reasonably possible changes for the key assumptions and has not identified any instances that would cause the carrying amounts of the CGUs to exceed their recoverable amounts as of December 31, 2022, 2023, 2024, and April 30, 2025, respectively.

Financial assets at FVTOCI

Our financial assets at FVTOCI consist of unlisted equity securities. Our financial assets at FVTOCI increased by 93.8% to RMB112.1 million as of December 31, 2022 to RMB217.3 million as of December 31, 2023, and further increased by 51.7% to RMB329.6 million as of December 31, 2024, primarily due to an increase in the fair value of our equity investments. Our financial assets at FVTOCI increased by 7.0% from RMB329.6 million as of December 31, 2024 to RMB352.8 million as of April 30, 2025, primarily due to an increase in the fair value of our equity investments.

Interests in associates

Our interests in associates decreased by 4.2% from RMB63.1 million as of December 31, 2022 to RMB60.5 million as of December 31, 2023, and further decreased by 5.3% to RMB57.3 million as of December 31, 2024, primarily due to fluctuations in the value of our investment in the associates. Our interests in associates increased by 10.5% from RMB57.3 million as of December 31, 2024 to RMB63.3 million as of April 30, 2025, primarily due to an increase in the fair value of our investments in the associates.

Bank borrowings

Our bank borrowings decreased by 34.2% from RMB599.9 million as of December 31, 2022 to RMB394.5 million as of December 31, 2023, and further decreased by 51.8% to RMB190.0 million as of December 31, 2024, primarily because we repaid our bank borrowings. Our bank borrowings decreased by 73.7% from RMB190.0 million as of December 31, 2024 to RMB50.0 million as of April 30, 2025, primarily due to conversion of part of our non-current bank borrowings due within a year to current bank borrowings.

Lease liabilities

Our lease liabilities decreased by 16.1% from RMB27.3 million as of December 31, 2022 to RMB22.9 million as of December 31, 2023, and further decreased by 53.4% to RMB10.7 million as of December 31, 2024, primarily due to (i) our payments of lease liabilities during the respective period and (ii) the Disposal of Rolling which held leased properties for its business operations. Our lease liabilities increased by 480.4% from RMB10.7 million as of December 31, 2024 to RMB62.1 million as of April 30, 2025, primarily because we rented production lines from one of our EMS providers.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,	As of August 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current					
Bank borrowings	798,240	790,901	1,079,682	1,211,979	1,299,530
Lease liabilities	18,473	18,142	10,984	71,008	72,469
Non-current					
Bank borrowings	599,920	394,472	189,970	50,000	48,750
Lease liabilities	27,290	22,922	10,683	62,132	53,867
Total	**1,443,923**	**1,226,437**	**1,291,319**	**1,395,119**	**1,474,616**

Bank Borrowings

As of December 31, 2022, 2023 and 2024, and April 30, 2025, our bank borrowings, including the current and non-current portion, were RMB1,398.2 million, RMB1,185.4 million, RMB1,269.7 million and RMB1,262.0 million, respectively. See "—Selected Balance Sheet Items—Current Assets/Liabilities—Bank borrowings."

Our bank borrowings increased by 6.8% from RMB1,262.0 million as of April 30, 2025 to RMB1,348.3 million as of August 31, 2025, primarily due to an increase in the current portion of bank borrowings as a result of new short-term loans obtained during the period.

As of August 31, 2025, our unutilized banking facilities were RMB3,575.0 million.

Lease Liabilities

As of December 31, 2022, 2023 and 2024, and April 30, 2025 our lease liabilities, including the current and non-current portion, were RMB45.8 million, RMB41.1 million, RMB21.7 million and RMB133.1 million, respectively. See "—Selected Balance Sheet Items—Current Assets/Liabilities—Lease liabilities" and "—Selected Balance Sheet Items—Non-Current Assets/Liabilities—Lease liabilities."

Our lease liabilities decreased by 5.1% from RMB133.1 million as of April 30, 2025 to RMB126.3 million as of August 31, 2025, primarily due to the decrease in non-current portion of lease liabilities as a result of payment of our lease liabilities during the period, as partially offset by the increase in current portion of lease liabilities as a result of the renewal of certain lease arrangements within the same period.

No Other Outstanding Indebtedness

Except as disclosed above, as of August 31, 2025, we did not have any material mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness since August 31, 2025 and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining or renewing bank loans, nor did we experience any default in payment of bank loans or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Unaudited Financial Information for the Six Months Ended June 30, 2025

We are a public company listed on the Shenzhen Stock Exchange and we have disclosed unaudited key financial information as of and for the six months ended June 30, 2025 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS34, Interim Financial Reporting as of and for the six months ended June 30, 2025 in Appendix IA to this prospectus. Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2025 has been reviewed by our reporting accountant in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

Revenue

Our revenue from continuing operations increased by 23.5% from RMB3,001.9 million for the six months ended June 30, 2024 to RMB3,707.0 million for the six months ended June 30, 2025, as a result of an increase in revenue from the sales of (i) smart modules, as a result of an increase in the customer demand for our smart modules used in the smart home application scenario, and (ii) other solutions, as a result of an increase in the customer demand for other solutions used in the smart home and consumer electronics application scenarios.

Cost of sales

Our cost of sales from continuing operations increased by 29.0% from RMB2,402.0 million for the six months ended June 30, 2024 to RMB3,098.2 million for the six months ended June 30, 2025, which was in line with our business growth.

Other Income, net

Our net other income from continuing operations decreased by 50.3% from RMB55.9 million for the six months ended June 30, 2024 to RMB27.8 million for the six months ended June 30, 2025, primarily due to a decrease in sundry income as a result of a decrease in additional deduction for value-added-tax.

Gross profit and gross profit margin

Our gross profit from continuing operations remained relatively stable at RMB599.9 million for the six months ended June 30, 2024 and RMB608.8 million for the six months ended June 30, 2025.

Our gross profit margin from continuing operations decreased from 20.0% for the six months ended June 30, 2024 to 16.4% for the six months ended June 30, 2025, primarily due to a decrease in the gross profit margin of smart modules. The gross profit margin of smart modules decreased primarily due to an increase in the unit cost of goods sold of smart modules, as a result of an increase in the purchase price of raw materials.

Research and development expenses

Our research and development expenses from continuing operations decreased by 10.8% from RMB268.1 million for the six months ended June 30, 2024 to RMB239.2 million for the six months ended June 30, 2025, primarily due to a decrease in employee compensation. Our employee compensation decreased primarily because we adjusted the structure of our R&D team.

Administrative expenses

Our administrative expenses from continuing operations increased by 33.5% from RMB67.3 million for the six months ended June 30, 2024 to RMB89.8 million for the six months ended June 30, 2025, primarily due to an increase in employee compensation. Our employee compensation increased primarily due to (i) expansion of our administrative teams and (ii) an increase in the average salary of our administrative teams.

Profit for the period

As a result of the foregoing, our profit for the period from continuing operations increased by 4.8% from RMB208.5 million for the six months ended June 30, 2024 to RMB218.5 million for the six months ended June 30, 2025.

Assets and liabilities

Our total assets remained relatively stable at RMB7,830.8 million as of April 30, 2025 and RMB7,641.7 million as of June 30, 2025. Our total liabilities remained relatively stable at RMB4,021.5 million as of April 30, 2025 and RMB4,060.9 million as of June 30, 2025.

Cash flows

We recorded net cash from operating activities of RMB51.5 million, net cash from investing activities of RMB7.3 million and net cash from financing activities of RMB31.7 million for the six months ended June 30, 2025.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023 and 2024, April 30, 2025 and August 31, 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURE

The following table sets forth a breakdown of our capital expenditures for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Payments and deposits for acquisition of property. plant and equipment	172,554	155,568	124,103	42,086	54,018
Total	**172,554**	**155,568**	**124,103**	**42,086**	**54,018**

We expect to fund our future capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net proceeds from the Global Offering. We will continue to make capital expenditures to meet the expected growth of our business.

CAPITAL COMMITMENTS

The following table sets forth a breakdown of our capital commitments for the periods indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted but not provided for:				
– Property, plant and equipment	101,029	98,795	72,632	75,722
– Capital commitment	175,784	155,250	43,468	34,386
Total	**276,813**	**254,045**	**116,100**	**110,108**

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging with us.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time, primarily related to purchase and sales of goods. See Note 37 to the Accountants' Report in Appendix I to this prospectus. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distort our results of operations during the Track Record Period or make our historical results during the Track Record Period not reflective of our future performance.

DIVIDENDS AND DIVIDEND POLICY

We declared dividends of RMB63.1 million, RMB290.0 million, and RMB267.0 million in 2022, 2023 and 2024, respectively.

We do not have a fixed dividend distribution ratio. Pursuant to the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies—Cash Dividend Distribution of Listed Companies (2023 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2023年修訂)》), and the Articles of Association, our Dividend Policy sets forth that, we are required to pay the cash dividends of any fiscal year that account for not less than 15% of our net profits for the fiscal year which are available for distribution and pay cumulative cash dividends of any three fiscal years that account for not less than 30% of our average net profits for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that (i) our Group has recorded a net profit for the year and maintains a positive balance of accumulated undistributed profits, that (ii) the sustainable operation and long term development of the Company will not be impacted, and that (iii) there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Cash dividends are prioritized over stock dividends. If the conditions for cash dividends are met, cash dividends shall be used for profit distributions. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests, industry characteristics, development stage, business model, whether there is a significant capital expenditure arrangement and any other conditions that our Board may deem relevant.

DISTRIBUTABLE RESERVES

As of April 30, 2025, we had retained earnings of RMB2,016.2 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB96.2 million (at the Offer Price of HK$20.69 per Offer Share and no exercise of the Over-allotment Option), representing approximately 3.8% of the gross proceeds (based on the Offer Price of HK$20.69 per Offer Share and assuming that the Over-allotment Option is not exercised) of the Global Offering. We expect to incur listing expenses of approximately RMB96.2 million, of which approximately RMB5.5 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately RMB90.7 million is expected to be recognized as a deduction in equity directly upon the Listing. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our listing expenses are composed of (i) underwriting commission of approximately RMB63.8 million and (ii) non-underwriting-related expenses of approximately RMB32.4 million, which consist of fees and expenses of sole sponsor, legal advisors and the Reporting Accountant of approximately RMB22.6 million and other fees and expenses of approximately RMB9.8 million.

KEY FINANCIAL RATIOS

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

	As of or for the year ended December 31,			As of or for the four months ended April 30,
	2022	2023	2024	2025
Quick ratio(1)	1.2	1.3	1.5	1.4
Current ratio(2)	1.5	1.6	1.8	1.7
Return on equity(3)	16.7%	20.3%	20.1%	NM(5)
Net debt to equity ratio(4)	25.6%	6.6%	8.0%	11.9%

Notes:

(1) Quick ratio equals to current assets less inventories divided by current liabilities as of the relevant year or period end.

(2) Current ratio equals to current assets of the respective year or period divided by current liabilities.

(3) Return on equity equals to profits for the year or period from continuing operations and discontinued operation divided by average balance of total equity at the beginning and the end of that year or period multiplied by 100%.

(4) Net debt to equity ratio equals total borrowings net of cash and cash equivalents at the end of the year or period divided by total equity at the end of the year or period.

(5) This ratio is not meaningful as numbers as of or for the four months ended April 30, 2025 are not comparable to the numbers as of or for the year ended December 31, 2022, 2023 and 2024.

Quick Ratio

Our quick ratio increased from 1.2 as of December 31, 2022 to 1.3 as of December 31, 2023, primarily due to (i) an increase in cash and cash equivalents of RMB202.8 million and (ii) an increase in trade and other receivables of RMB41.2 million, partially offset by an increase in trade and other payables of RMB102.0 million.

Our quick ratio increased from 1.3 as of December 31, 2023 to 1.5 as of December 31, 2024, primarily due to (i) an increase in financial assets at FVTPL of RMB504.3 million, and (ii) an increase in trade and other receivables of RMB486.1 million, partially offset by an increase in bank borrowings of RMB288.8 million.

Our quick ratio decreased from 1.5 as of December 31, 2024 to 1.4 as of April 30, 2025, primarily due to (i) a decrease in cash and cash equivalents of RMB173.0 million and (ii) an increase in bank borrowings of RMB132.3 million.

Current Ratio

Our current ratio remained relatively stable at 1.5 as of December 31, 2022 and 1.6 as of December 31, 2023.

Our current ratio increased from 1.6 as of December 31, 2023 to 1.8 as of December 31, 2024, primarily due to (i) an increase in financial assets at FVTPL of RMB504.3 million and (ii) an increase in trade and other receivables of RMB486.1 million, partially offset by (i) a decrease in inventories of RMB306.0 million and (ii) an increase in bank borrowings of RMB288.8 million.

Our current ratio decreased from 1.8 as of December 31, 2024 to 1.7 as of April 30, 2025, primarily due to (i) a decrease in cash and cash equivalents of RMB173.0 million and (ii) an increase in bank borrowings of RMB132.3 million, partially offset by an increase in inventories of RMB326.4 million.

Return on Equity

Our return on equity increased from 16.7% in 2022 to 20.3% in 2023, primarily due to an increase in profit for the year from continuing operations and discontinued operation of RMB200.2 million primarily attributable to our business growth.

Our return on equity remained relatively stable at 20.3% in 2023 and 20.1% in 2024.

Net Debt to Equity Ratio

Our net debt to equity ratio decreased from 25.6% as of December 31, 2022 to 6.6% as of December 31, 2023, mainly due to (i) a decrease in bank borrowings as we repaid our bank borrowings and (ii) an increase in total equity attributable to (a) an increase in our retained earnings primarily attributable to our profit for the year; and (b) an increase in our share capital attributable to our script dividend.

Our net debt to equity ratio increased from 6.6% as of December 31, 2023 to 8.0% as of December 31, 2024, mainly due to an increase in bank borrowings because we obtained additional bank loans.

Our net debt to equity ratio increased from 8.0% as of December 31, 2024 to 11.9% as of April 30, 2025, mainly due to a decrease in cash and cash equivalent as we increased our procurement of raw materials.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including market risks, such as foreign currency risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our Board reviewed and agreed the following risk management policies. See Note 42 to the Accountants' Report in Appendix I to this prospectus for details.

Foreign Currency Risk

Our subsidiaries mainly operate in the China and in the US and majority of the transactions are settled in RMB and US dollar. As a result, foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not our functional currency. During the Track Record Period, we did not have significant foreign currency risk from our operations.

Interest Rate Risk

Other than the interest-bearing bank deposits, we have no other significant interest-bearing assets bearing variable rates. We do not use derivative financial instruments to hedge interest rate risk.

Price Risk

We are not exposed to significant price risk as there has been no involvement with equity investment on an active market.

Credit Risk

We are exposed to credit risk in relation to our trade receivables, deposits, other receivables, pledged deposits and cash and cash equivalents. The carrying amount of each class of the above components of the consolidated statement of financial position represents our Group's maximum exposure to credit risk in relation to the corresponding class.

For trade receivables, we assess ECL under IFRS 9 based on shared credit risk characteristics and aging as well as the corresponding historical credit losses during that period. We also make individual assessment on the recoverability of its contract assets and trade and note receivables at amortized cost for certain customer based on historical settlement record. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

For deposits and other receivables, we make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information and adjust to reflect probability-weighted forward-looking information.

For pledged deposits and cash and cash equivalents, we mainly transact with banks with high credit rating. There has been no recent history of default in relation to these financial institutions.

Liquidity Risk

Our objective is to maintain flexibility in funding by maintaining adequate cash and cash equivalents. For details of a contractual maturity analysis our financial liabilities, see Note 42 to the Accountants' Report set out in Appendix I to this prospectus.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk. We actively and regularly review our capital structure and make adjustments in light of changes in economic conditions. In order to maintain a desirable ratio, we may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt. See Note 43 to the Accountants' Report set out in Appendix I to this prospectus for details.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

See Appendix II to this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this prospectus there has been no material adverse change in our financial or trading position or prospects since April 30, 2025, being the date of our latest audited financial statements, and there has been no event since April 30, 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this prospectus, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

OVERVIEW

As of the Latest Practicable Date, Mr. Zhang Tianyu, our executive Director and chairman of our Board, was interested in an aggregate of 281,512,495 A Shares, representing approximately 36.78% of our total issued share capital and approximately 36.90% of the voting power at general meetings of our Company (excluding the 2,627,960 A Shares held by our Company as treasury Shares as of the Latest Practicable Date). For further details of the treasury Shares, see "Share Capital — Our Shares" in this prospectus.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), Mr. Zhang will be entitled to exercise 31.35% of the voting power at general meetings of our Company (excluding the 2,627,960 A Shares held by our Company as treasury Shares). Therefore, upon Listing, Mr. Zhang will remain as our Controlling Shareholder under the Listing Rules. For further details of our corporate structure, see "History and Corporate Structure — Corporate Structure".

INTEREST IN COMPETING BUSINESS

Our Controlling Shareholder confirms that he had no interest in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

NON-COMPETITION UNDERTAKINGS

Our Controlling Shareholder has executed certain non-competition undertakings in favour of our Company, pursuant to which he has undertaken that:

(i) he and other enterprises controlled by him shall not, directly or indirectly, operate any business that compete or may compete with the business operated by our Company and our subsidiaries, and shall not participate in investment in any other enterprises that compete or may compete with the business operated by our Company and our subsidiaries;

(ii) if he and other enterprises controlled by him further expand their scope of business (the "**Expanded Business**"), he and the other enterprises controlled by him shall avoid expansion into business which competes or may compete with the business of our Company and our subsidiaries; in the event that the Expanded Business competes with the business of our Company and our subsidiaries, he and other enterprises controlled by him shall cease operation of such Expanded Business or inject such Expanded Business into our Company or transfer such Expanded business to unrelated third parties to avoid any competition; and

(iii) if, during the time when he and the other enterprises controlled by him remain as affiliates of our Company and our subsidiaries, he and other enterprises controlled by him fail to comply with the above undertakings, he shall compensate our Company for all direct and indirect losses and bear the corresponding legal responsibilities.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholder and his close associates upon Listing.

Management Independence

Upon Listing, our Board will comprise six Directors, including three executive Directors and three independent non-executive Directors. Save for Mr. Zhang who is our Controlling Shareholder, an executive Director and the chairman of our Board, none of our Directors or members of the senior management is a Controlling Shareholder or holds any directorship or executive position in our Controlling Shareholder's close associates.

Although Mr. Zhang is our Controlling Shareholder, an executive Director and the chairman of our Board, our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise as set out in "Directors, Supervisors and Senior Management" in this prospectus. Mr. Zhang has a track record of devoting sufficient time and energy to discharge his duties as our Director and will continue to focus on our Group's business. Also, when preforming his duties as a Director, Mr. Zhang has been and will continue to be supported by the separate and senior management team of the Group. The balance of power and authority is ensured by the operation of the senior management and our Board. For details, see "Directors, Supervisors and Senior Management" in this prospectus. In addition, our Directors consider that our Board and senior management will function independently of our Controlling Shareholder for the following reasons:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;

(iii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;

(iv) all of the other Directors are independent from our Controlling Shareholder, and decisions of the Board require the approval of a majority vote from the Board; and

(v) we have appointed three independent non-executive Directors, comprising more than one third of the total members of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors and independent Directors with a view to safeguard the interests of our Company and the Shareholders as a whole.

Based on the above, our Directors are of the view that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholder and his close associates after Listing.

Operational Independence

We are not operationally dependent on our Controlling Shareholder. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholder and his close associates. We have independent access to our suppliers and customers. We are also in possession of relevant assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business independently, and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors are satisfied that we will be able to operate independently of our Controlling Shareholder and his close associates after Listing.

Financial Independence

We have the ability to operate independently of our Controlling Shareholder and his close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an audit committee comprising solely of independent non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholder and his close associates.

During the Track Record Period, certain amount of our bank borrowings were guaranteed by our Controlling Shareholder (the "**Controlling Shareholder's Guarantee**"). For details, see Note 28 of the Accountants' Report as set out in Appendix I to this prospectus. As of the Latest Practicable Date, the Controlling Shareholder's Guarantee had been released.

We do not rely on our Controlling Shareholder or his close associates to provide financial assistance to our Group. We have independent access to third party financing and, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholder or his close associates. As of the Latest Practicable Date, there were no outstanding loans, borrowings or guarantees provided to our Group by our Controlling Shareholder or his close associates.

Based on the above, our Directors are satisfied that we will be able to maintain financial independence from our Controlling Shareholder and his close associates after Listing.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholder and his close associates:

(i) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon Listing. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;

(ii) where a transaction or arrangement of our Company is subject to Shareholders' approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with our Controlling Shareholder or any of his associates, our Company will comply with the applicable requirements under the Listing Rules; and

(iv) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see "Directors, Supervisors and Senior Management — Directors — Independent Non-Executive Directors" in this prospectus.

We have appointed Somerley Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company consisted of 765,453,542 A Shares (including 2,627,960 A Shares as treasury Shares) with a nominal value of RMB1.00 each, all of which are listed on the ChiNext Board of the Shenzhen Stock Exchange.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), the issued share capital of our Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	765,453,542[(1)]	85.00%
H Shares to be issued pursuant to the Global Offering	135,080,200	15.00%
Total	**900,533,742**	**100.00%**

Note:

(1) Including 2,627,960 A Shares held by our Company as treasury Shares as of the Latest Practicable Date.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), the issued share capital of our Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	765,453,542[(1)]	83.13%
H Shares to be issued pursuant to the Global Offering	155,342,200	16.87%
Total	**920,795,742**	**100.00%**

Note:

(1) Including 2,627,960 A Shares held by our Company as treasury Shares as of the Latest Practicable Date.

OUR SHARES

Upon the completion of the Global Offering, our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and our A Shares must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for listing and trading on the Stock Exchange.

As of the Latest Practicable Date, 2,627,960 A Shares were held by our Company as treasury Shares, which shall be used by our Company in connection with employee stock ownership plan(s) or employee share incentives of our Company or for the purpose of issuance of convertible bonds by our Company. These A Shares were repurchased by our Company during the period from August 29, 2023 to November 30, 2023. If such 2,627,960 A Shares are not utilized within three years from the announcement of the results of repurchase and changes in our Shares, all such unutilized A Shares shall be cancelled. Upon adoption of any share scheme(s) of our Company which will be funded by such 2,627,960 A Shares after Listing, such 2,627,960 A Shares may be transferred out of treasury for the purpose of and pursuant to such share scheme(s) of our Company and our Company will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate and required.

RANKING

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of our H Shares will receive scrip dividends in the form of H Shares, and holders of our A Shares will receive scrip dividends in the form of A Shares.

APPROVAL FROM A SHAREHOLDERS REGARDING THE GLOBAL OFFERING

We obtained our A Shareholders' approval to issue H Shares and seek the listing of H Shares on the Stock Exchange at the general meeting of our Company held on April 11, 2025. Such approval is subject to the following conditions:

(i) **Size of the offer.** In accordance with the relevant requirements of the Listing Rules and other applicable regulatory requirements, the proposed number of H Shares to be offered shall not exceed 20% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option), and the number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.

(ii) **Method of offering.** The method of offering shall be by way of an international offering to institutional investors and a public offer for subscription in Hong Kong.

(iii) **Target investors.** The H Shares shall be issued to public investors in Hong Kong under the Hong Kong Public Offering and international investors, and qualified domestic institutional investors in mainland China and other investors who are in compliance with the relevant regulatory requirements to invest abroad in the International Offering.

(iv) **Price determination basis.** The issue price of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders as a whole, acceptance of investors and the risks related to the offering, according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions, by our Board (as authorized by the Shareholders' meeting) and/or designated persons authorized by our Board together with the Overall Coordinator(s).

(v) **Validity period.** The issue of H Shares and listing of H Shares on the Stock Exchange shall be completed within 24 months after the date of the Shareholders' meeting.

There is no other approved offering plan for the Shares except for the Global Offering.

GENERAL MEETINGS

For details of circumstance under which our general meetings are required, see "Summary of the Articles of Association — General Requirements of Shareholders' General Meeting" in Appendix III to this prospectus.

SHARE SCHEMES

For details of our share schemes, see "Statutory and General Information — D. Share Incentive Plans" in Appendix IV to this prospectus.

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), the following persons will have an interest or short position in Shares and/or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company.

			Shareholding as of the Latest Practicable Date		**Shareholding upon completion of the Global Offering(2)**	
Name of Shareholder	**Nature of interest(1)**	**Number and class of Shares or underlying Shares held**	**in relevant class of Shares**	**in total issued share capital**	**in relevant class of Shares**	**in total issued share capital**
Mr. Zhang Tianyu(3) . .	Beneficial owner	281,512,495 A Shares	36.78%	36.78%	36.78%	31.26%
	Interest in controlled corporation	2,627,960 A Shares	0.34%	0.34%	0.34%	0.29%
Mr. Ying Lingpeng(4) .	Beneficial owner	25,526,106 A Shares	3.33%	3.33%	3.33%	2.83%
	Interest in controlled corporation	19,281,816 A Shares	2.52%	2.52%	2.52%	2.14%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 900,533,742 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing).

(3) As of the Latest Practicable Date, (i) Mr. Zhang directly held 281,512,495 A Shares; and (ii) since Mr. Zhang controlled one third or more of the voting power at general meetings of our Company as of the Latest Practicable Date, he was taken to have an interest in the 2,627,960 treasury Shares held by our Company as of the Latest Practicable Date by virtue of the SFO.

(4) As of the Latest Practicable Date, (i) Mr. Ying directly held 25,526,106 A Shares; and (ii) Xinyu Guanghe Chuanghong Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (新餘市廣和創虹創業投資合夥企業(有限合夥), "**Guanghe Chuanghong**") directly held 19,281,816 A Shares. By virtue of the SFO, Mr. Ying, as the general partner of Guanghe Chuanghong, is deemed to be interested in the A Shares held by Guanghe Chuanghong.

For details of Shareholders who will be, directly or indirectly, interested in 10% or more of the issued voting shares of other members of our Group, see "Statutory and General Information — C. Further Information about Our Directors, Supervisors and Substantial Shareholders — 1. Disclosure of Interests" in Appendix IV to this prospectus.

SHARE PLEDGE BY MR. ZHANG TIANYU

As of the Latest Practicable Date, an aggregate of 31,669,300 A Shares held by Mr. Zhang Tianyu, representing approximately 4.14% of our total issued share capital, were subject to pledges granted in favor of an investment institution as security for debt obligation under certain collaborative investment with Mr. Zhang (the "**Share Pledge**"), and will expire in three batches in 2027, 2028 and 2029, respectively. The Share Pledge is subject to the warning line requirement, which would be triggered by a material decrease in the value of our A Shares. Nevertheless, Mr. Zhang may provide additional collaterals or repay a portion of the relevant outstanding loans in the event that such warning line requirement is triggered to avoid enforcement of the Share Pledge. Save for the above warning line requirement, there are no other material covenants on the A Shares subject to the Share Pledges.

On April 15, 2025, the pledgee of the Share Pledge issued a lock-up undertaking letter to us and Mr. Zhang (the "**Undertaking Letter**"), pursuant to which such pledgee has undertaken that, among others, (i) commencing from the date of the Undertaking Letter and up to December 31, 2026, it shall not assert any right to enforce the Share Pledge or arrange any compulsory enforcement, auction or sales of the A Shares which are subject to the Share Pledge, or to exercise any similar right in this regard, and it shall not exercise any right which would result in any change in Mr. Zhang's shareholding in the A Shares which are subject to the Share Pledge and (ii) in the event that it wishes to request for enforcement of the Share Pledge after December 31, 2026, it shall first discuss with Mr. Zhang and grant priority to the alternative option of replacing the Share Pledge with other assets (of equivalent value and as approved by the pledgee) to be provided by Mr. Zhang.

Furthermore, Mr. Zhang has undertaken that, if there is a risk of default or other circumstances that may give rise to the enforcement of the Share Pledge, Mr. Zhang shall take all necessary actions, such as provision of additional or alternative collaterals and repayment of loans, to avoid such enforcement.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreement (each a "**Cornerstone Investment Agreement**," and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**," and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to (subject to certain conditions) subscribe, or cause its designated entities to subscribe, for such number of Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) that may be purchased at the Offer Price of an aggregate amount of approximately HK$1,253 million, exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee (the "**Cornerstone Placing**"). The calculations in this section, which are based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus, are only for illustration purpose. The final number of H Shares to be subscribed by the Cornerstone Investors are subject to the exchange rate to be determined in accordance with the relevant Cornerstone Investment Agreements and will be set out in the allotment results announcement in respect of the Global Offering to be issued by our Company.

Assuming an Offer Price of HK$19.88, being the low end of the Offer Price range stated in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 63,035,800 Offer Shares, representing approximately 46.67% of the Offer Shares pursuant to the Global Offering and approximately 7.00% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

Assuming an Offer Price of HK$20.69, being the mid-point of the Offer Price range stated in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 60,568,600 Offer Shares, representing approximately 44.84% of the Offer Shares pursuant to the Global Offering and approximately 6.73% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

Assuming an Offer Price of HK$21.50, being the high end of the Offer Price range stated in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 58,286,400 Offer Shares, representing approximately 43.15% of the Offer Shares pursuant to the Global Offering and approximately 6.47% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors (and, for Cornerstone Investors who will subscribe for our Offer Shares through qualified domestic institutional investor ("**QDII**"), the QDIIs) and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors (and, for Cornerstone Investors who will subscribe for our Offer Shares through QDII, the QDIIs) will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules and in compliance with the requirement under Rule 8.08(3) of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders.

To the best knowledge of our Company, each of the Cornerstone Investors (and, for Cornerstone Investors who will subscribe for our Offer Shares through QDII, the QDIIs) is (i) an Independent Third Party; (ii) not accustomed to take instructions from our Company, our Directors, Supervisors, chief executive, Controlling Shareholder, substantial Shareholders or existing Shareholders or any of our subsidiaries or their respective close associates in relation to the acquisition, disposal, voting, or other disposition of Shares registered in its name or otherwise held by it; and (iii) not financed by our Company, our Directors, Supervisors, chief executive, Controlling Shareholder, substantial Shareholders or existing Shareholders or any of our subsidiaries or their respective close associates. In addition, to the best knowledge of our Company, save as otherwise disclosed in this prospectus, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

As confirmed by the Cornerstone Investors, each Cornerstone Investor's subscription under the Cornerstone Placing would be financed by its own internal financial resources, financial resources of its shareholders or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers), and it has sufficient funds to settle its respective investment under the Cornerstone Placing. There are no side agreements or arrangements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the H Shares commence on the Stock Exchange. Certain Cornerstone Investors have agreed that our Company and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares they will subscribe to on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. Where delayed delivery takes place, (i) there would be delayed delivery of Offer Shares to the aforementioned Cornerstone Investors based on commercial negotiations with the Cornerstone Investors, (ii) the delayed delivery date should be no later than three business days following the last day on which the Over-allotment Option may be exercised, (iii) no extra payment will be made to the relevant Cornerstone Investors for the purpose of the delayed delivery arrangement, and (iv) each of the Cornerstone Investors has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. As such, there will not be any deferred settlement in payment by the Cornerstone Investors.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering and the allocation to such investors as placees in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of the Company, among the Cornerstone Investors, CPIC Investors and GF Fund are either existing minority Shareholders or their respective close associates. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders. For further details, see "Waivers from Strict Compliance with the Listing Rules — Allocation of H Shares to Existing Minority Shareholders and Their Close Associates".

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Investment Agreements may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering — Hong Kong Public Offering — Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Overall Coordinators (for themselves and on behalf of the International Underwriters) to exercise the Over-allotment Option. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around October 21, 2025.

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors' confidence in our Company and our business prospect, and will help raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in our ordinary course of operation through our business network or through introduction by our business partners or the Underwriters.

The table below sets out details of the Cornerstone Placing:

			Based on a final Offer Price of HK$19.88 (being the low-end of the indicative Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Cornerstone Investor	**Subscription amount**	**Number of Offer Shares to be acquired(5)**	**Approximate % of the Offer Shares**	**Approximate % of the issued share capital(1)**	**Approximate % of the Offer Shares**	**Approximate % of the issued share capital(1)**
Qindao Gantong (as defined below)	RMB500 million (HK$547.66 million)(2)(3)	27,273,000	20.19%	3.03%	17.56%	2.96%
Pacific Asset Management (as defined below)	US$16 million (HK$124.52 million)(2)(4)	6,263,600	4.64%	0.70%	4.03%	0.68%
CPIC (HK) (as defined below)	US$4 million (HK$31.13 million)(2)(4)	1,565,800	1.16%	0.17%	1.01%	0.17%
GF Fund Management (as defined below)	US$12.8 million (HK$99.62 million)(2)(4)	5,011,000	3.71%	0.56%	3.23%	0.54%
GF International (as defined below)	US$7.2 million (HK$56.04 million)(2)(4)	2,818,600	2.09%	0.31%	1.81%	0.31%
Ruihua Investment (as defined below)	US$13 million (HK$101.18 million)(2)(3)	5,038,400	3.73%	0.56%	3.24%	0.55%
Genimous Investment (as defined below)	US$10 million (HK$77.83 million)(2)(3)	3,875,600	2.87%	0.43%	2.49%	0.42%
Mr. Zhang Xiaolei	US$15 million (HK$116.74 million)(2)(4)	5,872,200	4.35%	0.65%	3.78%	0.64%
GTINV (as defined below)	RMB60 million (HK$65.72 million)(2)(4)	3,305,600	2.45%	0.37%	2.13%	0.36%
Dream'ee HK Fund (as defined below)	HK$40 million(4)	2,012,000	1.49%	0.22%	1.30%	0.22%
Total	**HK$1,260.43 million**	**63,035,800**	**46.67%**	**7.00%**	**40.58%**	**6.85%**

Cornerstone Investor	Subscription amount	Number of Offer Shares to be acquired[5]	Based on a final Offer Price of HK$20.69 (being the mid-point of the indicative Offer Price range) — Assuming the Over-allotment Option is not exercised: Approximate % of the Offer Shares	Approximate % of the issued share capital[1]	Assuming the Over-allotment Option is fully exercised: Approximate % of the Offer Shares	Approximate % of the issued share capital[1]
Qindao Gantong	RMB500 million (HK$547.66 million)[2][3]	26,205,200	19.40%	2.91%	16.87%	2.85%
Pacific Asset Management	US$16 million (HK$124.52 million)[2][4]	6,018,400	4.46%	0.67%	3.87%	0.65%
CPIC (HK)	US$4 million (HK$31.13 million)[2][4]	1,504,600	1.11%	0.17%	0.97%	0.16%
GF Fund Management	US$12.8 million (HK$99.62 million)[2][4]	4,814,800	3.56%	0.53%	3.10%	0.52%
GF International	US$7.2 million (HK$56.04 million)[2][4]	2,708,200	2.00%	0.30%	1.74%	0.29%
Ruihua Investment	US$13 million (HK$101.18 million)[2][3]	4,841,200	3.58%	0.54%	3.12%	0.53%
Genimous Investment	US$10 million (HK$77.83 million)[2][3]	3,724,000	2.76%	0.41%	2.40%	0.40%
Mr. Zhang Xiaolei	US$15 million (HK$116.74 million)[2][4]	5,642,400	4.18%	0.63%	3.63%	0.61%
GTINV	RMB60 million (HK$65.72 million)[2][4]	3,176,200	2.35%	0.35%	2.04%	0.34%
Dream'ee HK Fund	HK$40 million[4]	1,933,200	1.43%	0.21%	1.24%	0.21%
Total	**HK$1,260.43 million**	**60,568,600**	**44.84%**	**6.73%**	**38.99%**	**6.58%**

			Based on a final Offer Price of HK$21.50 (being the high-end of the indicative Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Cornerstone Investor	Subscription amount	Number of Offer Shares to be acquired(5)	Approximate % of the Offer Shares	Approximate % of the issued share capital(1)	Approximate % of the Offer Shares	Approximate % of the issued share capital(1)
Qindao Gantong	RMB500 million (HK$547.66 million)(2)(3)	25,218,000	18.67%	2.80%	16.23%	2.74%
Pacific Asset Management	US$16 million (HK$124.52 million)(2)(4)	5,791,800	4.29%	0.64%	3.73%	0.63%
CPIC (HK)	US$4 million (HK$31.13 million)(2)(4)	1,447,800	1.07%	0.16%	0.93%	0.16%
GF Fund Management	US$12.8 million (HK$99.62 million)(2)(4)	4,633,400	3.43%	0.51%	2.98%	0.50%
GF International	US$7.2 million (HK$56.04 million)(2)(4)	2,606,200	1.93%	0.29%	1.68%	0.28%
Ruihua Investment	US$13 million (HK$101.18 million)(2)(3)	4,658,800	3.45%	0.52%	3.00%	0.51%
Genimous Investment	US$10 million (HK$77.83 million)(2)(3)	3,583,600	2.65%	0.40%	2.31%	0.39%
Mr. Zhang Xiaolei	US$15 million (HK$116.74 million)(2)(4)	5,429,800	4.02%	0.60%	3.50%	0.59%
GTINV	RMB60 million (HK$65.72 million)(2)(4)	3,056,600	2.26%	0.34%	1.97%	0.33%
Dream'ee HK Fund	HK$40 million(4)	1,860,400	1.38%	0.21%	1.20%	0.20%
Total	**HK$1,260.43 million**	**58,286,400**	**43.15%**	**6.47%**	**37.52%**	**6.33%**

Notes:

(1) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

(2) Calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this prospectus.

(3) Inclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee.

(4) Exclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee.

(5) Rounded down to the nearest whole board lot of 200 H Shares.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Qindao Gantong

Hong Kong Qindao Gantong Co., Limited (香港勤道贛通有限公司) ("**Qindao Gantong**") is a limited company incorporated under the laws of Hong Kong in June 2025 as an investment holding platform. As of the Latest Practicable Date, Qindao Gantong was wholly owned by Pingxiang Qindao Ganxiang Jiaying Equity Investment Fund Center (Limited Partnership) (萍鄉勤道贛湘嘉盈股權投資基金中心(有限合夥)) ("**Pingxiang Qindao Ganxiang Jiaying Fund**"). As of the Latest Practicable Date, Pingxiang Qindao Ganxiang Jiaying Fund was owned as to approximately 0.98% by its general partner, Shenzhen Qindao Capital Management Co., Ltd. (深圳市勤道資本管理有限公司), which is majority-owned and controlled by Mr. Wang Zhini, who is an Independent Third Party, and approximately 49.02% by its largest limited partner, Pingxiang Industrial Guidance Fund (Limited Partnership) (萍鄉市產業引導基金(有限合夥)) ("**Pingxiang Industrial Guidance Fund**"), respectively, with other six limited partners with less than 30% partnership interest. The general partners of Pingxiang Industrial Guidance Fund are Pingxiang Hongtu Capital Management Co., Ltd. (萍鄉鴻途資本管理有限公司) ("**Pingxiang Hongtu Capital Management**"), which is ultimately wholly owned by Pingxiang State-owned Assets Supervision and Administration Commission (萍鄉市國有資產監督管理委員會), and Jiangxi Guokong Private Equity Fund Management Co., Ltd. (江西國控私募基金管理有限公司), which is ultimately wholly controlled by Jiangxi State-owned Assets Supervision and Administration Commission (江西省國有資產監督管理委員會), and Pingxiang Industrial Guidance Fund was owned as to approximately 50.00% by Pingxiang Venture Capital Management Center (Limited Partnership) (萍鄉市創業發展資本管理中心(有限合夥)) ("**Pingxiang Venture Capital Management Center**"). None of the other limited partners holds more than 30% of the partnership interests of Pingxiang Industrial Guidance Fund. The general partner of Pingxiang Venture Capital Management Center is Pingxiang Hongtu Capital Management and none of the limited partners of Pingxiang Venture Capital Management Center holds more than 30% of the partnership interests thereof.

CPIC Investors

Pacific Asset Management Co., Limited (太平洋資產管理有限責任公司) ("**Pacific Asset Management**") and CPIC Investment Management (H.K.) Company Limited (中國太保投資管理(香港)有限公司) ("**CPIC (HK)**", together with Pacific Asset Management, "**CPIC Investors**") have, respectively, entered into Cornerstone Investment Agreement with our Company.

Pacific Asset Management

Pacific Asset Management was incorporated in the PRC and is the major external investment entity of China Pacific Insurance Company ("**CPIC**"), a company listed on Shanghai Stock Exchange (stock code: 601601), the Hong Kong Stock Exchange (stock code: 2601) with its GDR listed under the code CPIC. Pacific Asset Management's principal businesses include the management and deployment of internal funds and insurance funds, entrusted funds management business, relevant consulting services related to funds management and other asset management businesses as permitted under PRC laws and regulations. CPIC, being a composite insurance company in the PRC based in Shanghai, holds approximately (including both direct and indirect interest) 99.7% of equity interest in Pacific Asset Management. The subscription of the Offer Share by Pacific Asset Management is on a proprietary investment basis.

CPIC (HK)

CPIC (HK) was established in Hong Kong, and is principally engaged in asset management and provision of investment advisory services, including the management of the investment accounts of qualified domestic institutional investors of China Pacific Property Insurance Co., Ltd. ("**China Pacific Property**"), a company engaging in the business of property insurance. The subscription of the Offer Shares as a cornerstone investor will be made by CPIC (HK) in its capacity as the discretionary investment manager for a QDII portfolio, whose ultimate beneficial owner is China Pacific Property. Both CPIC (HK) and China Pacific Property are part of a group of CPIC, and CPIC holds approximately (including both direct and indirect interest) 100% of equity interest in CPIC (HK) and 98.5% of equity interest in China Pacific Property.

GF Fund

GF Fund Management Co., Ltd. (廣發基金管理有限公司) ("**GF Fund Management**") and GF International Investment Management Limited (廣發國際資產管理有限公司) ("**GF International**", together with GF Fund Management, "**GF Fund**") have, respectively, entered into Cornerstone Investment Agreement with our Company.

GF Fund Management

GF Fund Management was established on August 5, 2003. GF Fund Management and its subsidiary are licensed to conduct business in fields including but not limited to Qualified Investment Manager of Public Fund, Entrusted Domestic Investment Manager of National Social Security Fund (NSSF), qualified investment management institution of Basic Pension Insurance Funds, qualified fund investment advisor, qualified fund management company to provide asset management services for specific clients, Qualified Domestic Institutional Investor (QDII), RMB Qualified Foreign Institutional Investor (RQFII), Qualified Foreign Institutional Investors (QFII), etc. GF Fund Management is a large fund management company with comprehensive asset management capabilities and experience. GF Fund Management was owned as to 54.53% by GF Securities Co., Ltd. (廣發証券股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1776) and Shenzhen Stock Exchange (stock code: 000776) as of the Latest Practicable Date.

The subscription of the Offer Shares as a cornerstone investor will be made by GF Fund Management in its capacity as the discretionary investment manager of certain mutual and private funds and/or independent segregated accounts under its management. Save for Lu Yongjian and Li Donglai (each being an Independent Third Party to its best knowledge), no other single ultimate beneficial owner holds 30% or more interest in such funds and/or independent segregated accounts, and to the best knowledge of GF Fund Management, each fund and/or account is an Independent Third Party.

GF International

GF International (central number in the Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. GF International is licensed by SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. It is a wholly-owned subsidiary of GF Fund Management.

The subscription of the Offer Shares as a cornerstone investor will be made by GF International in its capacity as the discretionary investment manager of certain private funds and/or independent segregated accounts under its management. Save for Lavender Paul ANDREW, Qin Tianyu, Xue Shouguang, Rich Forever Generational Enjoyment Global Opportunities Fund, whose investors do not hold more than 30% interest thereof, and Yu Peizong (each being an Independent Third Party to its best knowledge), no other single ultimate beneficial owner holds 30% or more interest in such funds and/or independent segregated accounts, and to the best knowledge of GF International, each fund and/or account is an Independent Third Party.

Ruihua Investment

RUIHUA (INTERNATIONAL) INVESTMENT LIMITED ("**Ruihua Investment**") is BVI business company incorporated in the BVI. Ruihua Investment is primarily engaged in equity investment activities across global markets, and is wholly owned by Ruihua Investment (Hong Kong) Company Limited (香港瑞華投資有限公司), which is ultimately controlled by Mr. Zhang Jianbin (張建斌), an Independent Third Party, primarily engaged in securities market investments. The subscription of the Offer Share by Ruihua Investment is on a proprietary investment basis.

Genimous Investment

Genimous Investment (Hong Kong) Co., Limited (智度投資(香港)有限公司) ("**Genimous Investment**") is a limited company incorporated under the laws of Hong Kong in June 2015, primarily engaged in investment and asset management. Genimous Investment is wholly owned by Genimous Technology Co., Ltd. (智度科技股份有限公司) ("**Genimous Technology**"), a company listed on the Shenzhen Stock Exchange (stock code: 000676). Genimous Technology is primarily engaged in internet media, digital marketing and other business. The subscription of the Offer Share by Genimous Investment is on a proprietary investment basis.

Mr. Zhang Xiaolei

Mr. Zhang Xiaolei (張曉雷) is an individual cornerstone investor and an Independent Third Party. He is a director of AJ Asset Management Limited, a corporation licensed by SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong, with over 30 years of extensive experience in equity investment.

Dream'ee Investors

Guotai Junan Investments (Hong Kong) Limited ("**GTINV**") and Dream'ee (Hong Kong) Open-ended Fund Company ("**Dream'ee HK Fund**", together with GTINV, "**Dream'ee Investors**") have, respectively, entered into Cornerstone Investment Agreement with our Company.

GTINV

GTINV and Guotai Haitong Securities Co., Ltd ("**GTHT**") will enter into a series of cross border delta-one OTC swap transactions (the "**Dream'ee OTC Swaps**") with each other and with, respectively, Dream'ee Qixin Private Equity Securities Investment Fund (君宜祈鑫私募證券投資基金) and Dream'ee Qilong Private Equity Securities Investment Fund (君宜祈隆私募證券投資基金) (collectively, the "**GTHT Ultimate Clients (Dream'ee)**"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the Dream'ee OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the GTHT Ultimate Clients (Dream'ee), subject to customary fees and commissions. The Dream'ee OTC Swaps will be fully funded by the GTHT Ultimate Clients (Dream'ee).

During the terms of the Dream'ee OTC Swaps, all economic returns of the Offer Shares subscribed by GTINV will be passed to the GTHT Ultimate Clients (Dream'ee) and all economic loss shall be borne by the GTHT Ultimate Client (Dream'ee) through the Dream'ee OTC Swaps, and GTINV will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The terms of the Dream'ee OTC Swaps is equal to or longer than the lock-up period and that the GTHT Ultimate Client (Dream'ee) shall not early terminate the Dream'ee OTC Swaps at their own discretions before the end of the lock-up period. Despite that GTINV will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Dream'ee OTC Swaps according to its internal policy. To the best of GTINV's knowledge having made all reasonable inquiries, each of the GTHT Ultimate Clients (Dream'ee) is an Independent Third Party of GTINV, GTHT and the companies which are members of the same group of GTHT.

GTINV is a Hong Kong incorporated company. Its principal business activities are trading and investments. It is indirectly wholly owned by Guotai Haitong Securities Co., Ltd., a leading securities firm in China with its shares dually listed in both Shanghai (SSE:601211) and Hong Kong (HKEX:2611).

The GTHT Ultimate Clients (Dream'ee), Dream'ee Qixin Private Equity Securities Investment Fund (君宜祈鑫私募證券投資基金) ("**Dream'ee Qixin**") and Dream'ee Qilong Private Equity Securities Investment Fund (君宜祈隆私募證券投資基金) ("**Dream'ee Qilong**"), are investment funds managed by Shenzhen Dream'ee Private Equity Securities Fund Management Co., Ltd. (深圳君宜私募證券基金管理有限公司) ("**Dream'ee Shenzhen**"). No ultimate beneficial owner holds more than 30% of interests in Dream'ee Qixin. No person other than Zhang Gangqiang (張剛強), an Independent Third Party, holds more than 30% of interests in Dream'ee Qilong.

Dream'ee Shenzhen was established in Shenzhen in 2014. Dreamee Shenzhen was ultimately owned by Lan Kun, Zhang Jingruo and Shenzhen Dream'ee Shenzhen Puyuan Technology Enterprise (Limited Partnership) (深圳君宜普願科技企業(有限合夥)) ("**Dream'ee Puyuan**") as to 51.67%, 18.33% and 30%, respectively. Dream'ee Puyuan is ultimately controlled by Lan Kun (蘭坤), an Independent Third Party. Dream'ee Shenzhen primarily focuses on investments in IPO placings and secondary equity market, bonds and derivatives and is licensed as a private invest fund manager (私募投資基金管理人資格). Mr. Lan Kun previously worked in a well-known domestic securities company. Mr. Lan Kun has been engaging in investment banking and asset management for over 20 years.

Dream'ee HK Fund

Dream'ee HK Fund is a private open-ended fund company incorporated in Hong Kong in August 2025 as an umbrella fund governed by the SFO, primarily engaged in cornerstone investment. The investment manager of Dream'ee HK Fund is Dream'ee (Hong Kong) Capital Limited (君宜(香港)資本有限公司), a limited company incorporated in Hong Kong in February 2024 wholly owned by Lan Kun and licensed by the SFC to conduct Type 9 (Asset Management) regulated activities in Hong Kong. As of the Latest Practicable Date, none of the investors holds 30% or more of the interest in the sub-fund under Dream'ee HK Fund that will participate in the Global Offering.

CLOSING CONDITIONS

The subscription obligation of each of the Cornerstone Investors under its Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

(a) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters);

(c) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) the CSRC having accepted the CSRC filings and published the filing results in respect of the CSRC filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(f) the representations, warranties, undertakings and confirmations of the relevant Cornerstone Investors under their respective Cornerstone Investment Agreements are accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of relevant Cornerstone Investor.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares it has purchased pursuant to the relevant Cornerstone Investment Agreement, save for in certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

OVERVIEW

Upon Listing, our Board will comprise six Directors, including three executive Directors and three independent non-executive Directors, namely:

Name	Age	Position	Date of joining our Group	Date of appointment as Director[(1)]	Roles and responsibilities	Relationship with other Directors, Supervisors and members of senior management
Mr. Zhang Tianyu (張天瑜)	58	Executive Director and chairman of the Board	November 1999	December 25, 2014	Overall management, strategic planning and decision-making for key business and operational matters of our Group	N/A
Mr. Ying Lingpeng (應湊鵬)	50	Executive Director and general manager	November 1999	December 25, 2014	Overseeing business and daily operations of our Group and leading the overall development of our Group	N/A
Mr. Xu Ning (許寧)	51	Executive Director and vice general manager	October 2006	December 25, 2014	Overseeing business and daily operations of our Group and leading the overall development of our Group	N/A
Mr. Wang Ning (王寧)	70	Independent non-executive Director	December 2014	June 21, 2024	Providing independent advice on the operations and management of our Group	N/A
Ms. Zhao Jing (趙靜)	38	Independent non-executive Director	June 2024	June 21, 2024	Providing independent advice on the operations and management of our Group	N/A
Mr. Wu Chenggang (吳承剛)	46	Independent non-executive Director	Upon Listing	Upon Listing	Providing independent advice on the operations and management of our Group	N/A

Note:

(1) For the avoidance of doubt, the date of appointment as Director refers to the appointment as Director after our conversion into a joint stock company with limited liability in December 2014. For details of our conversion, see "History and Corporate Structure — Major Shareholding Changes of Our Company — Early Development and Conversion into a Joint Stock Company" in this prospectus.

Our Board of Supervisors comprises three members, namely;

Name	Age	Position	Date of joining our Group	Date of appointment as Supervisor	Roles and responsibilities	Relationship with other Directors, Supervisors and members of senior management
Ms. Chen Qihua (陳綺華)	46	Chairperson of the Board of Supervisors	March 2008	December 10, 2014	Overseeing the performance of Directors and senior management of our Company	N/A
Ms. Sun Xiaojing (孫曉婧)	40	Employee representative Supervisor	September 2006	March 19, 2021	Overseeing the performance of Directors and senior management of our Company	N/A
Ms. Du Yingying (杜瑩瑩)	32	Supervisor	June 2023	June 21, 2024	Overseeing the performance of Directors and senior management of our Company	N/A

Our senior management team comprises the following individuals:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management(1)	Roles and responsibilities	Relationship with other Directors, Supervisors and members of senior management
Mr. Ying Lingpeng (應凌鵬)	50	Executive Director and general manager	November 1999	December 25, 2014	Overseeing business and daily operations of our Group and leading the overall development of our Group	N/A
Mr. Xu Ning (許寧)	51	Executive Director and vice general manager	October 2006	December 25, 2014	Overseeing business and daily operations of our Group and leading the overall development of our Group	N/A
Mr. Chen Shijiang (陳仕江)	44	Vice general manager and secretary of the Board	March 2015	March 26, 2015	Overseeing and managing Board affairs, corporate governance, capital management, investor relations and securities affairs of our Group	N/A
Ms. Wang Hongyan (王紅豔)	50	Finance director and vice general manager	January 2019	August 27, 2019	Financial operations and capital management of our Group	N/A

Note:

(1) For the avoidance of doubt, the date of appointment refers to the appointment of the relevant positions in our Company after our conversion into a joint stock company with limited liability in December 2014.

DIRECTORS

Executive Directors

Mr. Zhang Tianyu (張天瑜), aged 58, is our founder, our executive Director and the chairman of our Board. As the founder of our Group, Mr. Zhang has been our Director since the inception of our Company, and has been the chairman of our Board since December 2014. He also holds various positions within our Group including serving as the executive director of Fibocom Software since March 2012, the director of Hong Kong Fibocom since May 2014, the director of U.S. Fibocom since October 2015 and the executive director of Fibocom Investment since March 2018. He is primarily responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group.

Mr. Zhang is a radio communication engineer. Prior to founding our Group in 1999, Mr. Zhang established Xiamen Rixin Technology Co., Ltd. (廈門日新科技有限公司) in 1994, which was principally engaged in the business of sales of electronic components. Before that, he worked at China Electronics Equipment Xiamen Co., Ltd. (中國電子器材廈門有限公司) (previously known as China Electronics Equipment Xiamen Company (中國電子器材廈門公司)).

Mr. Zhang has served as an executive director of China Electronics Chamber of Commerce (中國電子商會) when he first joined in March 2007 and has been appointed as the vice president thereof since December 2020.

Mr. Zhang graduated from Xi'an University of Electronic Science and Technology (西安電子科技大學) with a bachelor degree in radio communication in the PRC in July 1988. He obtained an executive master of business administration (EMBA) degree from Cheung Kong Graduate School of Business in September 2010 in the PRC, and a master's degree of business administration from Tsinghua University (清華大學) in the PRC in January 2022.

Mr. Ying Lingpeng (應凌鵬), aged 50, is our executive Director and general manager. Mr. Ying joined our Group in November 1999 as a sales manager and was subsequently appointed as our Director and general manager in December 2014. He also serves as director of various subsidiaries within our Group. He is primarily responsible for overseeing business and daily operations of our Group and leading the overall development of our Group.

Mr. Ying obtained a master's degree in business administration from Xiamen University (廈門大學) in the PRC in September 2020, and an executive master of business administration (EMBA) degree from China Europe International Business School (中歐國際工商學院) in the PRC in August 2021.

Mr. Xu Ning (許寧), aged 51, is our Executive Director and vice general manager. Mr. Xu joined our Group in October 2006 and has been the Director and vice general manager of our Company since December 2014. Mr. Xu has held various positions within our Group including as the general manager of various subsidiaries within our Group. He is primarily responsible for overseeing business and daily operations of our Group and leading the overall development of our Group.

Prior to joining our Group, Mr. Xu worked at Shenzhen Guangyu Communication Technology Co., Ltd. (深圳市廣宇通信技術有限公司) from March 2003 to October 2006. Before that, he served at various companies in the electronic and information technology sector, including IRICO Group Corporation (彩虹集團有限公司), Shenzhen Samsung SDI Co., Ltd. (深圳三星視界有限公司), and Shenzhen Yunhai Communication Co., Ltd. (深圳市雲海通訊股份有限公司).

Mr. Xu obtained a bachelor's degree in electronic instruments and measurement technology from Guilin Institute of Electronic Industry (桂林電子工業學院) in the PRC in June 1994.

Independent Non-Executive Directors

Mr. Wang Ning (王寧), aged 70, has been our independent Director since June 21, 2024, and was redesignated as an independent non-executive Director on April 11, 2025 with effect from the Listing Date. He also served as our independent Director from December 2014 to December 2020. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Wang is a senior economist. He is the president of China Electronics Chamber of Commerce (中國電子商會) and has served multiple roles therein since 1993. Mr. Wang served as an independent director of Jilin Sino-Microelectronics Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600360)) from May 2009 to May 2015, a non-executive director of China Public Procurement Limited (a company listed on the Hong Kong Stock Exchange (stock code: 1094)) from September 2011 to September 2016, and an independent non-executive director of Jiu Rong Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 2358)) from June 2017 to June 2023. He has also been serving as an independent director of Shenzhen Keanda Electronic Technology Corp., Ltd. (深圳科安達電子科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002972)) since April 2023.

Mr. Wang obtained a bachelor's degree in political economics from the First Branch College of the Renmin University of China (中國人民大學第一分校) in the PRC in February 1983.

Ms. Zhao Jing (趙靜), aged 38, has been our independent Director since June 21, 2024, and was redesignated as an independent non-executive Director on April 11, 2025 with effect from the Listing Date. She is primarily responsible for providing independent advice on the operations and management of our Group.

Ms. Zhao has been working at Shenzhen University (深圳大學) in the PRC as an assistant professor and associate professor of accounting, successively, since July 2018. Prior to that, she was a visiting scholar at Columbia University in the United States during December 2014 to April 2016. Ms. Zhao has served as an independent non-executive director of East Point Communication Technology Co., Ltd. (蘅東光通訊技術(深圳)股份有限公司), a company listed on the National Equities Exchange and Quotations (the "**NEEQ**") (stock code: 874084)), since August 2024.

Ms. Zhao obtained a bachelor's degree in accounting in June 2009 and a doctorate degree in management majoring in accounting in June 2018 from Sun Yat-sen University (中山大學) in the PRC, and a doctorate degree in philosophy from Hong Kong Polytechnic University in September 2019 in Hong Kong.

Mr. Wu Chenggang (吳承剛), aged 46, was appointed as an independent non-executive Director on April 11, 2025 with effect from the Listing Date. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Wu has experience in corporate internal control and auditing for more than 20 years. He served at Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600748)) from April 2004 to August 2010, as well as an audit director at various listed companies including Anzheng Fashion Group Co., Ltd. (安正時尚集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603839)) from September 2010 to May 2014, Luolai Lifestyle Technology Co., Ltd. (羅萊生活科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002293)) from May 2014 to June 2015, and Ribo Fashion Group Co., Ltd. (日播時尚集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603196)) from May 2017 to June 2019, and an internal audit director at Shanghai Zhongdan Information Technology Co., Ltd. (上海眾旦信息科技有限公司) from July 2020 to January 2022 and at Aishida Co., Ltd. (愛仕達股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002403)) from June 2022 to June 2024.

Mr. Wu obtained a bachelor's degree in accounting in July 2001 from Jiangxi University of Finance and Economics (江西財經大學) in the PRC and a master's degree in accounting in February 2004 from Shanghai University of Finance and Economics (上海財經大學) in the PRC. Mr. Wu obtained a certificate of International Certified Internal Auditor issued by China Institute of Internal Auditors in November 2005. He has also been a certified public accountant in the PRC since May 2006.

SUPERVISORS

Ms. Chen Qihua (陳綺華), aged 46, is the chairperson of our Board of Supervisors. Ms. Chen joined our Group in March 2008 and currently serves as the Company's vice president of the department of strategic marketing. She was appointed as a Supervisor in December 2014 and as the chairperson of our Board of Supervisors on June 21, 2024. She is primarily responsible for overseeing the performance of Directors and senior management of our Company.

Ms. Chen obtained a master's degree of business administration from Peking University (北京大學) in the PRC in July 2024.

Ms. Sun Xiaojing (孫曉婧), aged 40, is our employee representative Supervisor. Ms. Sun joined our Group in September 2006 and has worked at the marketing center of the China IOT Sales Department of our Company. She was appointed as a Supervisor of our Company on March 19, 2021. She is primarily responsible for overseeing the performance of Directors and senior management of our Company.

Ms. Sun obtained an associate degree in organic chemical engineering in July 2006 from Nanjing Polytechnic Institute (南京化工職業技術學院) in the PRC.

Ms. Du Yingying (杜瑩瑩), aged 32, our Supervisor, joined our Group in June 2023 and is a senior secretary at the president's office of our Company. She was appointed as a Supervisor of our Company on June 21, 2024. She is primarily responsible for overseeing the performance of Directors and senior management of our Company.

Prior to joining our Group, Ms. Du worked at Tencent Technology (Shenzhen) Co., Ltd. (騰訊科技(深圳)有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 600)) from June 2020 to July 2021, and as the assistant to the vice president at LexinFintech Holdings Ltd. (a company listed on NASDAQ (stock abbreviation: LX)) from December 2021 to May 2022.

Ms. Du obtained a bachelor's degree in ideological and political education in July 2017 from China Youth University of Political Studies (中國青年政治學院) in the PRC.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management and operation of our business. Mr. Ying Lingpeng, our executive Director and general manager, and Mr. Xu Ning, our executive Director and vice general manager, are also members of our senior management. For their biographical details, please see "— Directors — Executive Directors" in this section.

Mr. Chen Shijiang (陳仕江), aged 44, is our vice general manager, the secretary of our Board and our joint company secretary. Mr. Chen joined our Group in March 2015 and has served various roles including vice general manager, finance director and secretary of our Board. He has been the vice general manager and the secretary of our Board since March 26, 2015. He is primarily responsible for overseeing and managing the Board affairs, corporate governance, capital management, investor relations and securities affairs of our Group.

Prior to joining our Group, Mr. Chen worked at Shenzhen HTI Group Co., Ltd. (深圳市高新投集團有限公司), and Shenzhen Wangxin Precision Industrial Co., Ltd. (深圳市旺鑫精密工業有限公司) as a vice general manager.

Mr. Chen obtained a master's degree in national economics from Wuhan University (武漢大學) in the PRC in June 2006.

Ms. Wang Hongyan (王紅豔), aged 50, is our finance director and vice general manager. She joined our Company as a vice finance director in January 2019 and has become our finance director since August 2019. She is primarily responsible for the financial operations and capital management of our Group.

Prior to joining our Group, Ms. Wang served as an accountant from April 1999 to March 2003 and subsequently as a vice finance director from March 2003 to December 2018 at Hytera Communications Corporation Limited (海能達通信股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002583)).

Ms. Wang obtained a bachelor's degree in accounting from Zhengzhou University of Aeronautics (鄭州航空工業管理學院) in the PRC in June 1998.

JOINT COMPANY SECRETARIES

Mr. Chen Shijiang (陳仕江), our vice general manager and the secretary of our Board, was appointed as one of our joint company secretaries on April 11, 2025 with effect from the Listing Date. For the biographical details of Mr. Chen, see "— Senior Management" in this section.

Ms. Yung Mei Yee (翁美儀), was appointed as one of our joint company secretaries on April 11, 2025 with effect from the Listing Date. She is a vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services. She has extensive experience in handling company secretarial, corporate governance and compliance affairs of listed companies.

Ms. Yung serves as the company secretary for various companies listed on the Stock Exchange, including as the company secretary of Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司 (Stock Code: 3347)) since June 2024, Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司 (Stock Code: 2179)) since June 2024, Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司 (Stock Code: 6117)) since June 2024, CStone Pharmaceuticals (基石藥業 (Stock Code: 2616)) since June 2024, and Qingci Games Inc. (青瓷遊戲有限公司 (Stock Code: 6633)) since June 2023.

Ms. Yung is a fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom since December 1996. Ms. Yung obtained a bachelor's degree in arts in accountancy from the City Polytechnic of Hong Kong (currently known as the City University of Hong Kong), and a master's degree in arts in language and law from the City University of Hong Kong. Ms. Yung also obtained a bachelor's degree of laws from the University of London in the United Kingdom.

OTHER INFORMATION

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 20, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Each of our Directors confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Except as disclosed above, none of our Directors, Supervisors and members of senior management held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the Latest Practicable Date.

In February and April 2023, Mr. Zhang received a regulatory letter (the "**Regulatory Letter**") from the management department of the ChiNext Board of the Shenzhen Stock Exchange and a caution letter (the "**Caution Letter**") from the Shenzhen Regulatory Bureau of the CSRC, respectively, in relation to a non-compliance incident (the "**Incident**") in which Mr. Zhang, as controlling Shareholder and actual controller of our Company, failed to cease his trading in our A Shares after there occurred a cumulative change of 5% of his shareholding in our A shares (due to, among others, his active disposal of A Shares, dilution in shareholding due to issuance of A Shares by our Company and repurchase and cancellation of restricted A Shares by our Company) during the period between December 2019 and January 2023 (the "**Relevant Period**"), in breach of the Measures for the Administration of Acquisition of Listed Companies. The relevant laws and regulations are summarized as follows:

(i) The Measures for the Administration of Acquisitions of Listed Companies (2020 Amendment) (Order No. 166 of the China Securities Regulatory Commission, CSRC) (《上市公司收購管理辦法(2020修正)》(中國證券監督管理委員會令第166號)) (the "Acquisitions Measures")

Pursuant to the provisions of Paragraph 2, Article 13 of the Acquisitions Measures effective at the relevant time, in respect of investors and their concert parties who hold 5% in the proportion of the issued shares of a listed company, whenever there exists an increase or decrease of 5% in the proportion of the issued shares of the listed company through trading of securities on a stock exchange, such investors and their concert parties shall report and make announcement regarding such event in accordance with the Acquisitions Measures. Such relevant investors and their concert parties shall not trade the shares of the listed company from the date of occurrence of the aforementioned event and until three days after the announcement of such event, except where otherwise stipulated by the CSRC.

Pursuant to Paragraph 1, Article 2 of the Legal Application Opinions on Securities and Futures No. 19 — Application Opinions on Articles 13 and 14 of the Measures for the Administration of Acquisitions of Listed Companies, the phrase "an increase or decrease of 5% in the proportion of the issued shares of the listed company" refers to situation where the proportion of the issued shares of the listed company that reaches an integer multiple of 5% (excluding 5%), such as 10%, 15%, etc.

Under Article 75 of the Acquisition Measures, if such investor fails to comply with the aforementioned reporting, announcement and related obligations, the CSRC shall order rectification and take regulatory measures such as regulatory talks, issuing warning letters, or ordering the suspension or termination of acquisitions.

(ii) The Securities Law of the People's Republic of China (Presidential Decree No. 37) (《中華人民共和國證券法》(中華人民共和國主席令第37號)) (the "Securities Law")

In accordance with Article 63 of the Securities Law, where an investor holds or, through agreements or other arrangements, jointly holds with others, voting shares representing 5% or more of the issued shares of a listed company, and the proportion of voting shares such investor holds in the listed company increases or decreases by 5% or more, such investor shall report and make announcements in accordance with the Securities Law. Such investor shall not trade the shares of the listed company from the date of occurrence of the aforementioned event and until three days after the announcement of such event, except where otherwise stipulated by the securities regulatory authority under the State Council.

(iii) The GEM Stock Listing Rules of the Shenzhen Stock Exchange (Revised December 2020) (《創業板股票上市規則(2020年12月修訂)》) (the "A Share Listing Rules")

Under the A Share Listing Rules effective at the relevant time, where changes in the rights and interests of shares held by investors and their concert parties in a listed company involve acquisition of shareholding rights and changes in interests as stipulated in the Securities Law and the Acquisition Measures (as detailed above), such investors and their concert parties shall fulfill their corresponding reporting and announcement obligations in accordance with regulations and promptly notify the listed company to issue corresponding announcement promptly. The listed company shall promptly issue an announcement to the public upon becoming aware of such acquisitions or changes in shareholding rights and interests.

In accordance with Article 4.1.5 of the Self — Regulatory Guidelines for Listed Companies No. 2 — Standardized Operations of GEM Listed Companies (《上市公司自律監管指引第2號–創業板上市公司規範運作》) effective at the time, shareholders and actual controllers of a listed company shall fulfill their information disclosure obligations strictly in accordance with the relevant regulations such as the Securities Law, the Acquisition Measures and the A Share Listing Rules, including to promptly report and announce information regarding their acquisitions and changes in shareholding rights and interests, and to ensure that the disclosed information is true, accurate, and complete and without any false records, misleading statements, or material omissions.

In this regard, Opinions No. 19 on the Application of Securities and Futures Laws — Opinions on the Application of Articles 1, 3 and 14 of the Measures for the Administration of the Takeover of Listed Companies (the "**New Regulations**") has come into effect on January 10, 2025. Under the New Regulations, it is explicitly specified that "passive" change in shareholding percentages (i.e. changes in shareholding percentages of a shareholder due to an increase/ decrease in total issued share capital of a company (for example, by reason of issuance of shares/ repurchase and cancellation of shares by the company) without involving any active purchase or disposal or other actions on the part of such shareholder) are not required to be taken into account when calculating the cumulative change in shareholding percentages for the purposes of determining whether a 5% shareholding change (as referred to in the Acquisitions Measures, Securities Law and the A Share Listing Rules) has occurred.

The Incident occurred primarily due to Mr. Zhang's inadvertent failure to attend to and take into account the cumulative impact on the percentage changes in his shareholding in the Company arising from each and every round of the Company's issuance, repurchase and cancellation of A Shares throughout the entire Relevant Period and due to the long-time intervals between each round of Share disposal conducted by him, and it did not involve any fraud or personal dishonesty on Mr. Zhang's part. As of the Latest Practicable Date, no further regulatory actions had been taken against Mr. Zhang by the relevant authorities in relation to the Regulatory Letter, the Caution Letter or the Incident. We are of the view that the above Incident does not affect the suitability of Mr. Zhang to serve as a Director, having considered that (i) the Incident was not due to any fraud or personal dishonesty on the part of Mr. Zhang, nor did the Regulatory Letter and the Caution Letter cast doubt on his qualifications to serve as Director, (ii) as advised by our PRC Legal Adviser, the Regulatory Letter and the Caution Letter do not constitute any major or severe administrative penalty pursuant to applicable PRC laws and regulation, (iii) Mr. Zhang has not been disqualified from serving as a director or senior management member of our Company as a result of the above Incident and (iv) Mr. Zhang has not had any similar non-compliance incident since the occurrence of the Incident. In addition, our Company has also further enhanced our management in respect of change in our shareholders' shareholdings in our Company and has established a ledger account to monitor such changes in order to prevent the recurrence of any similar incident. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view above, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our view regarding Mr. Zhang's suitability to serve as a Director of our Company.

As advised by the PRC legal adviser, the relevant competent authorities have not taken further regulatory measures against Zhang Tianyu in respect of the above matters. The above regulatory letters and warning letters are regulatory measures, which do not fall under the types of administrative penalties stipulated in the Administrative Penalty Law of the People's Republic of China and do not constitute administrative penalties. Such regulatory measures are not imposed on the Company's principal conduct and will not affect the Company's normal production, operation and management activities.

Except as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there was no information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters with respect to the appointment of the Directors and Supervisors that need to be brought to the attention of the Shareholders.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group and provide advice and comments to the Board. The Audit Committee comprises Ms. Zhao Jing, Mr. Wang Ning and Mr. Wu Chenggang (being our independent non-executive Director with appropriate professional qualifications), with Ms. Zhao Jing as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises Mr. Zhang Tianyu, Ms. Zhao Jing and Mr. Wang Ning, with Ms. Zhao Jing as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises Mr. Zhang Tianyu, Ms. Zhao Jing and Mr. Wang Ning, with Ms. Zhao Jing as the chairperson.

Strategy and Investment Committee

Our Board has established a strategy and investment committee (the "**Strategy and Investment Committee**") with written terms of reference. The primary duties of the Strategy and Investment Committee are to research on and to make recommendations to our Board on our long-term development strategies and major investment decisions. The Strategy and Investment Committee comprises Mr. Zhang Tianyu, Mr. Ying Lingpeng and Mr. Wang Ning, with Mr. Zhang Tianyu as the chairperson.

Corporate Governance

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon Listing.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board will consist of one female and five male Directors ranging from 38 to 69 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to industry experience relevant to our Group's operations and business in the industry of wireless communication modules and IoT solutions. They obtained degrees in various majors including electronic technology, engineering, economics, accounting and business management. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Directors and Supervisors receive remuneration in the form of fees, basic salaries, allowances and benefits in kind, contributions to pension schemes and discretionary bonuses. We determine the remuneration of our Directors and Supervisors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors and Supervisors for the years ended December 31, 2022, 2023 and 2024, and for the four months ended April 30, 2025 were RMB5.9 million, RMB6.5 million, RMB10.9 million and RMB3.6 million, respectively. None of our Directors or Supervisors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force as of the date of this prospectus, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors and Supervisors by our Group in respect of the year ending December 31, 2025 to be approximately RMB8.1 million.

The five highest paid individuals of our Group for the years ended December 31, 2022, 2023 and 2024 and for the four months ended April 30, 2025 included one, one, one and one Director, respectively. During the same periods, the aggregate amount of remuneration of the five highest paid individuals were RMB9.4 million, RMB12.1 million, RMB18.5 million and RMB7.1 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors, Supervisors, former supervisors or the five highest paid individuals for the loss of office as a director or supervisor of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors or Supervisors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, amongst other things, advise our Company in the following circumstances:

1. before the publication of any regulatory announcement, circular, or financial report;

2. where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

3. where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and

4. where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or trading volume of our listed securities or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of our compliance advisor shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

FUTURE PLANS

See "Business—Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

Assuming an Offer Price of HK$20.69 per Share (being the mid-point of the Offer Price Range stated in this prospectus), we estimate that we will receive net proceeds of approximately HK$2,689.4 million (equivalent to approximately RMB2,455.4 million) from the Global Offering after deducting the underwriting commission and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised.

In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 55.0% of the net proceeds, or HK$1,479.2 million, is expected to be allocated for R&D purpose, primarily including technical innovation and product development related to AI technologies and robotic technologies. Specifically:

  (i) approximately 30.0% of the net proceeds, or HK$806.8 million, is expected to be allocated to (i) expanding our R&D team for AI modules and solutions and (ii) procuring the relevant R&D equipment and hardware, services, and software. Our goal is to expand our AI product and solution portfolio to cover more scenarios, and further tailoring the hardware and software of our module products and solutions to meet the specific requirements of end customers.

  Our AI R&D team will focus on AI-related R&D projects, primarily including (i) AI modules and solutions; (ii) Edge AI enabling platforms and cloud-based AI service platforms; and (iii) AI models for specific application scenarios. Specifically:

  (a) approximately 22.3% of the net proceeds, or HK$600.4 million, is expected to be used for recruiting and paying the salary of approximately 333 R&D talents. We plan to recruit these talents by 2027. Specifically:

  (1) approximately 15.8% of the net proceeds, or HK$424.0 million, is expected to be used for recruiting and paying the salaries of approximately 220 software engineers with the average annual salary for each person expected to range from RMB350.0 thousand to RMB700.0 thousand;

  (2) approximately 4.6% of the net proceeds, or HK$122.5 million, is expected to be used for recruiting and paying the salaries of approximately 74 hardware engineers with the average annual salary for each person expected to range from RMB300.0 thousand to RMB650.0 thousand; and

(3) approximately 2.0% of the net proceeds, or HK$54.0 million, is expected to be used for recruiting and paying the salaries of approximately 39 other employees, primarily project managers and product managers, with the average annual salary for each person expected to range from RMB300.0 thousand to RMB550.0 thousand.

The following table sets forth some details of our new products and solutions to be developed:

Product line	Product name	Application scenario	Enhanced function
Edge AI solutions. .	AI buddy	Consumer electronics	• Real-time translation • Offline cached translation • Meeting summary • Document & image translation
	AI assistant	Consumer electronics	• Integrated speech recognition • Image recognition • Image and video procession
	AI companion robot	Smart home	• Voice-visual interaction • Auto-follow • Obstacle avoidance
	AI retail assistant	Smart retail	• Multilingual ordering, marketing • Standardized content management • Restricted item sales • Loss prevention management

(b) approximately 7.7% of the net proceeds, or HK$206.3 million, is expected to be used for the purchase of (1) R&D hardware and equipment, primarily including computing power chips, servers and development boards; (2) software, primarily including computing platforms, audio and video processing algorithms and simulation software; and (3) testing fee for new products and solutions.

(ii) approximately 20.0% of the net proceeds, or HK$537.9 million, is expected to be allocated to (i) expanding our R&D team for robotic solutions and (ii) procuring the relevant R&D equipment and hardware, services and software. Our goal is to develop and commercialize on various robotic solutions and expand our robotic solution portfolio to cover more scenarios by leveraging our core R&D technologies related to robotic solutions, including vision perception and low-speed motion control.

Our robotics R&D team will focus on robotic solution-related R&D projects, primarily including (i) low-speed smart robotic solutions, (ii) AI computing-integrated robotics and (iii) new models and algorithms for embodied AI robotic solutions applied to multiple scenarios. Specifically:

The following table sets forth some details of our new robotic solutions to be developed:

Product line	Product name	Application scenario	Enhanced function
Robotic solutions . .	Low-speed intelligent robotic solutions	Robotic	• Prototype validation • Advancement of scenario-specific applications and initial commercialization
	AI Computing all-in-one machine	Industrial IoT	• Upgrade dynamic decision-making algorithms • Support complex operational environments • Enhance algorithm for cross-scenario data processing
	Embodied AI model	Industrial IoT Healthcare Logistics Education	• Optimize task planning and motion control algorithms • Adapt to international standard protocols

(a) approximately 16.5% of the net proceeds, or HK$443.4 million, is expected to be used for recruiting and paying the salary of approximately 294 R&D talents. We plan to recruit these talents by 2027. Specifically:

(1) approximately 12.8% of the net proceeds, or HK$344.3 million, is expected to be used for recruiting and paying the salaries of approximately 215 software engineers with the average annual salary for each person expected to range from RMB300.0 thousand to RMB450.0 thousand;

(2) approximately 3.1% of the net proceeds, or HK$83.3 million, is expected to be used for recruiting and paying the salaries of approximately 65 hardware engineers, with the average annual salary for each person expected to range from RMB250.0 thousand to RMB350.0 thousand; and

(3) approximately 0.6% of the net proceeds, or HK$15.7 million, is expected to be used for recruiting and paying the salaries of approximately 14 project managers, with the average annual salary for each person expected to range from RMB200.0 thousand to RMB250.0 thousand.

(b) approximately 3.5% of the net proceeds, or HK$94.5 million, is expected to be used for the purchase of (1) R&D hardware and equipment, primarily including control equipment, computing power chips and servers; (2) software, primarily including simulation software and operating systems; and (3) testing service for new products and solutions.

(iii) approximately 5.0% of the net proceeds, or HK$134.5 million, is expected to be used for the construction of a new R&D center. The new R&D center will focus on the research and development of (a) AI technologies and (b) robotic technologies with an estimated GFA of approximately 31,000 sq.m. We expect to commence the construction of this R&D center in 2025 and complete by the end of 2027.

- approximately 15.0% of the net proceeds, or HK$403.4 million, is expected to be allocated over the next five years for the construction of a manufacturing facility in Shenzhen, China, mainly for the production of (i) module products and (ii) end products as part of our solutions (the "**Shenzhen Facility**").

During the Track Record Period, we engaged a group of industry-leading EMS providers to manufacture our products and solutions. See "Business—Our Suppliers—EMS Suppliers." In response to the growing demands from our customers for stability in production capacity, delivery speed and product quality, we plan to establish our own production capacity by constructing the Shenzhen Facility. The Shenzhen Facility will further allow us to independently manufacture its major products to reduce reliance on EMS providers and the cost of sales of products and solutions, ensure the availability of our products and mitigate supply chain risks related to outsourced manufacturing.

With the addition of the Shenzhen Facility, we expect our manufacturing service fees to decrease, while we may incur direct labor costs and manufacturing costs. The addition will also contribute to a slight increase in our gross profit and boost our overall profitability.

We have long-term on-site engineering team, quality control team and inventory management team at our EMS providers who have gained first-hand knowledge on production management and quality control such that they can swiftly respond to any issues arising from the manufacturing process at the Shenzhen Facility in the future. Additionally, we have established a supply chain management team with experienced team members to coordinate and manage each stage of the supply chain from procurement to delivery. We plan to further hire talents with experience in production management and enhance our training programs to reinforce and diversify the skillset of our employees at the Shenzhen Facility. We also plan to further enhance our production management system through quality control management, environment management and professional health management to ensure production efficiency and product quality.

Based on the above, our Directors are of the view that we have the relevant manufacturing expertise and capability to support the operation of the Shenzhen Facility.

The Shenzhen Facility will cover an estimated GFA of approximately 91,280 sq.m. and it is expected to commence operations around 2027.

The following table illustrates the designed production capacity of the Shenzhen Facility

	Designed annual production capacity as of December 31		
	2028	**2029**	**2030**
	units	*units*	*units*
Smart modules	2,016,000	2,688,000	3,360,000

Specifically:

(i) approximately 13.8% of the net proceeds, or HK$370.6 million, is expected to be used for the construction of the Shenzhen Facility, out of which:

(a) approximately 5.1% of the net proceeds, or HK$136.9 million, is expected to be used for (i) the construction of the factories, (ii) the procurement of manufacturing equipment, primarily including surface-mount technology (SMT) machines, inspection machines, and printing machines;

(b) approximately 7.9% of the net proceeds, or HK$213.5 million, is expected to be used for the construction of dormitories, dining halls, underground parking lot and other auxiliary facilities; and

(c) approximately 0.8% of the net proceeds, or HK$20.3 million, expected to be used for the payment of other expenses, primarily including construction management fees and design fees.

(ii) approximately 1.2% of the net proceeds, or HK$32.8 million, is expected to be used for recruiting 168 individuals associated with the Shenzhen Facility primarily related to (i) production, (ii) quality control and (iii) administrative support, with the average annual salary for each person expected to range from RMB100.0 thousand to RMB200.0 thousand.

In early 2025, the U.S. government initiated a series of escalating tariffs and trade policies primarily targeting China, leading to retaliatory measures from China. See "Regulatory Overview–U.S. and China Tariff Policies" for details.

The recent Sino-U.S. trade tension is unlikely to have a material adverse impact on the cost and benefit structure of the Shenzhen Facility, because:

- In 2022, 2023 and 2024 and the four months ended April 30, 2025, the revenue from our module products and solutions we directly shipped to the U.S. represented an insignificant amount of our total revenue, respectively;

- During the Track Record Period, we sourced one of the key components, radio frequency chips, directly or indirectly from the U.S., as well as from other countries. In 2022, 2023, 2024 and the four months ended April 30, 2025, our purchase amount of radio frequency chips directly or indirectly sourced from the U.S. amounted to RMB0.01 million, nil, RMB0.4 million and RMB0.1 million, respectively;

- During the Track Record Period and up to the Latest Practicable Date, none of our major customers or distributors requested renegotiation of the pricing of our products and solutions on the basis of tariff-related considerations; and

- The designed production capacity of Shenzhen Facility can be absorbed by domestic demands and overseas demands from countries other than the U.S.

- approximately 10.0% of the net proceeds, or HK$268.9 million, is expected to be allocated for the repayment of certain interest-bearing bank borrowings. Specifically:

(i) approximately 4.1% of the net proceeds, or HK$109.5 million, is expected to be used to repay a bank loan with the principal amount of RMB100.0 million from the Export-Import Bank of China (中國進出口銀行) ("EIBC Loan I"). The loan carries an effective annual interest rate of 2.40% due in November 2025. This loan was primarily used for general working capital purposes.

(ii) approximately 4.1% of the net proceeds, or HK$109.5 million, is expected to be used to repay a bank loan with the principal amount of RMB100.0 million from the Export-Import Bank of China ("EIBC Loan II"). The loan carries an effective annual interest rate of 2.24% due in April 2026. This loan was primarily used for general working capital purposes.

(iii) approximately 1.9% of the net proceeds, or HK$49.9 million, is expected to be used to repay a bank loan with the principal amount of RMB100.0 million from the China Merchants Bank (招商銀行) ("CMB Loan"). The loan carries an effective annual interest rate of 2.40% due in February 2026. This loan was primarily used for general working capital purposes.

- approximately 10.0% of the net proceeds, or HK$268.9 million, is expected to be allocated for strategic investments and/or acquisitions. In particular, we plan to focus on companies in wireless communication, AI, robotics, and other areas that are complementary to or synergistic with us. We will consider businesses that have (i) established presence in the wireless communication industry and experience in areas such as AI technologies and robotics technologies; (ii) strong R&D capabilities and innovative technologies with the potential for commercialization that generates synergies with our technologies; and (iii) high-quality customer resources as well as geographical market coverage that can generate synergies with our existing customer base and geographic market. We plan to focus on targets with a robust track record period of business operation and innovation, as well as strong management team and team cohesiveness. According to Frost & Sullivan, there are sufficient potential investment targets of over 100 suitable targets available in the market. Through strategic investments or mergers and acquisitions, we aim to further enhance our forward-looking technological layout, expand our ecosystem and increase our market share. As of the Latest Practicable Date, we had not identified specific investment or acquisition targets.

- approximately 10.0% of the net proceeds, or HK$268.9 million, is expected to be used for working capital and other general corporate uses.

The following table sets forth the expected implementation timetable of our planned use of proceeds in terms of percentage of the net proceeds:

	Year ended December 31,					
	2025	2026	2027	2028	2029	Total
	%	%	%	%	%	%
R&D purpose	**3.0**	**11.8**	**15.2**	**12.5**	**12.5**	**55.0**
R&D for AI modules and solutions	1.1	6.2	7.4	7.7	7.6	30.0
Expanding R&D team	0.7	4.5	5.6	5.7	5.8	22.3
Procuring R&D equipment, hardware, services and software, and testing	0.3	1.7	1.8	2.0	1.8	7.7
R&D for robotic solutions	1.3	4.2	4.8	4.8	4.8	20.0
Expanding R&D team	0.6	3.5	4.1	4.1	4.1	16.5
Procuring R&D equipment, hardware, services and software, and testing	0.7	0.7	0.7	0.7	0.7	3.5
Construction of an R&D center	0.7	1.3	3.0	0.1	–	5.0
Construction of the Shenzhen Facility	**1.9**	**3.7**	**8.2**	**0.5**	**0.7**	**15.0**
Construction of the Shenzhen Facility	1.9	3.7	8.2	–	–	13.8
Recruiting individuals associated with the Shenzhen Facility	–	–	–	0.5	0.7	1.2
Repayment of interest-bearing bank borrowings	**4.1**	**6.0**	**–**	**–**	**–**	**10.0**
EIBC Loan I	4.1	–	–	–	–	4.1
EIBC Loan II	–	4.1	–	–	–	4.1
CMB Loan	–	1.9	–	–	–	1.9
Strategic investment and/or acquisitions(1)	**2.0**	**8.0**	**–**	**–**	**–**	**10.0**
Working capital and other general corporate uses	**10.0**	**–**	**–**	**–**	**–**	**10.0**

Note:

(1) The implementation timeline for strategic investments and/or acquisition depends on investment and acquisition opportunities and the selection process based on our selection criteria.

If the Offer Price is set at HK$21.5 per Share, being the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase to approximately HK$2,796.1 million. If the Offer Price is set at HK$19.88 per Share, being the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease to approximately HK$2,582.8 million. The above allocation of the net proceeds from the Global Offering will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the midpoint of the indicative Offer Price range stated in this prospectus. Any additional net proceeds received from the exercise of the Over-allotment Option will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to put into effect any part of our future development plan as intended, and to the extent permitted by the relevant laws and regulations, we may deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

HONG KONG UNDERWRITERS

CLSA Limited
SDICS International Securities (Hong Kong) Limited
CMB International Capital Limited
(Below in alphabetical order)
ABCI Securities Company Limited
China Sunrise Securities (International) Limited
Futu Securities International (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 13,508,200 Hong Kong Offer Shares and the International Offering of initially 121,572,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange, and such approval and permission not subsequently having been withdrawn or revoked prior to the commencement of dealings in the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. If at any time prior to 8:00 a.m. on the day that trading in the H Shares commences on the Stock Exchange:

(a) there develops, occurs, exists or comes into force:

(i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, Taiwan, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or

(v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) the issue or requirement to issue by our Company of a supplement or amendment to this Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a Group Company or a director, supervisor or a senior management member of any Group Company or announcing an intention to take any such action; or

(viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or the Controlling Shareholder or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(ix) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(x) any non-compliance of this Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(xi) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or the Controlling Shareholder or any Director, Supervisor or senior management members as named in this Prospectus; or

(xii) any contravention by any Group Company or any Director or Supervisor of the Listing Rules or applicable laws; or

(xiii) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Overall Coordinators and the Hong Kong Underwriters):

(1) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company or the Group as a whole;

(2) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or

(3) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or

distribution of the Offer Shares on the terms and in the manner contemplated by any of this prospectus, any of its application proof, the formal notice, the post hearing information pack, the disclosure package as defined in the International Underwriting Agreement, the preliminary offering circular, the offering circular and any other announcement, document, materials, communications or information made, issued, given, released, arising out of or used in connection with or in relation to the contemplated offering and sale of the Offer Shares or otherwise in connection with the Global Offering, including, without limitation, any investor presentation materials relating to the Offer Shares and, in each case, all amendments or supplements thereto (collectively, the "**Offering Documents**");

(4) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Overall Coordinators and the Hong Kong Underwriters) that:

(i) any statement contained in any of the Offering Documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(iii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(iv) any event, act or omission which gives rise or is likely to give rise to any liability of the indemnifying party pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(v) any breach of any of the obligations or undertakings imposed upon our Company or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or

(vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or

(vii) the chairman of the Board, any Director, Supervisor or any member of senior management of our Company named in this Prospectus seeks to retire, or is removed from office or vacating his/her office; or

(viii) any Director, Supervisor or any member of senior management of our Company named in this Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(ix) our Company withdraws this Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(x) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(xi) any person (other than the Sole Sponsor) has withdrawn its consent to the issue of this Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(xii) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xiii) any person (other than the Sole Sponsor and the Sponsor-Overall Coordinator) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or

(xiv) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(xv) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-Overall Coordinator, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC rules or any other applicable laws; or

(xvi) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, as a result of the payment of the relevant investment amount not being received or settled in the stipulated time and manner or otherwise,

then, in each case, the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Overall Coordinators and the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that it will not issue any further Shares, or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including the Over-Allotment Option) or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertaking by the Controlling Shareholder

Pursuant to Rule 10.07 of the Listing Rules, the Controlling Shareholder has irrevocably and unconditionally undertaken to us and to the Stock Exchange that he shall not and shall procure that the relevant registered holder(s) controlled by him shall not, either directly or indirectly:

(a) in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our securities that it is shown to beneficially own in this prospectus (the "**Relevant Shares**"); or

(b) in the period of a further 6 months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he will cease to be a controlling shareholder (as defined in the Listing Rules) of our Company.

The Controlling Shareholder has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of his shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he will and will procure that the relevant registered holder(s) will:

(a) when he pledges or charges any securities in our Company beneficially owned by him in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(b) when he receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by him will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by the Controlling Shareholder and subject to the then requirements of the Listing Rules disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by Our Company in Respect of Our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except as disclosed in the Prospectus, including but not limited to the offer, allotment, issue and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option), or for circumstances permitted under Rule 10.08 of the Listing Rules, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six Month Period**"), it will not, without the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Overall Coordinators and the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the H Shares or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase the H Shares or other securities of our Company, as applicable), or deposit the H Shares or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares); or

(c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or

(d) offer to or agree to do any of the foregoing specified in paragraph (a), (b) or (c) or announce any intention to do so, in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of the H Shares or such other securities, in cash or otherwise (whether or not the issue of such H Shares or other securities will be completed within the First Six Month Period).

Our Company further agrees that, in the event our Company is allowed to enter into any of the transactions described in paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "**Second Six Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any H Shares or other securities of our Company.

Our Company agrees and has undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it will comply with the minimum public float requirements specified in the Listing Rules from time to time (the "**Minimum Public Float Requirement**"), and it will not effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the Second Six Month Period without first having obtained the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Overall Coordinators and the Hong Kong Underwriters), and it will not enter into any agreement, arrangement or transaction which shall cause or have the effect of causing the portion of the H Shares that are held by the public and that are available for trading and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable Laws or otherwise) on the Listing Date to fall below the prescribed level under 19A.13C of the Listing Rules.

Hong Kong Underwriters' Interests in Our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, save as disclosed in the section headed "Appendix IV — Statutory and General Information — E. Other Information" in this prospectus, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with, among others, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the International Underwriters and the Capital Market Intermediaries on or about the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares being offered under the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering."

Over-allotment Option

Our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for itself and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, being Sunday, November 16, 2025, pursuant to which our Company may be required to issue up to an aggregate of 20,262,000 additional H Shares, representing not more than 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-allotment Option."

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 2.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the Over-allotment Option) (the "**Fixed Fees**"). Our Company may, at its discretion, pay to one or more Underwriter(s) and Capital Market Intermediary(ies) an additional discretionary fee of up to 0.5% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the Over-allotment Option) (the "**Discretionary Fees**"). Assuming the Discretionary Fees are paid in full, the ratio of the Fixed Fees to the Discretionary Fees will be approximately 4:1.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, our Company will pay an underwriting commission at the rate applicable to the International Offering to the relevant International Underwriters (and not the Hong Kong Underwriters).

The aggregate underwriting commissions and fees payable to the Underwriters and the Capital Market Intermediaries, together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and other expenses payable by our Company in relation to the Global Offering are estimated to be approximately HK$105.4 million (assuming an Offer Price of HK$20.69 per H Share (being the mid-point of the indicative Offer Price range), the full payment of the Discretionary Fees and before the exercise of the Over-allotment Option).

Indemnity

Our Company has agreed to indemnify the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters, the Capital Market Intermediaries and each of them for certain losses which they may suffer or incur, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement or any breach of the Hong Kong Underwriting Agreement by our Company.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Group and/or persons and entities with relationships with our Group and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debts.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering — Stabilization." Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilization Manager or its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Group and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

INDEPENDENCE OF THE SOLE SPONSOR

As of the Latest Practicable Date, the Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. CLSA Limited is the Sponsor-Overall Coordinator of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus.

135,080,200 Offer Shares will initially be made available (subject to the Over-allotment Option) under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 13,508,200 H Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" below; and

(b) the International Offering of initially 121,572,000 H Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S as described in "— The International Offering" below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 15.0% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing). If the Over-allotment Option is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the Offer Shares (including H Shares to be issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 16.9% of the total Shares in issue immediately following the completion of the Global Offering and the issue of H Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedures for applications relate solely to the Hong Kong Public Offering.

HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 13,508,200 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the Offer Shares initially available under the Global Offering. The Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering, will represent approximately 1.5% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to professional and institutional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools (with any odd lots being allocated to pool A): pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 6,754,000 Hong Kong Offer Shares (being approximately 50% of the 13,508,200 Hong Kong Offer Shares initially comprised in the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinator will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate. In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinator deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 6,753,800 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 20,262,000 Offer Shares, representing approximately 15% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price shall be fixed at the low end of the indicative Offer Price range (i.e., HK$19.88 per H Share) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering. Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong

Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering. Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Tuesday, October 21, 2025. Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he/she/it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channel), the maximum Offer Price of HK$21.50 per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, amounting to a total of HK$4,343.37 for one board lot of 200 H Shares. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum Offer Price of HK$21.50 per H Share, appropriate refund payments (including brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to the relevant successful applicants (subject to application channels), without interest. Further details are set out in "How to Apply for Hong Kong Offer Shares."

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

Subject to reallocation and the Over-allotment Option, the International Offering will consist of an offering of initially 121,572,000 H Shares, representing approximately 90% of the Offer Shares initially available under the Global Offering. The Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering, will represent approximately 13.5% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

Allocation

The International Offering will include selective marketing of Offer Shares to professional and institutional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and the Shareholders as a whole.

The Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of reallocation as described in "— The Hong Kong Public Offering — Reallocation" above and/or the exercise of the Over-allotment Option in whole or in part.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, being Sunday, November 16, 2025, to require our Company to issue up to an aggregate of 20,262,000 additional H Shares, representing not more than 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing, the additional H Shares to be issued pursuant thereto will represent approximately 2.2% of the total Shares in issue immediately following the completion of the Global Offering and the issue of H Shares pursuant to the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilization Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilization Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilization Manager (or its affiliates or any person acting for it) and in what the Stabilization Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing or subscribing for or agreeing to purchase or subscribe for the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing or agreeing to purchase any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilization Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilization Manager (or its affiliates or any person acting for it) will maintain such a long position;

(c) liquidation of any such long position by the Stabilization Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;

(d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date and is expected to expire on Sunday, November 16, 2025, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

(e) the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilization Manager (or its affiliates or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilization Manager (or its affiliates or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or by a combination of these methods.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Monday, October 20, 2025, by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$21.50 per H Share and is expected to be not less than HK$19.88 per H Share, unless otherwise announced by our Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as further explained below.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com** notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range, the cancellation of the Global Offering and the relaunch of the offering at the revised number of Offer Shares and/or indicative Offer Price range. Our Company will also, as soon as practicable following the decision to make such reduction, issue a supplemental or new prospectus updating investors of the reduction in the number of Offer Shares and/or the indicative Offer Price range, and giving investors at least three business days to consider the new information. The supplemental or new prospectus shall include at least the following: updated (a) indicative Offer Price range and market capitalization; (b) listing timetable and underwriting obligations; (c) price/earnings multiple (if applicable), unaudited pro forma and adjusted net tangible assets; and (d) use of proceeds and working capital adequacy confirmation based on revised estimated proceeds. In the event of a reduction in the number of Offer Shares, the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) may also at its discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares offered under the Hong Kong Public Offering shall not be less than 10% of the Offer Shares available under the Global Offering (without taking into account any additional H Shares that may be issued pursuant to the Over-allotment Option). In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon by the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) and our Company, will under no circumstances be set outside the indicative Offer Price range as stated in this prospectus.

If there is any change to the offer size due to change in the number of Offer Shares initially offered under the Global Offering (other than pursuant to the exercise of the Over-allotment Option and/or the reallocation mechanism as disclosed in this prospectus), or if the Offer Price falls outside the indicative Offer Price range as stated in this prospectus, or if our Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offering and issue a supplemental or new prospectus.

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares are expected to be announced on Tuesday, October 21, 2025 on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement. Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or about the Price Determination Date. These underwriting arrangements, including the Underwriting Agreements, are summarized in "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange, and such approval and permission not subsequently having been withdrawn or revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(b) the Offer Price having been agreed between the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) and our Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of other Overall Coordinators and the Underwriters) and our Company by 12:00 noon on Monday, October 20, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com** on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

The H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Wednesday, October 22, 2025 (Hong Kong time), provided that the Global Offering has become unconditional in all respects and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, October 22, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, October 22, 2025.

The H Shares will be traded in board lots of 200 H Shares each and the stock code of the H Shares will be 0638.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under "HKEXnews > New Listings > New Listing Information" and our website at **www.fibocom.com**.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address (for the **White Form eIPO** service only); and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are an existing Shareholder or a Director or a Supervisor;
- are a close associate of any of the above;
- are a core connected person (as defined in the Listing Rules) of our Company or will become a core connected person of our Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participated in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Tuesday, October 14, 2025 and end at 12:00 noon on Friday, October 17, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	at **www.eipo.com.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 am on Tuesday, October 14, 2025 to 11:30 am on Friday, October 17, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, October 17, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions, and you are advised not to wait until the last day for applications to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instruction given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the application instructions are given, you shall be deemed to have declared that only one set of application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instruction given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)[(2)] as shown on your identity document	• Full name(s)[(2)] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority:	• Identity document type, with order of priority:
i. Hong Kong identity card ("**HKID**"); or	i. Legal Entity Identifier ("**LEI**") registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport	iii. Business registration certificate; or
	iv. Other equivalent document
• Identity document number	• Identity document number

Notes:

(1) If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID. The number of joint applicants may not exceed four. If you are a firm, the application must be in the individual members' names.

(2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both English and Chinese names, both English and Chinese names must be used. Otherwise, either English or Chinese name will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application for Hong Kong Offer Shares. Similarly, for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

(3) If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

(4) The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

(5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each of the joint beneficial owners. If you do not include this information, the application will be treated as being made for your benefit.

(6) If an application is made by an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of our Company;
- control more than half of the voting power of our Company; or
- hold more than half of the issued share capital of our Company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . **200 H Shares**

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . . .

Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$21.50 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

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

Board lot size . . . . **200 H Shares**

By instructing your broker or custodian to apply for Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
200	4,343.37	5,000	108,584.13	45,000	977,257.23	700,000	15,201,779.26
400	8,686.73	6,000	130,300.96	50,000	1,085,841.38	800,000	17,373,462.00
600	13,030.10	7,000	152,017.79	60,000	1,303,009.66	900,000	19,545,144.76
800	17,373.46	8,000	173,734.62	70,000	1,520,177.93	1,000,000	21,716,827.50
1,000	21,716.82	9,000	195,451.44	80,000	1,737,346.20	2,000,000	43,433,655.00
1,200	26,060.20	10,000	217,168.28	90,000	1,954,514.48	3,000,000	65,150,482.50
1,400	30,403.56	15,000	325,752.41	100,000	2,171,682.76	4,000,000	86,867,310.00
1,600	34,746.92	20,000	434,336.56	200,000	4,343,365.50	5,000,000	108,584,137.50
1,800	39,090.29	25,000	542,920.69	300,000	6,515,048.26	6,754,000(1)	146,675,452.94
2,000	43,433.65	30,000	651,504.83	400,000	8,686,731.00		
3,000	65,150.48	35,000	760,088.97	500,000	10,858,413.76		
4,000	86,867.31	40,000	868,673.10	600,000	13,030,096.50		

Notes:

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

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" above. If you are suspected of submitting or causing to be submitted more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) the **HKSCC EIPO** channel or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or the **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or the **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators (or their agents or nominees), as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understood the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on the Hong Kong Public Offering set out in this prospectus and they do not apply to you or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it, and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made), and will not rely on any other information or representations;

(vi) agree that we, the Sole Sponsor, the Joint Global Coordinators, the Overall Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, our and their respective directors, supervisors, officers, employees, partners, agents, advisors and other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar, the **White Form eIPO** Service Provider and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares nor participated in the International Offering;

(viii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes specified under "— G. Personal Data" below;

(ix) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(x) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in "— B. Publication of Results" below;

(xi) confirm that you are aware of the situations specified in "— C. Circumstances in Which You Will Not Be Allocated Hong Kong Offer Shares" below;

(xii) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xiii) agree and warrant that you have complied with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Act, the Memorandum and Articles of Association, and laws of any place outside Hong Kong that apply to your application, and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiv) represent, warrant and undertake that (a) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (b) you and the person(s) for whose benefit you have made the application are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xv) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xvi) warrant that the information you have provided is true and accurate;

(xvii) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you, and that you may be prosecuted for making a false declaration;

(xviii) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xix) authorize us to place your name(s) or the name of HKSCC Nominees on our register of members as the holder(s) of any Hong Kong Offer Shares allocated to you and such other registers as may be required under the Memorandum and Articles of Association, and we and/or our agents to send any H Share certificate(s) and/or any **White Form** e-Refund payment instructions and/or any refund check(s) to you or the first-named applicant for joint application to the address specified in your application instructions by ordinary post at your own risk, unless you are eligible to collect the H Share certificate(s) and/or refund check(s) in person;

(xx) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xxi) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving application instructions to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by you or by anyone as your agent or by any other person; and

(xxii) (if you are making the application as an agent for the benefit of another person) warrant that (a) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving application instructions to HKSCC and the **White Form eIPO** Service Provider and (b) you have due authority to give application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through White Form eIPO service or HKSCC EIPO channel:		
Website	From the "Allotment Results" page at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Tuesday, October 21, 2025 to 12:00 midnight on Monday, October 27, 2025 (Hong Kong time).
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.fibocom.com**, which will provide links to the above-mentioned websites of the H Share Registrar.	By 11:00 p.m. on Tuesday, October 21, 2025 (Hong Kong time).
Telephone . . .	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar.	Between 9:00 a.m. and 6:00 p.m. on Wednesday, October 22, 2025, Thursday, October 23, 2025, Friday, October 24, 2025 and Monday, October 27, 2025 (Hong Kong time).

For those applying through the **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Monday, October 20, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Monday, October 20, 2025 (Hong Kong time) on a 24-hour basis, and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of the Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.fibocom.com** by no later than 11:00 p.m. on Tuesday, October 21, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" above on what constitutes multiple applications;

- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated; or
- our Company or the Overall Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted H Shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DISPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Wednesday, October 22, 2025 (Hong Kong time), provided that the Global Offering has become unconditional in all respects and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate		
For physical H Share certificates of 1,000,000 or more Hong Kong Offer Shares issued under your own name	Collection in person from the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.
	Time: from 9:00 a.m. to 1:00 p.m. on Wednesday, October 22, 2025 (Hong Kong time).	No action by you is required.
	If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	

	White Form eIPO service	HKSCC EIPO channel
	Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For physical H Share certificates of less than 1,000,000 Hong Kong Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Date: Tuesday, October 21, 2025	

Refund mechanism for surplus application monies paid by you

Date	Wednesday, October 22, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party . .	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund check(s) will be dispatched to the address specified in your application instructions by ordinary post at your own risk.	

Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong on Tuesday, October 21, 2025 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Severe Weather Arrangements" in this section.

E. SEVERE WEATHER ARRANGEMENTS

The application lists will not open or close on Friday, October 17, 2025 if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a "black" rainstorm warning signal; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"),

(collectively, "**Severe Weather Signals**")

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, October 17, 2025 (Hong Kong time).

Instead they will open at 11:45 a.m. and/or close at 12:00 noon on the next business day which does not have **Severe** Weather Signals in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon (Hong Kong time).

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in "Expected Timetable," an announcement will be made and published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Tuesday, October 21, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Wednesday, October 22, 2025.

If a **Severe** Weather Signal is hoisted on Tuesday, October 21, 2025, the despatch of physical Share certificates of less than 1,000,000 Hong Kong Offer Shares will be made by ordinary post when the post office re-opens after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, October 21, 2025 or on Wednesday, October 22, 2025).

If a **Severe** Weather Signal is hoisted on Wednesday, October 22, 2025, physical Share certificate(s) of 1,000,000 or more Hong Kong Offer Shares will be available for collection in person at the H Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, October 22, 2025 or on Thursday, October 23, 2025).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

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

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

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisors for details of those settlement arrangements as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. Such personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the Collection of Your Personal Data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating our Company's register of members;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants for and holders of the H Shares and/or regulators and/or any other purposes to which applicants for and holders of the H Shares may from time to time agree.

4. Transfer of Personal Data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operations;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purposes of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of Personal Data

Our Company and the H Share Registrar will keep the personal data of the applicants for and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and Correction of Personal Data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company, at our Company's registered address disclosed in "Corporate Information" or as notified from time to time, for the attention of the joint company secretaries, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report received from the reporting accountants of the Company, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purposes of incorporation in this document.

Grant Thornton
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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF FIBOCOM WIRELESS INC. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Fibocom Wireless Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-96, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and as at 30 April 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 and the four months ended 30 April 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-96 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated 14 October 2025 (the "Document") in connection with the initial listing of the H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the Company's financial position as at 31 December 2022, 2023 and 2024 and as at 30 April 2025 and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

14 October 2025

Chiu Wing Ning
Practising Certificate No.: P04920

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the historical financial information which forms an integral part of this accountants' report.

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Four months ended 30 April	
	Notes	2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Continuing operations						
Revenue	5	5,202,736	5,651,814	6,971,189	2,047,100	2,480,648
Cost of goods sold		(4,136,956)	(4,464,939)	(5,704,274)	(1,638,586)	(2,041,797)
Gross profit		1,065,780	1,186,875	1,266,915	408,514	438,851
Other income, net	6	69,356	61,483	86,229	43,833	22,442
Other gains and losses, net	6	5,260	12,988	(8,426)	(3,535)	(1,230)
Research and development expenses		(542,563)	(540,156)	(582,684)	(193,933)	(182,250)
Selling and distribution expenses		(155,039)	(178,445)	(162,243)	(58,777)	(46,678)
Administrative expenses		(107,484)	(145,510)	(200,326)	(43,571)	(53,048)
Reversal/(Provision) of expected credit losses ("ECL") allowance of trade and other receivables	24	(619)	2,813	(12,112)	(1,266)	(1,991)
Operating profit		334,691	400,048	387,353	151,265	176,096
Finance income	7	5,304	12,144	24,581	4,598	6,101
Finance costs	7	(24,183)	(29,387)	(37,447)	(10,677)	(10,510)
Finance costs, net	7	(18,879)	(17,243)	(12,866)	(6,079)	(4,409)
Share of result of associate	21	23,213	2,017	(3,898)	(2,466)	(1,282)
Profit before income taxes	8	339,025	384,822	370,589	142,720	170,405
Income tax credit/(expense)	9	13,240	(8,053)	52,562	(2,834)	(10,140)
Profit for the year/period from continuing operations		352,265	376,769	423,151	139,886	160,265
Discontinued operation						
Profit for the year/period from discontinued operation	10	12,568	188,219	253,687	93,458	–
Profit for the year/period		364,833	564,988	676,838	233,344	160,265

	Notes	Year ended 31 December			Four months ended 30 April	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Other comprehensive income arising from continuing operations						
Items that will not be reclassified subsequently to profit or loss						
Changes in fair value of financial assets at FVTOCI, net of tax		2,049	51,858	70,724	73,481	17,387
Items that will be reclassified subsequently to profit or loss						
Share of other comprehensive income of investment in associate	*21*	8,568	–	–	–	–
Currency translation difference		3,132	(689)	14,909	1,384	1,913
		13,749	51,169	85,633	74,865	19,300
Other comprehensive expense arising from discontinued operation						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of post-employment benefit obligations		(2,977)	1,874	1,104	(356)	–
Items that will be reclassified subsequently to profit or loss						
Currency translation difference		1,797	11,367	(13,165)	991	–
		(1,180)	13,241	(12,061)	635	–
Total comprehensive income for the year/period		377,402	629,398	750,410	308,844	179,565
Profit for the year/period attributable to:						
Owners of the Company						
– Continuing operations		352,265	375,335	414,277	136,321	157,583
– Discontinued operation		12,568	188,219	253,687	93,458	–
		364,833	563,554	667,964	229,779	157,583
Non-controlling interests						
– Continuing operations		–	1,434	8,874	3,565	2,682
		364,833	564,988	676,838	233,344	160,265

	Notes	Year ended 31 December			Four months ended 30 April	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Total comprehensive income attributable to:						
Owners of the Company						
– Continuing operations		366,014	426,504	499,910	211,186	176,883
– Discontinued operation		11,388	201,460	241,626	94,093	–
		377,402	627,964	741,536	305,279	176,883
Non-controlling interests						
– Continuing operations		–	1,434	8,874	3,565	2,682
		377,402	629,398	750,410	308,844	179,565
Earnings per share ("EPS") for profit attributable to owners of the Company						
Basic (in RMB per share)						
– Continuing operations	*14(a)*	0.47	0.50	0.55	0.18	0.21
– Discontinued operation	*14(a)*	0.02	0.24	0.33	0.12	–
		0.49	0.74	0.88	0.30	0.21
Diluted (in RMB per share)						
– Continuing operations	*14(b)*	0.47	0.50	0.54	0.18	0.21
– Discontinued operation	*14(b)*	0.02	0.24	0.33	0.12	–
		0.49	0.74	0.87	0.30	0.21

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 April
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	15	237,962	218,252	171,822	180,757
Right-of-use assets	16	110,573	103,978	135,418	235,527
Deferred tax assets	31	95,101	119,728	156,563	150,792
Goodwill	19	311,219	311,219	12,902	12,902
Intangible assets	20	373,111	367,496	247,976	244,010
Financial assets at fair value through other comprehensive income ("FVTOCI")	17	112,135	217,280	329,578	352,761
Deposit	24	8,102	20,373	5,126	3,985
Interests in associates	21	63,132	60,477	57,274	63,334
		1,311,335	1,418,803	1,116,659	1,244,068
Current assets					
Inventories	23	1,096,606	1,285,630	979,719	1,306,150
Trade and other receivables	24	2,888,139	2,929,340	3,415,407	3,490,986
Tax recoverable		35,901	19,272	17,021	27,741
Financial assets at FVTOCI	17	201,940	324,464	363,685	327,093
Financial assets at fair value through profit or loss ("FVTPL")	22	86,468	104,138	608,465	575,821
Pledged deposits	25	1,874	35,378	67,980	51,874
Cash and cash equivalents	25	775,468	978,262	980,120	807,073
		5,086,396	5,676,484	6,432,397	6,586,738
Current liabilities					
Trade and other payables	26	2,245,453	2,347,426	2,407,388	2,488,152
Contract liabilities	27	67,057	49,376	27,943	44,000
Bank borrowings	28	798,240	790,901	1,079,682	1,211,979
Lease liabilities	30	18,473	18,142	10,984	71,008
Provisions	33	102,440	173,820	–	–
Income tax payable		75,059	109,167	120,685	1,848
		3,306,722	3,488,832	3,646,682	3,816,987
Net current assets		1,779,674	2,187,652	2,785,715	2,769,751
Total assets less current liabilities		3,091,009	3,606,455	3,902,374	4,013,819

	Notes	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 April 2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current liabilities					
Bank borrowings	28	599,920	394,472	189,970	50,000
Lease liabilities	30	27,290	22,922	10,683	62,132
Deferred income	29	953	13,288	11,338	9,210
Deferred tax liabilities	31	27,557	39,278	77,422	83,197
Employee benefits obligations	32	7,041	7,886	–	–
		662,761	477,846	289,413	204,539
Net assets		2,428,248	3,128,609	3,612,961	3,809,280
EQUITY					
Share capital	34	631,721	765,806	765,565	765,453
Share premium		598,877	633,918	631,909	634,163
Reserves	35	149,299	224,736	348,256	382,168
Retained profits		1,048,351	1,508,621	1,858,605	2,016,188
Equity attributable to owners of the Company		2,428,248	3,133,081	3,604,335	3,797,972
Non-controlling interests		–	(4,472)	8,626	11,308
Total equity		2,428,248	3,128,609	3,612,961	3,809,280

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 April
	Notes	2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*15*	118,481	115,547	140,766	148,963
Right-of-use assets	*16*	83,298	75,502	68,366	141,307
Deferred tax assets	*31*	19,853	23,341	42,585	38,257
Intangible assets	*20*	128,296	149,085	154,641	150,196
Deposit	*24*	8,102	17,633	2,855	2,683
Investments in subsidiaries	*1*	893,580	976,381	1,069,706	1,070,680
		1,251,610	1,357,489	1,478,919	1,552,086
Current assets					
Inventories	*23*	651,050	672,211	473,988	854,099
Trade and other receivables	*24*	698,915	901,170	1,115,466	1,118,878
Amount due from subsidiaries		1,687,676	1,958,225	3,510,226	3,930,670
Tax recoverable		31,123	9,445	11,321	11,761
Financial assets at FVTOCI		15,859	14,134	17,343	15,071
Financial assets at FVTPL		86,468	92,806	224,861	258,777
Pledged deposits		1,874	13,892	59,606	–
Cash and cash equivalent		493,537	690,301	562,285	422,250
		3,666,502	4,352,184	5,975,096	6,611,506
Current liabilities					
Trade and other payables	*26*	1,213,963	1,338,252	1,780,415	1,922,071
Amount due to subsidiaries		597,432	876,378	1,578,867	1,478,148
Contract liabilities	*27*	42,818	51,619	584,496	1,012,059
Bank borrowings	*28*	647,917	658,706	635,547	837,545
Lease liabilities	*30*	5,414	5,494	3,616	46,443
		2,507,544	2,930,449	4,582,941	5,296,266
Net current assets		1,158,958	1,421,735	1,392,155	1,315,240
Total assets less current liabilities		2,410,568	2,779,224	2,871,074	2,867,326
Non-current liabilities					
Bank borrowings	*28*	200,000	99,980	189,970	50,000
Lease liabilities	*30*	9,699	4,097	934	39,477
Deferred income		953	13,288	11,338	9,210
		210,652	117,365	202,242	98,687
Net assets		2,199,916	2,661,859	2,668,832	2,768,639
EQUITY					
Share capital	*34*	631,721	765,806	765,565	765,453
Share premium		598,877	633,918	631,909	634,163
Reserves	*35*	116,761	111,419	158,665	165,228
Retained profits		852,557	1,150,716	1,112,693	1,203,795
Total equity		2,199,916	2,661,859	2,668,832	2,768,639

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 1 January 2022	414,188	628,026	(3,512)	–	117,740	796,834	1,953,276	–	1,953,276
Transactions with owners:									
Statutory reserves	–	–	–	–	30,498	(30,498)	–	–	–
Issuance of shares	10,191	170,136	–	(21,523)	–	–	158,804	–	158,804
Share option exercised	535	10,200	–	–	–	–	10,735	–	10,735
Repurchase of shares	(237)	(2,441)	–	2,678	–	–	–	–	–
Share based payment	–	–	2,127	–	–	–	2,127	–	2,127
Restricted shares exercised	–	–	–	8,722	–	–	8,722	–	8,722
Scrip dividend	207,044	(207,044)	–	–	–	–	–	–	–
Dividend	–	–	–	–	–	(82,818)	(82,818)	–	(82,818)
Profit for the year	–	–	–	–	–	364,833	364,833	–	364,833
Other comprehensive income	–	–	–	–	12,569	–	12,569	–	12,569
Total comprehensive income	217,533	(29,149)	2,127	(10,123)	43,067	251,517	474,972	–	474,972
Balance as at 31 December 2022 and 1 January 2023	631,721	598,877	(1,385)	(10,123)	160,807	1,048,351	2,428,248	–	2,428,248

	Attributable to owners of the Company								
	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 31 December 2022 and 1 January 2023	631,721	598,877	(1,385)	(10,123)	160,807	1,048,351	2,428,248	–	2,428,248
Transactions with owners:									
Statutory reserves	–	–	–	–	40,143	(40,143)	–	–	–
Issuance of shares	9,947	178,635	–	(22,945)	–	–	165,637	–	165,637
Repurchase of shares	(2,144)	(17,312)	–	(31,542)	–	–	(50,998)	–	(50,998)
Share based payment	–	–	8,831	–	–	–	8,831	–	8,831
Capital contribution from non-controlling interests	–	–	15,906	–	–	–	15,906	(5,906)	10,000
Scrip dividend	126,282	(126,282)	–	–	–	–	–	–	–
Dividend	–	–	–	634	–	(63,141)	(62,507)	–	(62,507)
Profit for the year	–	–	–	–	–	563,554	563,554	1,434	564,988
Other comprehensive income	–	–	–	–	64,410	–	64,410	–	64,410
Total comprehensive income	134,085	35,041	24,737	(53,853)	104,553	460,270	704,833	(4,472)	700,361
Balance as at 31 December 2023 and 1 January 2024	765,806	633,918	23,352	(63,976)	265,360	1,508,621	3,133,081	(4,472)	3,128,609

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Capital reserve**	**Treasury share**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 31 December 2023 and 1 January 2024	765,806	633,918	23,352	(63,976)	265,360	1,508,621	3,133,081	(4,472)	3,128,609
Transactions with owners:									
Statutory reserves	–	–	–	–	27,996	(27,996)	–	–	–
Repurchase of shares	(241)	(2,009)	–	2,250	–	–	–	–	–
Share based payment	–	–	2,124	–	–	–	2,124	–	2,124
Restricted shares exercised	–	–	–	15,201	–	–	15,201	–	15,201
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	4,224	4,224
Others	–	–	695	–	–	–	695	–	695
Dividend	–	–	–	1,682	–	(289,984)	(288,302)	–	(288,302)
Profit for the year	–	–	–	–	–	667,964	667,964	8,874	676,838
Other comprehensive income	–	–	–	–	73,572	–	73,572	–	73,572
Total comprehensive income	(241)	(2,009)	2,819	19,133	101,568	349,984	471,254	13,098	484,352
Balance as at 31 December 2024 and 1 January 2025	765,565	631,909	26,171	(44,843)	366,928	1,858,605	3,604,335	8,626	3,612,961

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Capital reserve**	**Treasury share**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)									
Balance as at 31 December 2023 and 1 January 2024	765,806	633,918	23,352	(63,976)	265,360	1,508,621	3,133,081	(4,472)	3,128,609
Transactions with owners:									
Repurchase of shares	(62)	(518)	–	580	–	–	–	–	–
Share based payment	–	–	5,313	–	–	–	5,313	–	5,313
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	3,816	3,816
Others	–	–	695	–	–	–	695	–	695
Dividend	–	–	–	–	–	(289,984)	(289,984)	–	(289,984)
Profit for the period	–	–	–	–	–	229,779	229,779	3,565	233,344
Other comprehensive income	–	–	–	–	75,500	–	75,500	–	75,500
Total comprehensive income	(62)	(518)	6,008	580	75,500	(60,205)	21,303	7,381	28,684
Balance as at 30 April 2024	765,744	633,400	29,360	(63,396)	340,860	1,448,416	3,154,384	2,909	3,157,293

	Attributable to owners of the Company								
	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 31 December 2024 and 1 January 2025	765,565	631,909	26,171	(44,843)	366,928	1,858,605	3,604,335	8,626	3,612,961
Transactions with owners:									
Share option exercised	481	7,345	–	–	–	–	7,826	–	7,826
Repurchase of shares	(593)	(5,091)	–	5,684	–	–	–	–	–
Share based payment	–	–	1,436	–	–	–	1,436	–	1,436
Others	–	–	7,492	–	–	–	7,492	–	7,492
Profit for the period	–	–	–	–	–	157,583	157,583	2,682	160,265
Other comprehensive income	–	–	–	–	19,300	–	19,300	–	19,300
Total comprehensive income	(112)	2,254	8,928	5,684	19,300	157,583	193,637	2,682	196,319
Balance as at 30 April 2025	765,453	634,163	35,099	(39,159)	386,228	2,016,188	3,797,972	11,308	3,809,280

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Four months ended 30 April	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash flows from operating activities						
Profit before income taxes						
Continuing operations		339,025	384,822	370,589	142,720	170,405
Discontinued operation		16,171	238,272	299,894	108,731	–
Adjustments for:						
Depreciation of property, plant and equipment		37,550	66,375	45,150	19,031	10,364
Depreciation of right-of-use assets		17,389	23,086	23,111	7,819	17,064
Amortization of intangible assets		26,195	58,690	50,973	21,088	11,427
Share of result of associate		(23,213)	(2,017)	3,898	2,466	1,282
Gain on disposal of associate		–	(628)	(162,611)	–	–
Fair value gain of previously-held interest		(22,751)	–	–	–	–
Net fair value gain on FVTPL		(2,102)	(4,532)	(10,092)	(2,823)	(2,347)
Financial costs		26,623	42,392	42,774	13,673	10,510
Financial income		(5,509)	(18,386)	(32,589)	(9,021)	(6,101)
Impairment loss of inventories		8,738	37,719	46,395	10,824	4,748
Provision/(Reversal) of ECL allowance of trade and bills receivables		1,474	(8,332)	12,553	1,495	1,991
Loss/(Gain) on early termination of lease		7	(103)	(1)	–	(9)
Loss on disposal of property, plant and equipment, net		246	423	677	395	328
Share based payments		5,372	9,932	2,485	5,442	1,229
Operating profit before working capital changes:		425,215	827,713	693,206	321,840	220,891
(Increase)/Decrease in inventories		(4,473)	(234,521)	262,000	(69,920)	(326,430)
Increase in trade and other receivables		(326,528)	(98,577)	(352,887)	(131,919)	(46,952)
Increase/(Decrease) in trade and other payables and provisions		255,172	133,945	(106,819)	30,454	128,668
Increase/(Decrease) in pledged deposit		963	11,766	(30,938)	4,426	23,016

		Year ended 31 December			Four months ended 30 April	
	Notes	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash generated from/(used in) operating activities		350,349	640,326	464,562	154,881	(807)
Interest received		5,585	18,059	28,819	4,779	7,040
Interest paid		(26,467)	(43,545)	(44,880)	(11,868)	(11,213)
Income tax paid		(37,874)	(33,741)	(19,135)	(27,794)	(133,730)
Net cash generated from/(used in) operating activities		291,593	581,099	429,366	119,998	(138,710)
Cash flows from investing activities						
Purchase of financial assets at FVTPL		(830,500)	(534,223)	(806,056)	(336,645)	(618,677)
Proceeds from financial assets at FVTPL		776,877	517,260	656,369	301,369	577,490
Disposal of associate		–	5,000	–	–	–
Proceeds from disposal of property, plant and equipment		8	–	21	–	–
Proceeds from disposal of subsidiaries		–	–	83,751	–	72,010
Purchase for property, plant and equipment		(172,554)	(155,568)	(124,103)	(42,086)	(54,018)
Purchase of financial assets at FVTOCI		(36,000)	(31,822)	(18,000)	–	–
Investment in associate		(30,000)	–	–	–	–
Cash inflow/(outflow) from acquisition of subsidiaries		58,217	–	(2,701)	(2,701)	–
Net cash used in investing activities		(233,952)	(199,353)	(210,719)	(80,063)	(23,195)

	Notes	Year ended 31 December			Four months ended 30 April	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash flows from financing activities						
Proceeds from bank borrowings. .		1,508,176	980,213	1,347,246	390,574	402,237
Repayment of bank borrowings . .		(1,183,088)	(1,200,983)	(1,268,518)	(263,715)	(410,450)
Payment of lease liabilities		(13,233)	(25,242)	(20,757)	(6,921)	(6,904)
Dividend		(82,818)	(63,141)	(289,984)	(289,984)	–
Issuance of share capital		21,526	188,582	–	–	–
Capital contribution from non-controlling interests.		–	10,000	2,328	1,920	–
Proceeds from exercise of share options.		10,735	–	–	–	7,827
Repurchase of shares		(2,678)	(67,981)	(2,250)	(579)	(5,684)
Net cash generated from/(used in) financing activities		258,620	(178,552)	(231,935)	(168,705)	(12,974)
Net increase/(decrease) in cash and cash equivalents		316,261	203,194	(13,288)	(128,770)	(174,879)
Cash and cash equivalents, beginning of year		434,135	775,468	978,262	978,262	980,120
Effect of exchange rate changes on cash and cash equivalents .		25,072	(400)	15,146	2,542	1,832
Cash and cash equivalents, end of year	*25*	775,468	978,262	980,120	852,034	807,073

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Fibocom Wireless Inc. (the "Company") was incorporated on 11 November 1999 as a limited liability company in Shenzhen with its headquarters located in Shenzhen, Guangdong. The Company's A shares were listed on Shenzhen Stock Exchange on 13 April 2017.

The Company and its subsidiary (the "Group") are principally engaged in the design, research and development, and sales services of communication solutions for the wireless communication module and its application industry. The subsidiary of the Company, Rolling Wireless S.à r.l. was disposed of during year ended 31 December 2024, details of which are set out in note 10.

In the opinion of the directors, the ultimate control of the Company is held by Mr. Zhang TianYu.

In this Historical Financial Information, certain English names of the companies referred herein represent the management's effort to translate the Chinese name of the companies as no English name has been registered.

At the date of this Historical Financial Information, the Company's principal subsidiaries are as follows:

Company name	Place of establishment/ incorporation and operation	Share capital	Percentage of issued capital held by the Company				Equity attributable to the Company	Principal activity
			As at 31 December			As at 30 April		
			2022	2023	2024	2025		
		(in thousand)						
Fibocom Wireless Software Inc. (深圳市廣和通無線通信軟件有限公司)	The PRC	RMB10,000	100.00%	100.00%	100.00%	100.00%	Direct	Operation of IT service
Fibocom Wireless (H.K.) Limited (廣和通實業(香港)有限公司)	Hong Kong	HKD1	100.00%	100.00%	100.00%	100.00%	Direct	Trading
Fibocom Wireless Taiwan Co., Ltd (台灣廣和通電子股份有限公司)	Taiwan	TWD45,000	100.00%	100.00%	100.00%	100.00%	Indirect	Trading
Fibocom Wireless USA Inc. (廣和通無線(美國)股份有限公司)	The United States	USD5,000	100.00%	100.00%	100.00%	100.00%	Direct	Market expansion and trading
ThingsMatrix Inc.	The United States	USD20	100.00%	100.00%	100.00%	–	Indirect	Operation of IT service
Zhejiang Nodecom Technology Co., Ltd. (浙江諾控通信技術有限公司)	The PRC	RMB10,000	100.00%	100.00%	100.00%	100.00%	Direct	Wireless communication modules
Xi'an Fibocom Wireless Software Inc. (西安廣和通無線軟件有限公司)	The PRC	RMB30,000	100.00%	100.00%	100.00%	100.00%	Direct	Operation of IT service
Fibocom Investment Development Inc. (深圳市廣和通投資發展有限公司)	The PRC	RMB250,000	100.00%	100.00%	100.00%	100.00%	Direct	Investment and Trading
FIA Inc. (深圳市廣和通無線科技有限公司)	The PRC	RMB20,000	100.00%	100.00%	100.00%	100.00%	Direct	End product business
Shenzhen Favalon Technology Co.,Ltd (深圳市廣通遠馳科技有限公司)	The PRC	RMB33,242	87.51%	73.58%	60.17%	60.17%	Indirect	Operation of motor vehicles module business
Fibocom Wireless EU GmbH (廣和通實業(歐洲)有限公司)	Germany	EUR3,000	100.00%	100.00%	100.00%	100.00%	Direct	Market expansion and trading

Company name	Place of establishment/ incorporation and operation	Share capital	Percentage of issued capital held by the Company				Equity attributable to the Company	Principal activity
			As at 31 December			As at 30 April		
			2022	2023	2024	2025		
		(in thousand)						
Xi'an Fibocom Wireless Inc. (西安廣和通無線通信有限公司)	The PRC	RMB30,000	100.00%	100.00%	100.00%	100.00%	Direct	Trading
Shenzhen Guangtong Yilian Technology Co., Ltd (深圳市廣通億聯科技有限公司)	The PRC	RMB10,000	100.00%	100.00%	100.00%	100.00%	Indirect	Operation of IT service
FAIOT CO.,LTD (上海廣翼智聯科技有限公司)	The PRC	RMB25,974	100.00%	77.00%	77.00%	77.00%	Direct	Operation of IT service
Shanghai Fibocom Auto Inc. (上海廣通遠馳技術有限公司)	The PRC	RMB2,000	87.51%	73.58%	60.17%	60.17%	Indirect	Operation of motor vehicles module business
Shanghai Faiot Software Co., Ltd (上海廣翼軟件有限公司)	The PRC	RMB2,000	100.00%	77.00%	77.00%	77.00%	Indirect	Operation of IT service
Faiot PTE. LTD. (菲奧特私人有限公司)	Singapore	USD50	–	–	77.00%	77.00%	Indirect	Investment and Trading
Shenzhen Yaboda Technology Co., Ltd (深圳市亞博達科技有限公司)	The PRC	RMB10,000	100.00%	100.00%	100.00%	100.00%	Direct	Research and development
Fibocom Technology Co.Ltd (深圳市廣和通科技有限公司)	The PRC	RMB100,000	100.00%	100.00%	100.00%	100.00%	Direct	Research and development
Fibocom Auto Software Inc. (深圳市廣通遠馳軟件有限公司)	The PRC	RMB10,000	87.51%	73.58%	60.17%	60.17%	Indirect	Research and development
Shenzhen Chuanglian Future Wireless Technology Co., Ltd. (深圳市創聯未來無線技術有限公司)	The PRC	RMB468,600	100.00%	100.00%	100.00%	100.00%	Direct	Investment and Trading
Rolling Wireless (H.K.) Limited	Hong Kong	USD66,010	100.00%	100.00%	100.00%	100.00%	Indirect	Trading
Rolling Wireless S.à r.l.	Luxembourg	EUR12	100.00%	100.00%	–	–	Indirect	Holding Company
Rolling Wireless France	France	EUR8,446	100.00%	100.00%	–	–	Indirect	Market expansion and trading
Rolling Wireless German GmbH	Germany	EUR327	100.00%	100.00%	–	–	Indirect	Market expansion and trading
Rolling Wireless Technology (H.K.) Limited	Hong Kong	HKD174,331	100.00%	100.00%	–	–	Indirect	Research and development
Rolling Wireless Communication Technology (Shenzhen) Ltd (銳凌無線通訊科技(深圳)有限公司)	The PRC	USD3,000	100.00%	100.00%	–	–	Indirect	Research and development
Rolling Wireless J.P. Limited	Japan	JPY15,530	100.00%	100.00%	–	–	Indirect	Market expansion and trading
Rolling Wireless K.R. Limited	Korea	KRW91,000	100.00%	100.00%	–	–	Indirect	Market expansion and trading
Rolling Wireless Hungary	Hungary	HUF3,000	100.00%	100.00%	–	–	Indirect	Market expansion and trading

Company name	Place of establishment/ incorporation and operation	Share capital	Percentage of issued capital held by the Company				Equity attributable to the Company	Principal activity
			As at 31 December			As at 30 April		
			2022	2023	2024	2025		
		(in thousand)						
Shanghai Sevenfold Universe Digital Technology Co., Ltd (上海七重宇宙數字科技有限公司) *(Note (i))*	The PRC	RMB10,000	–	–	45.90%	45.90%	Indirect	Research and development
Gingkgo Solution Inc. (銀杏解決方案有限公司)	The United States	USD50	–	–	–	77.00%	Indirect	Trading and research and development
Faiot Limited (菲奧特有限公司)	The Cayman Islands	USD50	–	–	–	77.00%	Indirect	Trading and research and development

Note:

(i) The Company entered into an agreement with Mr. Zhu Tao, one of its shareholders. Both parties will jointly act on major matters at the shareholder's meeting. Together, they hold a total of 51% of Shanghai Sevenfold Universe Digital Technology Co., Ltd's equity, thereby giving the Company control over Shanghai Sevenfold Universe Digital Technology Co., Ltd.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of presentation and preparation

The Historical Financial Information have been prepared in accordance with the International Financial Reporting Standards ("IFRS'), which collective terms includes all applicable individual Accounting Standards of IFRS Accounting Standards, International Accounting Standards ("ISAs") and Interpretations issued by the International Accounting Standards Board ("IASB").

All IFRSs are effective for the accounting period beginning on 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The early adoption of the IFRSs do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

The material accounting policies that have been used in the preparation of these Historical Financial Information are summarised below. These policies have been consistently applied to all the periods presented unless otherwise stated.

These Historical Financial Information have been prepared at the historical cost basis except for certain financial assets and liabilities which are stated of fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 4.

2.2 Basis of consolidation

The Historical Financial Information incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the Historical Financial Informational from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained profits). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Acquisition of subsidiaries

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

Where the consideration the Group transferred in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration classified as equity is not subsequently remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as a financial liability is subsequently remeasured at each reporting dates at fair value with changes in fair value recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.4 Foreign currency translation

The Historical Financial Information are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into the US dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

2.5 Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method at the following rates per annum:

Research equipment	5 years
Machinery and equipment	3-10 years
Motor vehicles	5 years
Office equipment	3-5 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of interest in an associate or a joint venture is set out in note 19.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to Cash-Generating Units ("CGU" or "CGUs") and is tested annually for impairment (see note 2.19).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.7 Intangible assets and research and development activities

Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Patent	2-10 years
Development platform	5-10 years
Customer relationships	7 years
Software	3-10 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Intangible assets, with finite and indefinite useful lives, are tested for impairment as described below in note 2.19.

Research and development expenses

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

2.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into amortised cost, FVTPL or fair value through other comprehensive income.

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for expected credit losses ("ECL") of trade and other receivables which is presented.

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other income. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, pledged time deposits, trade and other receivables fall into this category of financial instruments.

Financial assets at FVTOCI

If the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both collection of contractual cash flows and sale, subsequent changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include bank and other borrowings, leases liabilities and trade and other payables.

Financial liabilities other than lease liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities other than lease liabilities are measured at amortised cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in financial expense and income.

Accounting policies of lease liabilities are set out in note 2.13.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the net of transaction costs and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.9 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. For trade receivables, the Group assesses ECL under IFRS 9 based on shared credit risk characteristics and aging as well as the corresponding historical credit losses during that period, and adjusted for forward-looking factors specific to the debtors and the economic environment.

Other financial assets measured at amortised cost and at FVTOCI

The Group measures the loss allowance for deposits, other receivables and other financial assets at FVTOCI equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.12 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

2.13 Leases

(a) Definition of a lease and the Group as lessee

At inception of a contract, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

Except for those right-of-use assets meeting the definition of investment properties and those relating to a class of property, plant and equipment to which revaluation model was applied, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group remeasures lease liabilities whenever:

– there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;

– the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

(b) The Group as lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-leases as two separate contracts. The sub-leases are classified as a finance or operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If the head lease is a short-term lease to which the Group applies the short-term lease exemption, then the Group classifies the sub-lease as an operating lease.

The Group sub-leases some of its properties and the sub-lease contracts are classified as finance lease/operating leases.

(c) Sale and leaseback transactions

The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale in accordance with HKFRS 15, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only. Right of use asset and lease liability with fixed payments are subsequently measured in accordance with the Group's accounting policies above.

(d) Right-of-use assets

Right-of-use assets represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight line basis over the term of the lease/right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

2.15 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.16 Discontinued operation

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. The component comprises operations and cash flows that can be clearly distinguished from the rest of the Group and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount in the consolidated statement of profit or loss and other comprehensive income comprising the total of: (i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

2.17 Revenue recognition

Revenue arises mainly from the sales of goods.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group's revenue and other income recognition policies are as follows:

Sale of goods

Revenue from the sale of goods for a fixed fee is recognised when or as the Group transfers control of the assets to the customer. For non cross-border sales, revenue is recognized when the products have been dispatched and the customer has signed for acceptance. For cross-border sales, revenue is recognized when the goods are delivered to the customer's designated location and the customs return the export declaration and bill of lading.

The Group's standard sales terms are generally non-cancellable and non-returnable, other than for defective merchandise covered under the Group's standard warranty provision, which covers a one to two-year period depending on the product. The Group does not offer any extended warranties for purchase and warranty is recorded in cost of sales.

Sales-related warranties cannot be purchased separately and are served as an assurance that the products sold comply with agreed-upon specifications (i.e. assurance-type warranties). Accordingly, the Group accounts for warranties in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Service income

Revenue from provision of services between the Group and its customers generally include technical services. If the customers obtain and consume the economic benefits brought by the Group's performance when the Group has performed its obligations, the Group may treat its performance obligation has been satisfied within a certain period of time and recognize the respective revenue over time, except for those revenue where the progress of performance cannot be reasonably determined.

Revenue from provision of services is recognized when the Company has satisfied the corresponding performance obligation in accordance with the contract terms, and has received acceptance and other proof of receipt form the customers.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are included in liabilities as "deferred income" in the consolidated statement of financial position and are recognised in profit or loss on a straight line basis over the expected lives of the related assets/deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Government grants relating to income is presented in gross under "other income" in the consolidated statement of profit or loss and other comprehensive income.

2.19 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of a subsidiary;
- Other intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- The Company's interests in subsidiaries, associates and joint ventures.

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.20 Employee benefits

Retirement benefit

(a) PRC

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contributions retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assure the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independent administrated funds managed by the PRC government.

(b) France

For the post-employment benefit obligations, an actuarial valuation is conducted by an independent actuary as of the annual balance sheet date to determine the cost of providing benefits using the expected accrued benefit unit method. The post-employment benefit costs are categorised as follows:

(i) Service cost (including current and past service cost, and gains and losses on curtailments and settlements);

(ii) Net interest expense or income; and

(iii) Changes resulting from the remeasurement of post-employment benefit obligations.

Unless other accounting standards require or allow employee benefit costs to be included in asset costs, the company will recognize the items of (a) and (b) in profit or loss for 2022, 2023 and 2024; item (c) will be recognized in other comprehensive income and will not be reclassified to profit or loss in 2022, 2023 and 2024. Upon the termination of the original defined benefit plan, the portion previously recognized in other comprehensive income will be fully transferred to retained earnings within equity.

(c) Other countries

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable at the reporting date.

Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises costs for any related restructuring.

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "share option reserve" in equity. If vesting conditions apply, the expense is recognised over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

At the time when the share options are exercised, the amount previously recognised in "share option reserve" will be transferred to "share capital". After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in "share option reserve" will be transferred to "retained profits".

2.21 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.23 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker (the "CODM") for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the CODM are determined by the Group's major product and service lines.

The CODM has been identified as the executive directors of the Company, who determine the operating segments of the Group and review the Group's internal reporting in order to assess performance and allocate resources. All of the Group's business operations relate to the module products and solutions with similar economic characteristics. Accordingly, the executive directors review the performance of the Group as a single business segment. No separate analysis of the segment results by reportable segment is necessary.

2.24 Related parties

For the purposes of these Historical Financial Information, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

    (i) has control or joint control over the Group;

    (ii) has significant influence over the Group; or

    (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a company of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. ISSUED BUT NOT YET EFFECTIVE IFRSs

At the date of authorisation of these Historical Financial Information, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to IAS 21	Lack of exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

4 Effective date not yet determined

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is not expected to have material impact on the financial performance and financial position the Group but is expected to affect the disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group's consolidated financial statements.

Except for the IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for impairment of trade and other receivables

The Group makes allowances on items subjects to ECL (including trade and other receivables and other financial assets measured at amortised cost) based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period as set out in note 2.9.

As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the aggregate carrying amount of trade and other receivables amounted to RMB2,896,241,000, RMB2,949,713,000, RMB3,420,533,000 and RMB 3,494,971,000 net of loss allowance of RMB43,799,000, RMB35,945,000, RMB47,669,000 and RMB49,684,000 respectively.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables and government subsidy receivables and related credit losses in the periods in which such estimate has been changed.

Current and deferred income taxes

The Group is subject to income taxes in several jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Net realisable value of inventories

Net realisable value of inventories is based on estimated selling price less any estimated costs to be incurred to completion and disposal with reference to prevailing market information. These estimates are based on the current market condition and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period. During the Track Record Period, RMB6,683,000, RMB30,256,000 and RMB23,238,000 has been impaired during the years ended 31 December 2022, 2023 and 2024 and RMB13,333,000 has been reversed during four months ended 30 April 2025.

4.2 Critical accounting judgements

Research and development activities

Careful judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at each reporting date. In addition, all internal activities related to the research and development of new software, products or know how are continuously monitored by the Group's management.

Determination of the lease term in lease contracts and discount rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension options, or not exercise a termination option. Factors considered include:

– contractual terms and conditions for the optional periods compared with market rates (e.g. whether the amount of payments in the optional periods is below the market rates);

– the extent of leasehold improvements undertaken by the Group;

– costs relating to termination of the lease (e.g. relocation costs, costs of identifying another underlying asset suitable for the Group's needs); and

– Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), which in turn affect the carrying amounts of lease liabilities and corresponding right-of-use assets.

In determining the discount rate, the Group is required to exercise considerable judgement in relation to determining the discount rate taking into account the nature of the underlying assets and the terms and conditions of the leases, at both the commencement date and effective date of the modification.

5. REVENUE AND SEGMENT INFORMATION

5.1 Revenue

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information.

The Group derives revenue from the transfer of goods and services at a point in time or services over time were analysed as follows:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Types of goods or service					
Module products	5,107,847	5,485,083	6,704,471	1,991,385	2,310,582
Solutions	71,910	130,944	203,914	42,254	144,275
Others	22,979	35,787	62,804	13,461	25,791
	5,202,736	5,651,814	6,971,189	2,047,100	2,480,648
Timing of revenue recognition					
At point in time	5,202,736	5,651,814	6,946,108	2,041,413	2,471,206
Over time	–	–	25,081	5,687	9,442
Total	5,202,736	5,651,814	6,971,189	2,047,100	2,480,648

5.2 Segment information

During the Track Record Period, the executive directors of the Company, being the CODM reviews the overall results of the Group as a whole to make decisions about resources allocation and performance review. Accordingly, other than the entity-wide disclosure, no segment analysis is presented.

During the year ended 31 December 2022, the Group acquired Rolling Wireless S.à r.l. and its subsidiaries and the Group disposed Rolling Wireless S.à r.l. and its subsidiaries during the year ended 31 December 2024.

Geographical information

The Company is domiciled in Mainland China. The following table sets out the geographical information of the Group's revenue during the Track Record Period, which was determined based on geographical region of the customers.

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Geographical markets					
Mainland China	2,096,271	2,354,952	2,831,447	862,609	1,016,393
Taiwan	1,602,862	1,661,522	1,967,367	588,630	884,361
United States	621,163	578,111	817,172	237,363	269,913
Singapore	370,601	419,265	380,903	170,457	115,640
Hong Kong	304,036	391,620	363,126	106,970	53,051
Others	207,803	246,344	611,174	81,071	141,290
Total	5,202,736	5,651,814	6,971,189	2,047,100	2,480,648

The following table sets out information about the Group's property, plant and equipment, right-of-use assets, goodwill and intangible assets ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets or the location of operations. For property, plant and equipment and right-of-use assets, the physical location of the assets is relevant, for goodwill and intangible assets, the location of operations is relevant.

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Geographical locations				
Mainland China	464,764	473,880	521,342	627,154
Others	568,101	527,065	46,776	46,042
Total	1,032,865	1,000,945	568,118	673,196

Information about major customers

The following table sets out the revenue from the Group's customers which individually contributed over 10% of the Group's revenue during the Track Record Period.

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Customer A	1,445,961	1,481,635	1,187,420	415,905	562,861
Customer B	751,142	820,365	1,092,204	305,347	398,810
Customer C	614,527	575,680	810,871	236,698	266,856

6. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Other income					
Government subsidies	68,894	58,790	63,589	25,013	21,592
Sundry income	462	2,065	22,640	18,820	850
Gain on disposal of associate	–	628	–	–	–
	69,356	61,483	86,229	43,833	22,442
Other gains/(losses), net					
Remeasurement gain on interest previously held in an associate	22,751	–	–	–	–
Loss on disposal of property, plant and equipment, net	(246)	(357)	(282)	(2)	(328)
(Loss)/gain on early termination of lease	(7)	86	1	–	9
Net fair value gains on financial assets at FVTPL – realised	1,995	3,059	2,182	1,859	2,347

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net fair value gains on financial assets at FVTPL – unrealised	107	1,473	7,910	964	–
Exchange (loss)/gain	(18,398)	9,304	(18,595)	(8,812)	(2,792)
Others	(942)	(577)	358	2,456	(466)
	5,260	12,988	(8,426)	(3,535)	(1,230)

7. FINANCE COSTS

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Continuing operations					
Finance income					
Interest income	5,304	12,144	24,581	4,598	6,101
Finance costs					
Interest expense	(24,183)	(29,387)	(37,447)	(10,677)	(10,510)
Finance costs, net	(18,879)	(17,243)	(12,866)	(6,079)	(4,409)

8. PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Profit before income taxes from continuing operations is arrived at after charging/(crediting):

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Depreciation:					
– Owned assets	31,592	32,283	30,459	10,208	10,364
– Right-of-use assets	16,679	18,989	20,634	6,796	17,064
Total depreciation	48,271	51,272	51,093	17,004	27,428
Amortisation of intangible assets	21,087	27,098	32,169	10,233	11,427
Cost of inventories recognised as expenses	4,024,134	4,383,083	5,551,494	1,655,065	1,977,421
Lease charges:					
– Short-term leases	3,794	2,350	2,012	725	1,075
Reversal of ECL allowances on trade and bill receivables	–	(2,461)	–	–	–
ECL allowances on trade and bill receivables	5,308	286	12,270	1,022	1,950
ECL allowances on other receivables	–	–	8	244	41
Reversal of ECL allowances on other receivables	(2,680)	(329)	–	–	–
Provisions for/(Reversal of) inventories, net	1,311	7,844	26,224	(1,194)	(13,333)

9. INCOME TAX (CREDIT)/EXPENSE RELATING TO CONTINUING OPERATIONS

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current tax					
PRC enterprise income tax ("EIT")	18,770	17,492	12,751	3,324	3,600
Hong Kong income tax	972	(346)	295	–	–
Other's country income tax	30	(1)	–	–	–
	19,772	17,145	13,046	3,324	3,600
Deferred taxation	(33,012)	(9,092)	(65,608)	(490)	6,540
Income tax (credit)/expense	(13,240)	8,053	(52,562)	2,834	10,140

Reconciliation between tax expense and profit before income taxes at applicable tax rates is as follow:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit before income tax	339,025	384,822	370,589	142,720	170,405
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	26,080	36,935	44,794	16,669	24,867
Tax effect of :					
– non-deductible expenses	1,376	2,047	2,763	3,459	914
– non-taxable income	(1)	(23)	(148)	–	(888)
– deductible temporary differences not recognised	49,001	38,115	37,957	15,054	10,763
– utilisation of tax losses previously not recognised	(112)	(3,052)	(51,102)	(1,545)	(585)
– (over)/under provision in respect of prior years	(789)	14,659	(4,184)	(4,190)	(43)
– Share of associates	(3,121)	(438)	917	539	304
– additional deduction on research and development expense	(85,674)	(80,190)	(83,559)	(27,152)	(25,192)
Income tax (credit)/expense	(13,240)	8,053	(52,562)	2,834	10,140

(a) PRC Corporate Income Tax

The Company were approved as High and New Technology Enterprise on 23 December 2021 and 26 December 2024, and therefore entitled to a preferential tax rate of 15% for the Track Record Period.

The Group's subsidiaries, Shenzhen Favalon Technology Co., Ltd and Fibocom Wireless Software Inc. were approved as High and New Technology Enterprise and therefore entitled to a preferential tax rate of 15% for the Track Record Period. Fibocom Technology Co., Ltd was also approved as High and New Technology Enterprise and entitled to a preferential tax rate of 15% for the year ended 31 December 2024 and four months ended 30 April 2025.

The Group's subsidiaries, Xi An Fibocom Wireless Software Inc was approved as Software Enterprise, and therefore entitled to tax free for two years ended 31 December 2023 and preferential tax rate of 12.5% for the year ended 31 December 2024 and four months ended 30 April 2025.

The Group's subsidiaries, Rolling Wireless Communication Technology (Shenzhen) Ltd was approved as Advanced Technology Service Enterprise and entitled to a preferential tax rate of 15% for the Track Record Period.

The Group's subsidiaries, Faiot Co.,Ltd was approved as Advanced Technology Service Enterprise and therefore entitled to a preferential tax rate of 15% for the year ended 31 December 2024 and four months ended 30 April 2025.

The Company's other subsidiaries in Mainland China other than those mentioned above are subject to the PRC enterprise income tax at the standard rate of 25%.

In addition, according to relevant laws and regulations promulgated by the State Council of the PRC and The State Taxation Administration of The PRC announced in March 2021 that enterprises engaging in research and development activities are entitled to claim 200% of the research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year.

(b) Hong Kong profit tax

Hong Kong profit tax has been provided at the rate of 16.5% on the estimated profits arising from Hong Kong, while the Group has no assessable profit arising from Hong Kong for year ended 31 December 2023.

(c) Corporate income tax in other jurisdictions

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

10. DISCONTINUED OPERATION

On 2 July 2024, the board of directors of a subsidiary, Fibocom Wireless Inc. passed a resolution for the disposal of 100% equity interest in Rolling Wireless S.à r.l. to EUROPASOLAR S.À R.L. for USD150,000,000 (equivalent to RMB1,017,190,000) and the disposal is completed on 25 July 2024.

The profit for the years ended 31 December 2022 and 2023 and period ended 25 July 2024 and four months ended 30 April 2024 from discontinued operation is set out below.

	Year ended 31 December		Period ended 25 July	Four months ended 30 April
	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Revenue	443,680	2,064,015	1,217,663	780,734
Cost of goods sold	(373,640)	(1,507,152)	(901,656)	(565,466)
Gross profit	70,040	556,863	316,007	215,268
Other income, net	2	122	163,015	404
Other gains and losses, net	(7,721)	(14,594)	1,158	(1,867)
Research and development expenses	(22,757)	(167,367)	(104,209)	(60,317)
Selling and distribution expenses	(10,943)	(50,501)	(30,261)	(17,097)
Administrative expenses	(9,360)	(85,007)	(48,056)	(28,858)
(Provision)/Reversal of expected credit losses ("ECL") allowance of trade and bills receivables	(855)	5,519	(441)	(229)
Operating profit	18,406	245,035	297,213	107,304
Finance income	205	6,242	8,008	4,423
Finance costs	(2,440)	(13,005)	(5,327)	(2,996)
Finance costs, net	(2,235)	(6,763)	2,681	1,427

	Year ended 31 December		Period ended 25 July	Four months ended 30 April
	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Profit before income tax	16,171	238,272	299,894	108,731
Income tax expense	(3,603)	(50,053)	(46,207)	(15,273)
Profit for the year/period from discontinued operation	12,568	188,219	253,687	93,458
Profit for the year/period attributable to:				
Owners of the Company	12,568	188,219	253,687	93,458

Profit for the year/period from discontinued operation includes depreciation expenses of RMB6,668,000, RMB38,189,000, RMB17,168,000 and RMB9,847,000 and amortisation expenses of RMB5,108,000, RMB31,592,000, RMB18,804,000 and RMB10,855,000 for the years ended 31 December 2022 and 2023, period ended 25 July 2024 and four months ended 30 April 2024 respectively.

Cash flows from discontinued operation are analysed as follows:

	Year ended 31 December		Period ended 25 July	Four months ended 30 April
	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Net cash inflows from operating activities	94,415	191,013	467,426	158,986
Net cash (outflows)/inflows from investing activities	(3,487)	(20,536)	69,015	(9,268)
Net cash outflows from financing activities	(57,248)	(133,292)	(64,258)	(5,339)
Net cash inflows	33,680	37,185	472,183	144,379

According to the contract, the consideration for this disposal includes approximately (a) a cash consideration of RMB686,345,000 and (b) a contingent consideration of RMB347,051,000 less the post-employment staff costs of RMB16,206,000.

The amount of contingent consideration as at 31 December 2024 and 30 April 2025 is RMB353,652,000 and RMB280,438,000 respectively.

Analysis of assets and liabilities over which control was lost:

	25 July 2024
	RMB'000
Property, plant and equipment	64,547
Right-of-use assets	9,479
Intangible assets	138,419
Goodwill	303,133
Deferred tax assets	29,176
Inventories	145,738
Trade and other receivables	604,056
Cash and cash equivalents	602,594
Trade and other payables	(535,768)
Income tax payables	(114,379)

	25 July 2024
	RMB'000
Borrowings	(353,801)
Lease liabilities	(12,318)
Deferred tax liabilities	(8,803)
Net assets of the disposed subsidiaries	872,073
Other reserves	1,852
Foreign currency translation reserve	(19,346)
Gain on the disposal	162,611
Consideration	1,017,190

Net cash inflow on disposal of subsidiaries

	25 July 2024
	RMB'000
Consideration received in cash and cash equivalents	686,345
Cash and cash equivalent disposal of	(602,594)
Cash inflow, net of cash acquired	83,751

The gain on disposal is included in the profit for the year from discontinued operations in the statement of profit or loss and other comprehensive income as set out in note 10.

11. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Continuing operations					
Wages, salaries and bonuses	518,296	575,052	589,303	187,057	178,573
Social welfare and other costs	33,389	39,342	46,867	16,271	16,046
Contribution to retirement benefit schemes	31,991	33,296	35,834	11,843	12,203
Share based payment	5,372	9,932	2,485	5,442	1,229
	589,048	657,622	674,489	220,613	208,051
Less: Employee benefit expenses included in:					
– Cost of Inventories	(23,594)	(40,046)	(37,657)	(10,872)	(15,677)
– Research and development expenses	(17,733)	(765)	(32,554)	(7,699)	(6,774)
Total	547,721	616,811	604,278	202,042	185,600

12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

12.1 Directors' Emoluments

The emoluments paid or payable to each of the directors were as follows:

	Year ended 31 December 2022				
	Fees	Shared based payment	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Zhang TianYu	–	–	870	36	906
Mr. Ying LingPeng	–	–	1,371	43	1,414
Mr. Xu Ning	–	78	1,551	43	1,672
Independent non-executive directors					
Mr. Ye WeiPing	100	–	–	–	100
Mr. Zhang XueBin	100	–	–	–	100
Supervisors					
Ms. Sun XiaoJing	–	–	263	14	277
Ms. Chen QiHua	–	–	790	32	822
Mr. Shu Min	–	–	605	33	638
	200	78	5,450	201	5,929

	Year ended 31 December 2023				
	Fees	Shared based payment	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Zhang TianYu	–	–	1,324	36	1,360
Mr. Ying LingPeng	–	140	1,176	46	1,362
Mr. Xu Ning	–	427	1,312	46	1,785
Independent non-executive directors					
Mr. Ye WeiPing	100	–	–	–	100
Mr. Zhang XueBin	100	–	–	–	100
Supervisors					
Ms. Sun XiaoJing	–	–	257	14	271
Ms. Chen QiHua	–	–	881	32	913
Mr. Shu Min	–	–	572	33	605
	200	567	5,522	207	6,496

	Year ended 31 December 2024				
	Fees	Shared based payment	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Zhang TianYu	–	–	1,893	38	1,931
Mr. Ying LingPeng	–	1,608	2,749	51	4,408
Mr. Xu Ning	–	(9)	2,044	51	2,086
Independent non-executive directors					
Mr. Ye WeiPing *(note (i))*	56	–	–	–	56
Mr. Zhang XueBin *(note (i))*	56	–	–	–	56
Mr. Wang Ning *(note (ii))*	44	–	–	–	44
Ms. Zhao Jing *(note (ii))*	44	–	–	–	44
Supervisors					
Ms. Sun XiaoJing	–	–	271	14	285
Ms. Chen QiHua	–	–	918	33	951
Mr. Shu Min *(note (iii))*	–	–	453	17	470
Ms. Du YingYing *(note (iv))*	–	–	547	19	566
	200	1,599	8,875	223	10,897

	Four months ended 30 April 2024 (unaudited)				
	Fees	Shared based payment	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Zhang TianYu	–	–	1,257	12	1,269
Mr. Ying LingPeng	–	1,027	1,096	16	2,139
Mr. Xu Ning	–	63	931	16	1,010
Independent non-executive directors					
Mr. Ye WeiPing	33	–	–	–	33
Mr. Zhang XueBin	33	–	–	–	33
Supervisors					
Ms. Sun XiaoJing	–	–	111	5	116
Ms. Chen QiHua	–	–	420	11	431
Mr. Shu Min	–	–	307	11	318
	66	1,090	4,122	71	5,349

	Four months ended 30 April 2025				
	Fees	Shared based payment	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Zhang TianYu	–	–	320	19	339
Mr. Ying LingPeng	–	290	737	19	1,046
Mr. Xu Ning	–	–	1,349	19	1,368
Independent non-executive directors					
Mr. Wang Ning	33	–	–	–	33
Ms. Zhao Jing	33	–	–	–	33
Supervisors					
Ms. Sun XiaoJing	–	–	153	5	158
Ms. Chen QiHua	–	–	433	12	445
Ms. Du YingYing	–	–	135	7	142
	66	290	3,127	81	3,564

Notes:

(i) Mr. Ye WeiPing and Mr. Zhang XueBin resigned as an independent non-executive director of the Company on 21 June 2024.

(ii) Mr. Wang Ning and Ms. Zhao Jing were appointed as an independent non-executive director of the Company on 21 June 2024.

(iii) Mr. Shu Min resigned as a supervisor of the Company on 21 June 2024.

(iv) Ms. Du YingYing was appointed as a supervisor of the Company on 21 June 2024.

12.2 Five highest paid individuals emoluments

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2024 and 2025 include 1, 1, 1, 2 and 1 director whose emoluments were disclosed in Note 12.1 above. The aggregate of the emoluments of the remaining 4, 4, 4, 3 and 4 individuals for the years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2024 and 2025 were as follows:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Wages, salaries and bonuses	6,486	8,469	12,786	7,236	5,254
Social welfare and other costs	255	223	247	57	76
Share based payment expenses	768	1,500	874	426	282
Contribution to retirement benefit schemes	172	172	188	44	73
Total	7,681	10,364	14,095	7,763	5,685

The above individuals' emoluments are within the following band:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
				(unaudited)	
Nil to RMB1,000,000	–	–	–	–	–
RMB1,000,001 to RMB1,500,000	–	–	–	1	2
RMB1,500,001 to RMB2,000,000	2	–	–	1	2
RMB2,000,001 to RMB2,500,000	2	2	–	–	–
RMB2,500,001 to RMB3,000,000	–	1	2	–	–
RMB3,000,000 or above	–	1	2	1	–

No director or the five highest paid individual received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period. No director or the five highest paid individual has waived or agreed to waive any emoluments during the Track Record Period.

13. DIVIDENDS

(a) Dividends attributable to the year

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Ordinary A shares					
Dividend of RMB1.0 per 10 shares	63,141	–	–	–	–
Dividend of RMB3.8 per 10 shares	–	289,984	–	–	–
Dividend of RMB3.5 per 10 shares	–	–	266,989	–	–
Closing net carrying amount	63,141	289,984	266,989	–	–

The dividends of RMB1.0 per 10 shares in respect of the year ended 31 December 2022 were approved in 2022 Annual General Meeting of the Group and dividend were paid on 1 June 2023.

The dividends of RMB3.8 per 10 shares in respect of the year ended 31 December 2023 were approved in 2023 Annual General Meeting of the Group and dividend were paid on 29 April 2024.

The dividends of RMB3.5 per 10 shares in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group. The dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period, but reflected as an appropriation of retained profits for the year ended 31 December 2024.

During the track record period for the years ended 31 December 2022 and 2023, the Group declared a non-cash dividend in the form of all of the shares to its shareholder. The dividend was measured at the fair value of RMB126,282,000 and RMBNil, respectively.

14. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic EPS

The basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and share information used in the calculation of basic EPS:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit attributable to owners of the Company used in calculating basic EPS					
– Continuing operations	352,265	375,335	414,277	136,321	157,583
– Discontinued operation	12,568	188,219	253,687	93,458	–
	364,833	563,554	667,964	229,779	157,583
Number of shares					
Weighted average number of ordinary shares in issue (thousand shares)	747,042	757,209	759,460	759,157	762,009
Earnings per share for profit attributable to owners of the Company (RMB)					
Basic					
– Continuing operations	0.47	0.50	0.55	0.18	0.21
– Discontinued operation	0.02	0.24	0.33	0.12	–
	0.49	0.74	0.88	0.30	0.21

(b) Diluted EPS

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

The following table illustrates the earnings and share information used in the calculation of diluted EPS:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit attributable to owners of the Company used in calculating diluted EPS					
– Continuing operations	352,265	375,335	414,277	136,321	157,583
– Discontinued operation	12,568	188,219	253,687	93,458	–
	364,833	563,554	667,964	229,779	157,583

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Number of shares					
Weighted average number of ordinary shares in issue (thousand shares)	747,545	757,478	764,076	762,735	764,974
Earnings per share for profit attributable to owners of the Company (RMB)					
Diluted					
– Continuing operations	0.47	0.50	0.54	0.18	0.21
– Discontinued operation	0.02	0.24	0.33	0.12	–
	0.49	0.74	0.87	0.30	0.21

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Research equipment	Motor vehicles	Office equipment	Machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022						
Cost	119,478	3,649	26,027	–	34,347	183,501
Accumulated depreciation	(41,409)	(3,091)	(9,953)	–	–	(54,453)
Net book amount	78,069	558	16,074	–	34,347	129,048
Year ended 31 December 2022						
Opening net book amount	78,069	558	16,074	–	34,347	129,048
Additions	26,567	132	5,283	2,303	18,500	52,785
Transfer from Construction in progress	207	–	–	–	(207)	–
Business combinations *(note 18)*	22,529	–	4,644	65,594	1,171	93,938
Disposal	(76)	–	(78)	(129)	–	(283)
Transfer from Research equipment to Machinery and equipment	(4,987)	–	–	4,987	–	–
Depreciation	(25,990)	(231)	(7,637)	(3,692)	–	(37,550)
Exchange differences	8	–	35	(19)	–	24
Closing net book amount	96,327	459	18,321	69,044	53,811	237,962
As at 31 December 2022 and 1 January 2023						
Cost	158,750	3,781	35,617	76,221	53,811	328,180
Accumulated depreciation	(62,423)	(3,322)	(17,296)	(7,177)	–	(90,218)
Net book amount	96,327	459	18,321	69,044	53,811	237,962

	Research equipment	Motor vehicles	Office equipment	Machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Opening net book amount	96,327	459	18,321	69,044	53,811	237,962
Additions	12,096	359	6,075	12,953	14,705	46,188
Transfer from Construction in progress	1,827	–	–	–	(1,827)	–
Disposals	(227)	–	(175)	(57)	–	(459)
Depreciation	(44,868)	(147)	(9,678)	(11,682)	–	(66,375)
Exchange differences	673	–	154	109	–	936
Closing net book amount	65,828	671	14,697	70,367	66,689	218,252
As at 31 December 2023 and 1 January 2024						
Cost	172,285	4,140	39,373	88,451	66,689	370,938
Accumulated depreciation	(106,457)	(3,469)	(24,676)	(18,084)	–	(152,686)
Net book amount	65,828	671	14,697	70,367	66,689	218,252
Year ended 31 December 2024						
Opening net book amount	65,828	671	14,697	70,367	66,689	218,252
Additions	21,505	351	7,036	9,373	26,162	64,427
Disposals	(939)	–	(34)	(394)	–	(1,367)
Depreciation	(27,756)	(180)	(6,274)	(10,940)	–	(45,150)
Disposal of subsidiaries *(Note 10)*	(2,284)	–	(2,975)	(59,288)	–	(64,547)
Exchange differences	(8)	–	(46)	261	–	207
Closing net book amount	56,346	842	12,404	9,379	92,851	171,822
As at 31 December 2024						
Cost	159,709	4,491	38,760	17,245	92,851	313,056
Accumulated depreciation	(103,363)	(3,649)	(26,356)	(7,866)	–	(141,234)
Net book amount	56,346	842	12,404	9,379	92,851	171,822
Four months ended 30 April 2025						
Opening net book amount	56,346	842	12,404	9,379	92,851	171,822
Additions	6,428	–	1,678	1,039	10,483	19,628
Disposals	(286)	–	(29)	(28)	–	(343)
Depreciation	(7,617)	(71)	(1,728)	(948)	–	(10,364)
Exchange differences	11	–	3	–	–	14
Closing net book amount	54,882	771	12,328	9,442	103,334	180,757
As at 30 April 2025						
Cost	165,632	4,491	39,866	17,727	103,334	331,050
Accumulated depreciation	(110,750)	(3,720)	(27,538)	(8,285)	–	(150,293)
Net book amount	54,882	771	12,328	9,442	103,334	180,757

The Company

	Research equipment	Motor vehicles	Office equipment	Machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022						
Cost	97,249	3,296	16,473	–	34,347	151,365
Accumulated depreciation	(36,036)	(2,862)	(6,534)	–	–	(45,432)
Net book amount	61,213	434	9,939	–	34,347	105,933
Year ended 31 December 2022						
Opening net book amount	61,213	434	9,939	–	34,347	105,933
Additions	19,921	–	1,484	1,089	17,637	40,131
Transfer from Research equipment to Machinery and equipment	(4,987)	–	–	4,987	–	–
Disposals	(4,161)	–	(65)	(129)	–	(4,355)
Depreciation	(17,237)	(161)	(4,548)	(1,282)	–	(23,228)
Closing net book amount	54,749	273	6,810	4,665	51,984	118,481
As at 31 December 2022 and 1 January 2023						
Cost	101,508	3,296	17,657	9,432	51,984	183,877
Accumulated depreciation	(46,759)	(3,023)	(10,847)	(4,767)	–	(65,396)
Net book amount	54,749	273	6,810	4,665	51,984	118,481
Year ended 31 December 2023						
Opening net book amount	54,749	273	6,810	4,665	51,984	118,481
Additions	2,470	–	1,284	968	14,705	19,427
Disposals	(25)	–	(102)	(45)	–	(172)
Depreciation	(16,542)	(48)	(3,992)	(1,607)	–	(22,189)
Closing net book amount	40,652	225	4,000	3,981	66,689	115,547
As at 31 December 2023 and 1 January 2024						
Cost	103,584	3,296	17,701	9,609	66,689	200,879
Accumulated depreciation	(62,932)	(3,071)	(13,701)	(5,628)	–	(85,332)
Net book amount	40,652	225	4,000	3,981	66,689	115,547
Year ended 31 December 2024						
Opening net book amount	40,652	225	4,000	3,981	66,689	115,547
Additions	13,491	351	5,321	338	26,162	45,663
Disposals	(504)	–	(183)	(1)	–	(688)
Depreciation	(16,028)	(64)	(2,188)	(1,476)	–	(19,756)
Closing net book amount	37,611	512	6,950	2,842	92,851	140,766
As at 31 December 2024 and 1 January 2025						
Cost	115,630	3,647	21,832	9,916	92,851	243,876
Accumulated depreciation	(78,019)	(3,135)	(14,882)	(7,074)	–	(103,110)
Net book amount	37,611	512	6,950	2,842	92,851	140,766
Four months ended 30 April 2025						
Opening net book amount	37,611	512	6,950	2,842	92,851	140,766
Additions	3,043	–	1,096	783	10,157	15,079
Disposals	(23)	–	(29)	(37)	–	(89)
Depreciation	(5,415)	(32)	(860)	(486)	–	(6,793)
Closing net book amount	35,216	480	7,157	3,102	103,008	148,963

	Research equipment	Motor vehicles	Office equipment	Machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 April 2025						
Cost	118,527	3,647	22,348	10,008	103,008	257,538
Accumulated depreciation	(83,311)	(3,167)	(15,191)	(6,906)	–	(108,575)
Net book amount	35,216	480	7,157	3,102	103,008	148,963

16. RIGHT-OF-USE ASSETS

The Group

	Land	Buildings	Machineries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022				
Cost	76,251	52,828	–	129,079
Accumulated amortization	(4,097)	(11,768)	–	(15,865)
Net book amount	72,154	41,060	–	113,214
Year ended 31 December 2022				
Opening net book amount	72,154	41,060	–	113,214
Additions	–	4,603	–	4,603
Business combinations *(note 19)*	–	10,511	102	10,613
Early termination	–	(249)	–	(249)
Depreciation	(2,656)	(14,733)	–	(17,389)
Exchange Difference	–	(181)	(38)	(219)
Closing net book amount	69,498	41,011	64	110,573
As at 31 December 2022 and 1 January 2023				
Cost	76,251	66,227	64	142,542
Accumulated depreciation	(6,753)	(25,216)	–	(31,969)
Net book amount	69,498	41,011	64	110,573
Year ended 31 December 2023				
Opening net book amount	69,498	41,011	64	110,573
Additions	–	16,334	–	16,334
Early termination	–	(221)	–	(221)
Depreciation	(2,656)	(20,399)	(31)	(23,086)
Exchange difference	–	378	–	378
Closing net book amount	66,842	37,103	33	103,978
As at 31 December 2023 and 1 January 2024				
Cost	76,251	78,214	64	154,529
Accumulated amortization	(9,409)	(41,111)	(31)	(50,551)
Net book amount	66,842	37,103	33	103,978
Year ended 31 December 2024				
Opening net book amount	66,842	37,103	33	103,978
Additions	51,603	12,657	–	64,260
Early termination	–	(46)	–	(46)
Disposal of subsidiaries *(Note 10)*	–	(9,469)	(10)	(9,479)
Depreciation	(4,089)	(18,999)	(23)	(23,111)
Exchange differences	–	(184)	–	(184)
Closing net book amount	114,356	21,062	–	135,418

	Land	Buildings	Machineries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024 and 1 January 2025				
Cost	127,854	55,219	–	183,073
Accumulated depreciation	(13,498)	(34,157)	–	(47,655)
Net book amount	114,356	21,062	–	135,418
Four months ended 30 April 2025				
Opening net book amount	114,356	21,062	–	135,418
Additions	–	13,920	103,525	117,445
Early termination	–	(299)	–	(299)
Depreciation	(1,459)	(6,194)	(9,411)	(17,064)
Exchange differences	–	27	–	27
Closing net book amount	112,897	28,516	94,114	235,527
As at 30 April 2025				
Cost	127,854	67,570	103,525	298,949
Accumulated depreciation	(14,957)	(39,054)	(9,411)	(63,422)
Net book amount	112,897	28,516	94,114	235,527

The Company

	Land	Buildings	Machineries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022				
Cost	76,251	20,278	–	96,529
Accumulated amortization	(4,097)	(4,535)	–	(8,632)
Net book amount	72,154	15,743	–	87,897
Year ended 31 December 2022				
Opening net book amount	72,154	15,743	–	87,897
Additions	–	2,792	–	2,792
Depreciation	(2,656)	(4,735)	–	(7,391)
Closing net book amount	69,498	13,800	–	83,298
As at 31 December 2022 and 1 January 2023				
Cost	76,251	23,070	–	99,321
Accumulated depreciation	(6,753)	(9,270)	–	(16,023)
Net book amount	69,498	13,800	–	83,298
Year ended 31 December 2023				
Opening net book amount	69,498	13,800	–	83,298
Additions	–	64	–	64
Depreciation	(2,656)	(5,204)	–	(7,860)
Closing net book amount	66,842	8,660	–	75,502
As at 31 December 2023 and 1 January 2024				
Cost	76,251	22,957	–	99,208
Accumulated amortization	(9,409)	(14,297)	–	(23,706)
Net book amount	66,842	8,660	–	75,502

	Land	Buildings	Machineries	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024				
Opening net book amount	66,842	8,660	–	75,502
Additions	–	851	–	851
Depreciation	(2,656)	(5,331)	–	(7,987)
Closing net book amount	64,186	4,180	–	68,366
As at 31 December 2024 and 1 January 2025				
Cost	76,251	23,545	–	99,796
Accumulated depreciation	(12,065)	(19,365)	–	(31,430)
Net book amount	64,186	4,180	–	68,366
Four months ended 30 April 2025				
Opening net book amount	64,186	4,180	–	68,366
Additions	–	5,827	77,644	83,471
Early termination	–	(299)	–	(299)
Depreciation	(884)	(2,288)	(7,059)	(10,231)
Closing net book amount	63,302	7,420	70,585	141,307
As at 30 April 2025				
Cost	76,251	28,448	77,644	182,343
Accumulated depreciation	(12,949)	(21,028)	(7,059)	(41,036)
Net book amount	63,302	7,420	70,585	141,307

17. FINANCIAL ASSETS AT FVTOCI

Financial assets at FVTOCI included the following investments:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Unlisted equity securities	112,135	217,280	329,578	352,761
Current				
Bills receivables	201,940	324,464	363,685	327,093

18. ACQUISITION OF SUBSIDIARIES

	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration transferred
				RMB'000
2022				
Business combinations				
Shenzhen Chunanglian Future Wireless Technology Co., Ltd (formerly known as Rolling Wireless S.à r.l.)	Investment and Trading	1 November 2022	100%	249,691
2024				
Business combinations				
Shanghai Sevenfold Universe Digital Technology Co., Ltd	Technology development	2 February 2024	45.9%	4,410

Business combinations

On 1 November 2022, the Group entered into an equity transaction agreement with the equity owners (the "Sellers") of Rolling Wireless S.à r.l., pursuant to which, the Group held 49.0% equity interest and agreed to acquire the remaining 51.0% equity interests of Rolling Wireless Technology Co. Ltd at a total consideration of approximately RMB249,691,000. As the Company holds 100.0% equity interests of Rolling Wireless Technology Co. Ltd, it gives the Company control over Rolling Wireless Technology Co. Ltd.

Rolling Wireless Technology Co. Ltd is primarily engaged in the business and industrial activities directly or indirectly related to system engineering, the automotive industry, and mobile computing industry network access devices, such as production, processing, procurement and sales, import and export, as well as all related inter-group internal transactions and operations. The acquisition has significantly increased the Group's market share in this industry and it complements the Group's existing development plan.

On 2 February 2024, a wholly owned subsidiary of the Group, the Fibocom Investment Development Inc. entered into an equity transaction agreement with the equity owners (the "Sellers") of Shanghai Sevenfold Universe Digital Technology Co., Ltd pursuant to which, Fibocom Investment Development Inc. agreed to acquire 45.9% equity interests of Shanghai Sevenfold Universe Digital Technology Co., Ltd at a total consideration of approximately RMB4,410,000. Shanghai Sevenfold Universe Digital Technology Co., Ltd is primarily engaged in technical service.

Additionally, the Company entered into an agreement with Mr. Zhu Tao, one of its shareholders. Both parties will jointly act on major matters at the shareholders' meeting. Together, they hold a total of 51% of Shanghai Sevenfold Universe Digital Technology Co., Ltd's equity, thereby giving the Company control over Shanghai Sevenfold Universe Digital Technology Co., Ltd.

Shanghai Sevenfold Universe Digital Technology Co., Ltd. has a focus of overseas' new energy vehicle market and it has already completed multiple overseas projects related to new energy vehicles. Therefore, the Company's acquisition of Shanghai Sevenfold Universe Digital Technology Co., Ltd. is in line with the Company's strategic goal and create synergies as Shanghai Sevenfold Universe Digital Technology Co., Ltd. has related expertise.

Non-controlling interests

The non-controlling interest (54.1%) in Shanghai Sevenfold Universe Digital Technology Co., Ltd recognised at the acquisition date was measured at its proportionate share of the Shanghai Sevenfold Universe Digital Technology Co., Ltd's net identifiable assets and amounted to RMB479,000.

Impact of acquisitions on the results of the Group

Included in the profit for the year ended 31 December 2022 is a profit of RMB12,568,000 attributable to the additional business generated by Rolling Wireless Technology Co. Ltd. Revenue for the year ended 31 December 2022 includes revenue of RMB443,680,000 in respect of Rolling Wireless Technology Co. Ltd.

If the acquisition had occurred on 1 January 2022, the Group's revenue would have been RMB8,854,067,000 and profit for the year would have been RMB471,441,000 for the year ended 31 December 2022.

Included in the profit for the year ended 31 December 2024 is a loss of RMB391,000 attributable to the additional business generated by Shanghai Sevenfold Universe Digital Technology Co., Ltd. Revenue for the year ended 31 December 2024 includes revenue of RMB13,097,000 in respect of Shanghai Sevenfold Universe Digital Technology Co., Ltd.

If the acquisition had occurred on 1 January 2024, the Group's revenue would have been RMB8,188,904,000 and profit for the year would have been RMB676,743,000 for the year ended 31 December 2024.

This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2022 or 1 January 2024, nor is it intended to be a projection of future results.

Consideration transferred:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash	87,890	–	4,410
Ordinary shares issued	161,801	–	–
Total	249,691	–	4,410

Fair value of the assets acquired and liabilities recognised at the date of acquisition:

	Rolling Wireless Technology Co. Ltd	Shanghai Sevenfold Universe Digital Technology Co., Ltd
	RMB'000	*RMB'000*
Property, plant and equipment	93,938	–
Right-of-use assets	10,613	–
Intangible assets	184,351	–
Deferred tax assets	9,625	–
Inventories	286,327	–
Trade and other receivables	685,114	808
Cash and cash equivalents	146,107	1,709
Trade and other payables	(487,783)	(3,402)
Contract liabilities	(43,723)	–
Borrowings	(596,112)	–
Lease liabilities	(11,971)	–
Deferred tax liabilities	(13,084)	–
Identifiable net asset/(liabilities) acquired	263,402	(885)
Less: non-controlling interests	–	479
Fair value of identified net assets/(liabilities) acquired	263,402	(406)

The receivables acquired, which principally comprised trade receivables, in these transactions with a fair value of RMB685,114,000 for Rolling Wireless Technology Co. Ltd and RMB808,000 for Shanghai Sevenfold Universe Digital Technology Co., Ltd and had gross contractual amounts of RMB690,080,000 and RMB808,000 respectively. The best estimate at acquisition date of the contractual cash flows not expected to be collected are RMB4,966,000 for Rolling Wireless Technology Co. Ltd and RMBNil for Shanghai Sevenfold Universe Digital Technology Co., Ltd.

Goodwill arising on acquisition

	Rolling Wireless Technology Co. Ltd	Shanghai Sevenfold Universe Digital Technology Co., Ltd
	RMB'000	*RMB'000*
Consideration transfer	249,691	4,410
Fair value of identified net (assets)/liabilities acquired	(263,402)	406
Fair value of previously-held interest *(Note (a))*	316,844	–
Total	303,133	4,816

Note (a): The fair value of the equity interest in the Rolling Wireless Technology Co. Ltd held by the Company immediately before the 1 November 2022 is RMB316,844,000. RMB22,751,000 gain is recognised as a result of remeasuring the fair value of equity interest in Rolling Wireless Technology Co. Ltd held by the Company before the business combination and the amount is recognised in other gains and losses, net in the statement of comprehensive income.

Goodwill arose in the acquisition of Rolling Wireless Technology Co. Ltd and Shanghai Sevenfold Universe Digital Technology Co., Ltd as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Rolling Wireless Technology Co. Ltd and Shanghai Sevenfold Universe Digital Technology Co., Ltd. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	Rolling Wireless Technology Co. Ltd	Shanghai Sevenfold Universe Digital Technology Co., Ltd
	RMB'000	*RMB'000*
Consideration paid in cash	87,890	4,410
Cash and cash equivalent acquired	(146,107)	(1,709)
Cash (inflow)/outflow, net of cash acquired	(58,217)	2,701

19. GOODWILL

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period				
Gross carrying amount	22,970	326,103	326,103	27,786
Accumulated impairment	(14,884)	(14,884)	(14,884)	(14,884)
	8,086	311,219	311,219	12,902
Net carrying amount at 1 January	8,086	311,219	311,219	12,902
Business combination	303,133	–	4,816	–
Disposal of subsidiaries *(Note 10)*	–	–	(303,133)	–
Net carrying amount at 31 December	311,219	311,219	12,902	12,902
At end of year/period				
Gross carrying amount	326,103	326,103	27,786	27,786
Accumulated impairment	(14,884)	(14,884)	(14,884)	(14,884)
	311,219	311,219	12,902	12,902

Impairment tests for goodwill with an indefinite useful life

The carrying amount of goodwill allocated to the group of CGUs are as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
*Zhejiang Nodecom Technology Co., Ltd. and its consolidated subsidiaries **("ZheJiang Nodecom Group")***	22,970	22,970	22,970	22,970
*Rolling Wireless S.à r.l. and its consolidated subsidiaries **("Rolling Group")***	303,133	303,133	–	–

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
*Shanghai Sevenfold Universe Digital Technology Co., Ltd and its consolidated subsidiaries **("Sevenfold Group")***	–	–	4,816	4,816
	326,103	326,103	27,786	27,786
Less: Impairment	(14,884)	(14,884)	(14,884)	(14,884)
	311,219	311,219	12,902	12,902

Goodwill has been allocated to the CGUs of the subsidiaries acquired for impairment testing. Management performed an impairment assessment on the goodwill as at 31 December 2022, 2023 and 2024 and as at 30 April 2025. The recoverable amount of the subsidiaries is determined based on value in use calculations based on five-year financial budgets. The following table sets forth each key assumption of CGU on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
ZheJiang Nodecom Group				
Revenue annual growth rate	8.98%-13.06%	5.97%-12.39%	6.80%-13.66%	(29.03%)-7.00%
Gross margin	3.21%-3.54%	4.49%-6.94%	5.62%-7.31%	14.17%-14.34%
Pre-tax discount rate	12.63%	13.22%	15.87%	13.80%
Rolling Group				
Revenue annual growth rate	(10.99%)-28.17%	(7.42%)-15.10%	N/A	N/A
Gross margin	20.87%-21.27%	22.71%-26.14%	N/A	N/A
Pre-tax discount rate	12.84%	14.55%	N/A	N/A
Sevenfold Group				
Revenue annual growth rate	N/A	N/A	5.00%-105.03%	8.00%-105.00%
Gross margin	N/A	N/A	27.96%-28.36%	28.76%-33.17%
Pre-tax discount rate	N/A	N/A	14.22%	12.71%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated based on past performance and management's expectations of market development. The management of the Group used a projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, the management considered that before the projections move into a long term stable period, such projection was reasonable and supportable.
Gross margin	Based on past performance and management's expectations for the future.

Pre-tax discount rate	The pre-tax discount rate was determined using a risk premium approach, based on the risk-free rate aligned with the cash flow projection period and adjusted for specific risk factors including market risk, capital investment risk, technology development risk, quality control and execution risk. The rate reflects the relationship between the project's cost of capital and the associated future cash flows.

Based on management's assessment on the recoverable amount of the CGU, no impairment provision was considered necessary as at 31 December 2022, 2023 and 2024 and as at 30 April 2025.

Impact of possible changes in key assumption

Based on management's assessment on the recoverable amounts, the headroom of ZheJiang Nodecom Group, Rolling Group and Sevenfold Group as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ZheJiang Nodecom Group	19,884	13,658	24,327	12,147
Rolling Group	205,328	235,549	–	–
Sevenfold Group	–	–	24,045	22,054

For the sensitivity analysis of ZheJiang Nodecom Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 0.5%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of ZheJiang Nodecom Group as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2022, the recoverable amount would decrease by RMB4,117,000, RMB13,098,000 and RMB5,029,000. As at 31 December 2023, the recoverable amount would decrease by RMB3,117,000, RMB7,254,000 and RMB3,085,000. As at 31 December 2024, the recoverable amount would decrease by RMB3,207,000, RMB6,998,000 and RMB3,652,000. As at 30 April 2025, the recoverable amount would decrease by RMB4,073,000, RMB4,299,000 and RMB6,523,000.

For the sensitivity analysis of Rolling Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 0.5%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of Rolling Group as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2022, the recoverable amount would decrease by RMB122,207,000, RMB76,902,000 and RMB115,676,000. As at 31 December 2023, the recoverable amount would decrease by RMB103,384,000, RMB82,634,000 and RMB87,161,000.

For the sensitivity analysis of Sevenfold Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 0.5%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of Rolling Group as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2024, the recoverable amount would decrease by RMB7,566,000, RMB3,346,000 and RMB2,998,000. As at 30 April 2025, the recoverable amount would decrease by RMB8,515,000, RMB4,506,000 and RMB6,744,000.

As disclosed above, the management has considered and assessed reasonably possible changes for the key assumptions and has not identified any instances that would cause the carrying amounts of the CGUs to exceed their recoverable amounts as at 31 December 2022, 2023 and 2024 and 30 April 2025, respectively.

20. INTANGIBLE ASSETS

The Group

	Patent	Development platform	Customer relationships	Software	Development cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022						
Cost	28,543	93,161	–	26,479	34,842	183,025
Accumulated amortisation	(6,621)	(20,886)	–	(6,014)	–	(33,521)
Net book amount	21,922	72,275	–	20,465	34,842	149,504
Year ended 31 December 2022						
Opening net book amount	21,922	72,275	–	20,465	34,842	149,504
Additions	–	35,055	–	3,291	29,913	68,259
Transfer from development cost	40,770	–	–	–	(40,770)	–
Business combinations	76,761	–	98,211	9,379	–	184,351
Written off	–	–	–	(4)	–	(4)
Amortisation	(7,380)	(12,233)	(2,530)	(4,052)	–	(26,195)
Exchange differences	(2,985)	1,518	–	(1,337)	–	(2,804)
Closing net book amount	129,088	96,615	95,681	27,742	23,985	373,111
As at 31 December 2022 and 1 January 2023						
Cost	143,278	129,953	98,211	37,807	23,985	433,234
Accumulated amortisation	(14,190)	(33,338)	(2,530)	(10,065)	–	(60,123)
Net book amount	129,088	96,615	95,681	27,742	23,985	373,111
Year ended 31 December 2023						
Opening net book amount	129,088	96,615	95,681	27,742	23,985	373,111
Additions	–	47,173	–	2,637	15,017	64,827
Transfer from development cost	11,610	–	–	–	(11,610)	–
Write-off	–	–	–	–	(14,706)	(14,706)
Amortisation	(22,420)	(17,033)	(14,974)	(4,263)	–	(58,690)
Exchange realignment	1,624	546	660	124	–	2,954
Closing net book amount	119,902	127,301	81,367	26,240	12,686	367,496
As at 31 December 2023 and 1 January 2024						
Cost	156,661	177,770	98,950	39,902	12,686	485,969
Accumulated amortisation	(36,759)	(50,469)	(17,583)	(13,662)	–	(118,473)
Net book amount	119,902	127,301	81,367	26,240	12,686	367,496
Year ended 31 December 2024						
Opening net book amount	119,902	127,301	81,367	26,240	12,686	367,496
Additions	156	24,073	–	9,655	39,836	73,720
Transfer from development cost	17,764	–	–	1,997	(19,761)	–
Written off	–	–	–	–	(4,397)	(4,397)
Disposal of subsidiary *(Note 10)*	(49,171)	(6,842)	(72,388)	(10,018)	–	(138,419)
Amortisation	(17,481)	(19,804)	(9,206)	(4,482)	–	(50,973)
Exchange realignment	(244)	534	227	32	–	549
Closing net book amount	70,926	125,262	–	23,424	28,364	247,976
As at 31 December 2024						
Cost	99,238	194,252	–	39,489	28,364	361,343
Accumulated amortisation	(28,312)	(68,990)	–	(16,065)	–	(113,367)
Net book amount	70,926	125,262	–	23,424	28,364	247,976

	Patent	Development platform	Customer relationships	Software	Development cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Four months ended 30 April 2025						
Opening net book amount	70,926	125,262	–	23,424	28,364	247,976
Additions	–	–	–	403	8,010	8,413
Transfer from development cost	5,577	–	–	–	(5,577)	–
Write-off	–	–	–	–	(1,027)	(1,027)
Amortisation	(3,388)	(6,248)	–	(1,791)	–	(11,427)
Exchange realignment	1	74	–	–	–	75
Closing net book amount	73,116	119,088	–	22,036	29,770	244,010
As at 30 April 2025						
Cost	104,821	194,354	–	39,891	29,770	368,836
Accumulated amortisation	(31,705)	(75,266)	–	(17,855)	–	(124,826)
Net book amount	73,116	119,088	–	22,036	29,770	244,010

The Company

	Patent	Development platform	Software	Development cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022					
Cost	12,500	74,359	26,030	18,920	131,809
Accumulated amortisation	(1,788)	(18,518)	(5,926)	–	(26,232)
Net book amount	10,712	55,841	20,104	18,920	105,577
Year ended 31 December 2022					
Opening net book amount	10,712	55,841	20,104	18,920	105,577
Additions	–	17,644	2,421	18,279	38,344
Transfer from development cost	21,849	–	–	(21,849)	–
Written off	–	–	(4)	(757)	(761)
Amortisation	(2,734)	(8,854)	(3,276)	–	(14,864)
Closing net book amount	29,827	64,631	19,245	14,593	128,296
As at 31 December 2022 and 1 January 2023					
Cost	34,349	92,003	28,446	14,593	169,391
Accumulated amortisation	(4,522)	(27,372)	(9,201)	–	(41,095)
Net book amount	29,827	64,631	19,245	14,593	128,296
Year ended 31 December 2023					
Opening net book amount	29,827	64,631	19,245	14,593	128,296
Additions	–	40,090	2,307	7,575	49,972
Transfer from development cost	5,352	–	–	(5,352)	–
Written off	–	–	–	(9,815)	(9,815)
Amortisation	(3,481)	(13,056)	(2,831)	–	(19,368)
Closing net book amount	31,698	91,665	18,721	7,001	149,085
As at 31 December 2023 and 1 January 2024					
Cost	39,701	132,093	30,753	7,001	209,548
Accumulated amortisation	(8,003)	(40,428)	(12,032)	–	(60,463)
Net book amount	31,698	91,665	18,721	7,001	149,085

	Patent	Development platform	Software	Development cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Opening net book amount	31,698	91,665	18,721	7,001	149,085
Additions	156	13,537	5,198	19,122	38,013
Transfer from development cost	5,172	–	1,997	(7,169)	–
Write-off	–	(7,064)	–	(3,306)	(10,370)
Amortisation	(4,178)	(14,386)	(3,523)	–	(22,087)
Closing net book amount	32,848	83,752	22,393	15,648	154,641
As at 31 December 2024 and 1 January 2025					
Cost	45,029	137,358	37,948	15,648	235,983
Accumulated amortisation	(12,181)	(53,606)	(15,555)	–	(81,342)
Net book amount	32,848	83,752	22,393	15,648	154,641
Four months ended 30 April 2025					
Opening net book amount	32,848	83,752	22,393	15,648	154,641
Additions	1	–	401	3,644	4,046
Transfer from development cost	2,688	–	–	(2,688)	–
Write-off	–	–	–	(864)	(864)
Amortisation	(1,569)	(4,348)	(1,710)	–	(7,627)
Closing net book amount	33,968	79,404	21,084	15,740	150,196
As at 30 April 2025					
Cost	47,717	137,358	38,349	15,740	239,164
Accumulated amortisation	(13,749)	(57,954)	(17,265)	–	(88,968)
Net book amount	33,968	79,404	21,084	15,740	150,196

Impairment tests for development cost with an indefinite useful life

The carrying amount of development cost allocated to the group of CGUs are as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Data transmission modules	13,175	3,907	14,212	13,083
Smart modules	10,810	8,779	6,603	8,493
Robotic and other solutions	–	–	7,549	8,194
	23,985	12,686	28,364	29,770
Less: Impairment	–	–	–	–
	23,985	12,686	28,364	29,770

The following table sets out the key assumptions used for value in use calculations of development cost.

	As at 31 December			As at 30 April
	2022	2023	2024	2025
Revenue annual growth rate	(27.99%)-111.35%	(31.15%)-61.90%	(82.17%)-140.49%	(82.17%)-151.75%
Contribution rate	5.50%	5.50%	5.50%	5.50%
Pre-tax discount rate	15.77%	15.57%	15.44%	15.70%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated based on past performance and management's expectations of market development. The management of the Group used a projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, the management considered that before the projections move into a long term stable period, such projection was reasonable and supportable.
Contribution rate	The applied contribution rate reflects the estimated revenue contribution or economic return expected from the development projects. This rate was determined with reference to factors such as the project's technical exclusivity, commercialization timeline, industry acceptance, target market structure, and product lifecycle, to reasonably estimate the future revenue-generating potential.
Pre-tax discount rate	The pre-tax discount rate was determined using a risk premium approach, based on the risk-free rate aligned with the cash flow projection period and adjusted for specific risk factors including market risk, capital investment risk, technology development risk, quality control and execution risk. The rate reflects the relationship between the project's cost of capital and the associated future cash flows.

Based on management's assessment on the recoverable amount of development cost, no impairment provision was considered necessary as at 31 December 2022, 2023 and 2024 and as at 30 April 2025.

Impact of possible changes in key assumption

Based on management's assessment on the recoverable amounts, the headroom of development cost as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Data transmission modules	3,588	82,231	96,008	148,978
Smart modules	77,143	49,638	117,548	125,242
Robotic and other solutions	–	–	7,306	461

For the sensitivity analysis of data transmission modules conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of contribution rate of each year during the forecast period by 0.1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of development cost as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2022, the recoverable amount would decrease by RMB210,000, RMB344,000 and RMB285,000. As at 31 December 2023, the recoverable amount would decrease by RMB4,207,000, RMB1,614,000 and RMB1,318,000. As at 31 December 2024, the recoverable amount would decrease by RMB5,760,000, RMB2,164,000 and RMB1,946,000. As at 30 April 2025, the recoverable amount would decrease by RMB1,420,000, RMB2,999,000 and RMB2,692,000.

For the sensitivity analysis of smart modules conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of contribution rate of each year during the forecast period by 0.1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of development cost as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2022, the recoverable amount would decrease by RMB956,000, RMB1,657,000 and RMB1,377,000. As at 31 December 2023, the recoverable amount would decrease by RMB2,881,000, RMB1,178,000 and RMB916,000. As at 31 December 2024, the recoverable amount would decrease by RMB4,115,000, RMB2,434,000 and RMB1,359,000. As at 30 April 2025, the recoverable amount would decrease by RMB1,031,000, RMB2,539,000 and RMB1,068,000.

For the sensitivity analysis of robotic and other solutions conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of contribution rate of each year during the forecast period by 0.1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of development cost as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2024, the recoverable amount would decrease by RMB773,000, RMB339,000 and RMB259,000. As at 30 April 2025, the recoverable amount would decrease by RMB110,000, RMB174,000 and RMB162,000.

As disclosed above, the management has considered and assessed reasonably possible changes for the key assumptions and has not identified any instances that would cause the carrying amounts of the CGUs to exceed their recoverable amounts as at 31 December 2022, 2023 and 2024 and 30 April 2025, respectively.

21. INTERESTS IN ASSOCIATES

In July 2022, the Company established Shenzhen High-tech Investment FBOCOM IoT Industry Private Equity Fund Partnership (Limited Partnership) with other investors, with a shareholding ratio of 30% and the investment amount is RMB30,000,000. On November 14, 2022, the Company completed the acquisition of a 51% equity stake in the Rolling Wireless group. The Rolling Wireless group became a wholly owned subsidiary of the company.

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	295,443	63,132	60,477	57,274
Additions	30,000	–	–	–
Step-acquisition	(294,092)	–	–	–
Disposal	–	(4,372)	–	–
Share of results, net	23,213	2,017	(3,898)	(1,282)
Share of other comprehensive income, net	8,568	–	–	–
Dividend	–	(300)	–	(150)
Deemed acquisition	–	–	695	7,492
At the end of the year/period	63,132	60,477	57,274	63,334

The following list contains the particular of the associates of the Group, all of which are unlisted corporate entities whose quoted market prices are not available.

Name of associate	Place of incorporation and business	Type of legal entity	Particular of issued and paid up capital	Percentage of issued capital held by the Company				Principal activity
				As at 31 December			As at 30 April	
				2022	2023	2024	2025	
Shenzhen Bogesi Communication Technology Co., Ltd.	PRC	Limited liability company	RMB450,000	15%	15%	15%	15% *(Note (a))*	Wireless communications
Hubei Linksci Technology Co., Ltd.	PRC	Limited liability company	RMB16,875,000	40%	27%	19.29%	17.36% *(Note (a))*	Wireless communications
Shenzhen High-tech Investment FBOCOM IoT Industry Private Equity Fund Partnership (Limited Partnership). . . .	PRC	Limited liability company	RMB30,000,000	30%	30%	30%	30%	Investment holding

Note:

a) One director is nominated by the Group and the Group is able to exert significant influence over the financial and operating activities of Shenzhen Bogesi Communication Technology Co., Ltd and Hubei Linksci Technology Co., Ltd.

Accordingly, Shenzhen Bogesi Communication Technology Co., Ltd and Hubei Linksci Technology Co., Ltd is an associate of the Group and its financial result were accounted for in the consolidated financial statements of the Group using the equity method.

22. FINANCIAL ASSETS AT FVTPL

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash financial products	86,468	104,138	254,813	295,383
Contingent consideration *(Note 10)* .	–	–	353,652	280,438
	86,468	104,138	608,465	575,821

The fair value of cash financial products is determined with reference to expected return rate of 0.25%-4.07%, 1.39%-5.10%, 2.00%-5.10% and 1.77%-4.05% for the year ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, respectively, provided by the underlying banks. The investments in cash financial products were denominated in Renminbi. Changes in fair value were recognised in "other gains/(losses), net" in the consolidated statement of comprehensive income.

23. INVENTORIES

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	136,300	89,226	862	316,940
Consigned processing materials	612,041	510,170	555,461	474,525
Finished goods	252,636	359,546	312,266	351,285
Goods in transit	105,506	368,174	147,697	190,267
Contract cost	5,319	4,012	7,343	3,709
	1,111,802	1,331,128	1,023,629	1,336,726
Less: Provision for inventories	(15,196)	(45,498)	(43,910)	(30,576)
	1,096,606	1,285,630	979,719	1,306,150

The following table summarizes the changes in the provision of inventories during the Track Record Period:

	Year ended 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year	8,531	15,196	45,498	43,910
Provision for inventories	14,639	37,719	46,395	4,748
Disposal of subsidiaries	–	–	(25,041)	–
Reversal of provision for inventories	(7,956)	(7,463)	(23,157)	(18,081)
Exchange differences	(18)	46	215	(1)
At end of the year	15,196	45,498	43,910	30,576

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	114	100	177	289,011
Consigned processing materials	406,291	225,522	300,551	264,171
Finished goods	211,486	121,642	122,147	152,950
Goods in transit	41,964	331,340	73,611	157,536
	659,855	678,604	496,486	863,668
Less: Provision for inventories	(8,805)	(6,393)	(22,498)	(9,569)
	651,050	672,211	473,988	854,099

The following table summarizes the changes in the provision of inventories during the Track Record Period:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year	4,532	8,805	6,393	22,498
Provision for inventories	6,784	4,008	19,327	3,212
Reversal of provision for inventories	(2,511)	(6,420)	(3,222)	(16,141)
At end of the year	8,805	6,393	22,498	9,569

24. TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Deposits	8,102	20,373	5,126	3,985
Current				
Trade receivables	2,235,692	1,974,782	1,993,351	2,071,372
Bills receivables	62,003	86,513	119,222	95,037
Trade and bills receivables, gross	2,297,695	2,061,295	2,112,573	2,166,409
Less: ECL allowance	(42,613)	(35,464)	(47,277)	(49,250)
Trade and bills receivables, net	2,255,082	2,025,831	2,065,296	2,117,159
Other receivables, deposits and prepayments				
Value-added tax recoverable	116,805	230,725	348,923	518,145
Prepayments	101,463	116,316	100,506	82,141
Deposit	49,985	24,345	9,380	9,944
Other receivables	365,990	532,604	891,694	764,031
	634,243	903,990	1,350,503	1,374,261
Less: ECL allowance	(1,186)	(481)	(392)	(434)
	633,057	903,509	1,350,111	1,373,827
	2,896,241	2,949,713	3,420,533	3,494,971
Analysed as				
Current	2,888,139	2,929,340	3,415,407	3,490,986
Non-current	8,102	20,373	5,126	3,985
	2,896,241	2,949,713	3,420,533	3,494,971

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Deposits	8,102	17,633	2,855	2,683
Current				
Trade receivables	223,289	281,670	398,620	367,170
Bills receivables	51,330	54,183	61,510	52,778
Trade and bills receivables, gross	274,619	335,853	460,130	419,948
Less: ECL allowance	(8,672)	(9,578)	(18,595)	(17,621)
Trade and bills receivables, net	265,947	326,275	441,535	402,327
Other receivables, deposits and prepayments				
Value-added tax recoverable	97,658	156,137	156,717	245,376
Prepayments	86,181	89,564	63,422	59,082
Deposit	5,197	3,579	3,397	3,880
Other receivables	244,125	325,766	450,489	408,316
	433,161	575,046	674,025	716,654
Less: ECL allowance	(193)	(151)	(94)	(103)
	432,968	574,895	673,931	716,551
	707,017	918,803	1,118,321	1,121,561
Analysed as				
Current	698,915	901,170	1,115,466	1,118,878
Non-current	8,102	17,633	2,855	2,683
	707,017	918,803	1,118,321	1,121,561

The directors of the Company consider that the fair values of trade and other receivables which are expected to be recovered during the Track Record Period are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Trade receivables include bills received amounting to RMB62,003,000, RMB86,513,000, RMB119,222,000 and RMB95,037,000, held by the Group for future settlement of trade receivables as at 31 December 2022, 2023 and 2024 and as at April 30, 2025 respectively and net of loss allowance of RMBNil, RMBNil, RMB328,000 and RMB439,000 respectively, of which certain bills issued by third parties are further endorsed by the Group with recourse for settlement of payables. The Group continues to recognise their full carrying amount at the end of both reporting periods. All bills received by the Group are with a maturity period of less than 1 year.

Based on the invoice dates, the ageing analysis of the trade and bill receivables, net of ECL allowances, were as follows:

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-365 days	2,250,444	1,995,813	1,970,701	2,021,094
1-2 years	4,638	30,018	91,630	93,077
2-3 years	–	–	2,965	2,988
	2,255,082	2,025,831	2,065,296	2,117,159

The movement in the ECL allowance of trade receivables and bill receivables during the Track Record Period were as follows:

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	32,794	42,613	35,464	47,277
ECL allowance recognised during the year	9,880	–	12,219	1,950
ECL allowance reversed during the year	(1,329)	(7,585)	–	–
Disposal of subsidiaries	–	–	(571)	–
Exchange differences	1,268	436	165	23
Balance at 31 December	42,613	35,464	47,277	49,250

The movement in the ECL allowance of other receivables during the Track Record Period were as follows:

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	3,392	1,186	481	392
ECL allowance recognised during the year	210	–	336	41
ECL allowance reversed during the year	(3,440)	(747)	(428)	–
Written off	–	(9)	–	–
Exchange differences	1,024	51	3	1
Balance at 31 December	1,186	481	392	434

Based on date of invoice date, the ageing analysis of the trade and bill receivables, net of ECL allowances, were as follows:

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0-365 days	265,947	376,275	534,401	399,740
1-2 years	–	–	2,134	2,587
	265,947	376,275	536,535	402,327

The movement in the ECL allowance of trade receivables and bill receivables during the Track Record Period were as follows:

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	8,130	8,672	9,578	18,595
ECL allowance recognised during the year	592	906	9,017	(974)
ECL allowance reversed during the year	(50)	–	–	–
Balance at 31 December	8,672	9,578	18,595	17,621

The movement in the ECL allowance of other receivables during the Track Record Period were as follows:

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	318	193	151	94
ECL allowance reversed during the year	(125)	(42)	(57)	9
Balance at 31 December	193	151	94	103

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and in hand	775,468	978,262	980,120	807,073
Pledged deposits	1,874	35,378	67,980	51,874
	777,342	1,013,640	1,048,100	858,947
Less: Pledged deposits	(1,874)	(35,378)	(67,980)	(51,874)
Cash and cash equivalents per the consolidated statement of cash flows	775,468	978,262	980,120	807,073

As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, included in bank and cash balances of the Group of approximately RMB251,951,000, RMB559,567,000, RMB498,794,000 and RMB307,392,000 are bank balances denominated in Renminbi ("RMB"). RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

In respect of the legal case between Faiot Co., Ltd and 深圳蓮偶科技有限公司, certain bank deposits of Faiot Co., Ltd were temporarily not available for use by the Group. The amount of cash and cash equivalents inaccessible to the Group as at 31 December 2024 and 30 April 2025 is RMB1,617,000 and RMB8,520,000 respectively.

26. TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,707,827	1,726,225	1,718,555	1,922,855
Bills payables	185,198	249,754	345,723	259,700
Salaries payables	144,330	185,807	136,864	62,105
Value-added tax payables	25,316	64,494	30,395	49,007
Other payables	182,782	121,146	175,851	194,485
	2,245,453	2,347,426	2,407,388	2,488,152

Majority amounts are short term and hence the carrying amounts of the Group's trade payables, bills payables, salaries payables and other payables are considered to be a reasonable approximation of fair value.

During the Track Record Period, the Group endorsed certain bills receivable accepted by banks in the PRC (the "Endorsed bills") to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	942,575	1,017,980	1,331,905	1,588,428
Bills payables	174,276	184,429	309,893	241,735
Salaries payables	41,116	52,598	53,624	21,312
Value-added tax payable	5,406	23,582	6,861	9,058
Other payables	50,590	59,663	78,132	61,538
	1,213,963	1,338,252	1,780,415	1,922,071

The Group

The Group is granted by its suppliers a credit period of 0 – 90 days. Based on the invoice date, the ageing analysis of the trade payables is as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,684,473	1,725,886	1,717,220	1,917,836
Over 1 year	23,354	339	1,335	5,019
	1,707,827	1,726,225	1,718,555	1,922,855

The Company

The Company is granted by its suppliers a credit period of 0 – 90 days. Based on the invoice date, the ageing analysis of the trade payables is as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	942,366	1,017,980	1,331,031	1,587,331
Over 1 year	209	–	874	1,097
	942,575	1,017,980	1,331,905	1,588,428

27. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	67,057	49,376	27,943	44,000

Contract liabilities comprise advanced payments received from customers as well as the Company's right to receive consideration in advance pursuant to the terms of the relevant contracts. Revenue recognised during the year ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025 relating to contract liabilities arising from receipts in advance from customers at the beginning of the respective year is approximately RMB16,057,000, RMB67,057,000, RMB49,376,000 and RMB16,045,000.

The contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	42,818	51,619	584,496	1,012,059

28. BANK BORROWINGS

The Group

As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the Group's bank loans were repayable as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount repayable				
Within one year	798,240	790,901	1,079,682	1,211,979
In the second to fifth years	599,920	394,472	189,970	50,000

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total carrying amount	1,398,160	1,185,373	1,269,652	1,261,979
Amount due within one year	(798,240)	(790,901)	(1,079,682)	(1,211,979)
Carrying amount shown under non-current liabilities	599,920	394,472	189,970	50,000
Analysed as:				
Fixed-rate borrowings	1,398,160	1,185,373	1,269,652	1,261,979

Certain bank borrowings of the Group were guaranteed by the director and controlling shareholder of the Company, Mr. Zhang Tianyu.

The guarantee amount is USD99,000,000 as at 31 December 2022, 2023, and 2024 respectively and USDNil as at four months ended 30 April 2025, with a guarantee period from 13 November 2020 to 13 November 2025. Mr. Zhang Tianyu's guarantee of USD99,000,000 was released on 29 April 2025 and all guarantees Mr. Zhang Tianyu provided to the Group have been released.

Bank borrowing amounting to RMB510,227,000, RMB406,689,000, RMB298,894,000 and RMBNil as at 31 December 2022, 2023, and 2024 and as at 30 April 2025 is guaranteed by Mr. Zhang Tianyu, respectively.

Except for the loans of RMB1,038,160,000, RMB544,375,000, RMB557,676,000 and RMB738,720,000 which are denominated in USD as at 31 December 2022, 2023 and 2024 and as at 30 April 2025, respectively, all loans are denominated in RMB as at 31 December 2022, 2023 and 2024 and as at 30 April 2025.

As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the loans are interest bearing at ranging from 1.00% to 4.96%, 2.45% to 5.82%, 2.30% to 4.65% and 2.12% to 4.73% per annum respectively.

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount repayable				
Within one year	647,917	658,706	635,547	837,545
In the second year	200,000	99,980	189,970	50,000
Total carrying amount	847,917	758,686	825,517	887,545
Amount due within one year	(647,917)	(658,706)	(635,547)	(837,545)
Carrying amount shown under non-current liabilities	200,000	99,980	189,970	50,000
Analysed as:				
Fixed-rate borrowings	847,917	758,686	825,517	887,545

29. DEFERRED INCOME

Deferred income represents the government subsidies received from the People's Republic of China in relation to the acquisition of certain property, plant and equipment. These subsidies were amortized over 1-8 years in accordance with the depreciable life of the assets. Movements in deferred income during the Track Record Period were as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January	2,176	953	13,288	11,338
Additions	–	15,240	4,684	–
Amortizations	(1,223)	(2,905)	(6,634)	(2,128)
Balance at 31 December	953	13,288	11,338	9,210

30. LEASE LIABILITIES

The Group

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments				
Due within one year	20,187	19,589	11,652	73,540
Due in the second to fifth year	28,562	24,097	11,085	62,879
	48,749	43,686	22,737	136,419
Future finance charges on leases liabilities	(2,986)	(2,622)	(1,070)	(3,279)
Present value of leases liabilities	45,763	41,064	21,667	133,140
Present value of minimum lease payments				
Due within one year	18,473	18,142	10,984	71,008
Due in the second to fifth year	27,290	22,922	10,683	62,132
	45,763	41,064	21,667	133,140
Less: Portion due within one year included under current liabilities	(18,473)	(18,142)	(10,984)	(71,008)
Portion due after one year included under non-current liabilities	27,290	22,922	10,683	62,132

During the years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, the total cash outflows for the leases amounted to RMB13,233,000, RMB25,242,000, RMB20,757,000 and RMB6,904,000 respectively.

As at 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, the Group has entered into leases agreements for use of premises with terms ranging from 1 to 5 years, 1 to 5 years, 1 to 5 years and 1 to 5 years respectively. These leases do not contain option to renew the lease and are subjected to monthly fixed rental payment.

The Company

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments				
Due within one year	5,992	5,806	3,702	47,932
Due in the second to fifth year	10,143	4,223	967	39,854
	16,135	10,029	4,669	87,786
Future finance charges on leases liabilities	(1,022)	(438)	(119)	(1,866)
Present value of leases liabilities	15,113	9,591	4,550	85,920
Present value of minimum lease payments				
Due within one year	5,414	5,494	3,616	46,443
Due in the second to fifth year	9,699	4,097	934	39,477
	15,113	9,591	4,550	85,920
Less: Portion due within one year included under current liabilities	(5,414)	(5,494)	(3,616)	(46,443)
Portion due after one year included under non-current liabilities	9,699	4,097	934	39,477

31. DEFERRED TAX

The Group

The movements in the deferred tax assets during the Track Record Period and its components as at 31 December 2022, 2023 and 2024 and as at 30 April 2025 were as follows:

	Deferred revenue	Accrued other expenses	Tax losses	Lease liabilities	Unrealized profits	Provision for assets	Withholding tax	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	326	–	26,659	188	15,689	4,531	5,895	53,288
(Charged)/Credited to profit or loss	(183)	2,820	44,080	372	(10,731)	992	(5,162)	32,188
Business combinations	–	8,346	1,279	–	–	–	–	9,625
At 31 December 2022 and 1 January 2023	143	11,166	72,018	560	4,958	5,523	733	95,101
Credited/(Charged) to profit or loss	1,850	14,951	5,288	(189)	2,569	(1,433)	1,591	24,627
At 31 December 2023 and 1 January 2024	1,993	26,117	77,306	371	7,527	4,090	2,324	119,728
(Charged)/Credited to profit or loss	(292)	1,298	65,107	(371)	(3,799)	5,822	(1,753)	66,012
Disposal of subsidiaries	–	(27,415)	(994)	–	–	(768)	–	(29,177)
At 31 December 2024	1,701	–	141,419	–	3,728	9,144	571	156,563
(Charged)/Credited to profit or loss	(319)	–	(4,824)	1,642	(712)	(1,673)	115	(5,771)
At 30 April 2025	1,382	–	136,595	1,642	3,016	7,471	686	150,792

The Company

The movements in the deferred tax assets during the Track Record Period and its components as at 31 December 2022, 2023 and 2024 and as at 30 April 2025 were as follows:

	Deferred revenue	Tax losses	Lease liabilities	Provision for assets	Withholding tax	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	326	–	188	1,947	4,004	6,465
(Charged)/Credited to profit or loss	(183)	16,266	9	704	(3,408)	13,388
At 31 December 2022 and 1 January 2023	143	16,266	197	2,651	596	19,853
Credited/(Charged) to profit or loss	1,850	821	(58)	(233)	1,108	3,488
At 31 December 2023 and 1 January 2024	1,993	17,087	139	2,418	1,704	23,341
(Charged)/Credited to profit or loss	(292)	17,218	(139)	3,760	(1,303)	19,244
At 31 December 2024	1,701	34,305	–	6,178	401	42,585
(Charged)/Credited to profit or loss	(319)	(3,279)	1,187	(2,084)	167	(4,328)
At 30 April 2025	1,382	31,026	1,187	4,094	568	38,257

The Group

The movements in the deferred tax liabilities during the Track Record Period and its components as at 31 December 2022, 2023 and 2024 and as at 30 April 2025 were as follows:

	Fair value adjustment arising from business combination	Fair value adjustments arising from financial assets	Gain on disposal of subsidiary	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	377	11,304	–	11,681
Charged to profit or loss	(2,074)	–	–	(2,074)
Business combinations	13,084	–	–	13,084
Exchange difference	4,183	683	–	4,866
At 31 December 2022 and 1 January 2023	15,570	11,987	–	27,557
Charged to profit or loss	(2,317)	–	–	(2,317)
Exchange difference	(3,248)	17,286	–	14,038
At 31 December 2023 and 1 January 2024	10,005	29,273	–	39,278
Charged to profit or loss	(1,648)	–	24,391	22,743
Disposal of subsidiaries	(8,803)	–	–	(8,803)
Exchange difference	629	23,575	–	24,204
At 31 December 2024	183	52,848	24,391	77,422
Charged to profit or loss	(22)	–	–	(22)
Exchange difference	–	5,797	–	5,797
At 30 April 2025	161	58,645	24,391	83,197

As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, no deferred tax liability had been provided for the PRC withholding tax that would be payable on the unremitted earnings. Such earnings are expected to be retained in the PRC subsidiaries to operate and expand its business in the PRC and not to be remitted to a foreign investor in the foreseeable future.

As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the Group did not recognised deferred tax assets arising from tax losses of RMB498,257,000, RMB846,157,000, RMB655,606,000 and RMB661,748,000 respectively. Under the current tax legislation, tax losses of RMB498,257,000, RMB809,973,000, RMB618,243,000 and RMB661,748,000 can be carried forward for future years from the year when the loss is incurred, while tax losses of RMBNil, RMB36,184,000, RMB37,363,000 and RMBNil have no expiry date under the current tax legislation. All tax losses are subject to the agreement from the relevant tax bureau.

32. EMPLOYEE BENEFITS OBLIGATIONS

Rolling Wireless France operates an unfunded defined benefit plan for all eligible employees in France. Under this plan, employees are entitled to retirement benefits upon reaching the retirement age of 67. The plan is subject to interest rate risk and the risk of changes in the life expectancy of pension beneficiaries.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit plan obligations were determined by Cabinet GROSS-HUGEL as of years ended 31 December 2022 and 2023 using the projected unit credit method.

The defined benefit plan obligations were disposed along with the disposal of Rolling Wireless S.à r.l. and its subsidiaries on 25 July 2024.

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January	–	7,041	7,886	–
Current service cost	511	95	1,243	–
Interest expenses	170	268	265	–
Total amount recognised in profit or loss	681	363	1,508	–
Actuarial gain	1,709	56	391	–
Currency translation difference	199	426	(95)	–
Total amount recognised in other comprehensive income	1,908	482	296	–
Business combinations	4,452	–	–	–
Disposal of subsidiaries	–	–	(9,690)	–
	7,041	7,886	–	–

	As at 31 December			As at 30 April
Actuarial assumptions	2022	2023	2024	2025
Discount Rate	3.75%	3.70%	–	–
Mortality Rate	INSEE 2022 age-related mortality rate	INSEE 2023 age-related mortality rate	–	–
Employee Turnover Rate	Turnover rate statistics table	Turnover rate statistics table	–	–
Expected Salary Growth Rate	5.00%	5.00%	–	–

33. PROVISIONS

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Services warranties	22,535	64,560	–	–
Legal matters	79,905	109,260	–	–
	102,440	173,820	–	–

34. SHARE CAPITAL

	Number of shares	*RMB'000*
Ordinary shares of RMB1		
Authorized, issued and fully paid:		
As at 1 January 2022	414,188,321	414,188
Issuance of shares and share option exercised *(Note (i))*	10,726,249	10,726
Repurchase of shares	(237,448)	(237)
Scrip dividend	207,044,013	207,044
As at 31 December 2022 and 1 January 2023	631,721,135	631,721
Issuance of shares *(Note (ii))*	9,946,572	9,947
Repurchase of shares	(2,143,474)	(2,144)
Scrip dividend	126,281,551	126,282
As at 31 December 2023 and 1 January 2024	765,805,784	765,806
Repurchase of shares	(240,921)	(241)
As at 31 December 2024	765,564,863	765,565
Share option exercised *(Note (iii))*	481,263	481
Repurchase of shares	(592,584)	(593)
At 30 April 2025	765,453,542	765,453

Notes:

(i) During the year ended 31 December 2022, 1,820,900 ordinary shares of RMB1 each were issued at par and 8,370,475 ordinary shares of RMB1 each were issued at RMB19.33 for the acquisition of Rolling Wireless S.à r.l. and its subsidiaries. 534,874 ordinary shares were from share option exercised (Note 36(b)).

(ii) During the year ended 31 December 2023, 9,946,572 ordinary shares of RMB1 each were issued at par.

(iii) During the four months ended 30 April 2025, 481,263 ordinary shares were from share option exercised (Note 36(b)).

35. SHARE CAPITAL AND RESERVES

The Group

During the Track Record Period, the amounts of the Group's reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

The movement of the Company's reserves during the Track Record Period are as follows:

	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 1 January 2022	414,188	628,026	(9,717)	–	87,453	660,888	1,780,838
Transactions with owners:							
Statutory reserves	–	–	–	–	30,498	(30,498)	–
Issuance of shares	10,191	170,136	–	(21,523)	–	–	158,804
Share option exercised	535	10,200	–	–	–	–	10,735
Repurchase of shares	(237)	(2,441)	–	2,678	–	–	–
Share based payment	–	–	3,393	–	–	–	3,393
Restricted shares exercised	–	–	–	8,722	–	–	8,722
Scrip dividend	207,044	(207,044)	–	–	–	–	–
Dividend	–	–	–	–	–	(82,818)	(82,818)
Profit for the year	–	–	–	–	–	304,985	304,985
Other comprehensive income	–	–	–	–	15,257	–	15,257
Total comprehensive income	217,533	(29,149)	3,393	(10,123)	45,755	191,669	419,078
Balance as at 31 December 2022 and 1 January 2023	631,721	598,877	(6,324)	(10,123)	133,208	852,557	2,199,916

	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 31 December 2022 and 1 January 2023	631,721	598,877	(6,324)	(10,123)	133,208	852,557	2,199,916
Transactions with owners:							
Statutory reserves	–	–	–	–	40,144	(40,144)	–
Issuance of shares	9,947	178,635	–	(22,946)	–	–	165,636
Repurchase of shares	(2,144)	(17,312)	–	(31,542)	–	–	(50,998)
Share based payment	–	–	8,367	–	–	–	8,367
Scrip dividend	126,282	(126,282)	–	–	–	–	–
Dividend	–	–	–	635	–	(63,142)	(62,507)
Profit for the year	–	–	–	–	–	401,445	401,445
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	134,085	35,041	8,367	(53,853)	40,144	298,159	461,943
Balance as at 31 December 2023 and 1 January 2024	765,806	633,918	2,043	(63,976)	173,352	1,150,716	2,661,859

	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 31 December 2023 and 1 January 2024	765,806	633,918	2,043	(63,976)	173,352	1,150,716	2,661,859
Transactions with owners:							
Statutory reserves	–	–	–	–	27,995	(27,995)	–
Repurchase of shares	(241)	(2,009)	–	2,250	–	–	–
Share based payment	–	–	117	–	–	–	117
Restricted shares exercised	–	–	–	15,202	–	–	15,202
Dividend	–	–	–	1,682	–	(289,984)	(288,302)
Profit for the year	–	–	–	–	–	279,956	279,956
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	(241)	(2,009)	117	19,134	27,995	(38,023)	6,973
Balance as at 31 December 2024 and 1 January 2025	765,565	631,909	2,160	(44,842)	201,347	1,112,693	2,668,832

	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)							
Balance as at 31 December 2023 and 1 January 2024	765,806	633,918	2,043	(63,976)	173,352	1,150,716	2,661,859
Transactions with owners:							
Repurchase of shares	(62)	(518)	–	580	–	–	–
Share based payment	–	–	4,312	–	–	–	4,312
Dividend	–	–	–	–	–	(289,984)	(289,984)
Profit for the period	–	–	–	–	–	58,586	58,586
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	(62)	(518)	4,312	580	–	(231,398)	(227,086)
Balance as at 30 April 2024	765,744	633,400	6,355	(63,396)	173,352	919,318	2,434,773

	Share capital	Share premium	Capital reserve	Treasury share	Other reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 31 December 2024 and 1 January 2025	765,565	631,909	2,160	(44,842)	201,347	1,112,693	2,668,832
Transactions with owners:							
Share option exercised	481	7,345	–	–	–	–	7,826
Repurchase of shares	(593)	(5,091)	–	5,684	–	–	–
Share based payment	–	–	879	–	–	–	879
Profit for the period	–	–	–	–	–	91,102	91,102
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	(112)	2,254	879	5,684	–	91,102	99,807
Balance as at 30 April 2025	765,453	634,163	3,039	(39,158)	201,347	1,203,795	2,768,639

The Group

Share premium

Share premium represents the excess of the net proceeds from issuance of shares of the Company over its par value.

Capital reserve

Capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2.20.

Other reserve

Other reserve represents the amounts set aside from the retained earnings by certain subsidiaries incorporated in the People's Republic of China ("PRC"). In accordance with the relevant regulations and their articles of association, the Company's subsidiaries incorporated in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to statutory reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to loans, advances and cash dividends.

36. SHARE-BASED PAYMENT

(a) Restricted shares incentive scheme

Pursuant to the restricted share incentive scheme in 2021 (the "Restricted Share Incentive Scheme 2021"), 2022 (the "Restricted Share Incentive Scheme 2022") and 2023 (the "Restricted Share Incentive Scheme 2023"), 2,112,930, 1,820,900 and 2,061,600 restricted shares were granted to the selected participants in 13 April 2021, 8 July 2022 and 31 July 2023 respectively.

The selected participants are entitled to the related distribution derived from the relevant restricted shares during the period from the date of the issue of the restricted shares to the vesting date (both dates inclusive) of such restricted shares, which shall however only be vested by the selected participants on the vesting date subject to fulfilment of vesting conditions of the restricted shares.

The selected participants include certain directors of the Company, certain members of senior management and employees of the Group who subscribed for the restricted shares at RMB15.07 per share under the terms of the Restricted Share Incentive Scheme 2021, RMB11.82 per share under the terms of the Restricted Share Incentive Scheme 2022 and RMB11.13 per share under the terms of the Restricted Share Incentive Scheme 2023.

Under the terms of the restricted share incentive schemes, if the vesting conditions: (a) performance target of the Company and (b) individual performance evaluation requirement on selected participants are fulfilled, the restricted shares shall be vested by 30%, 30% and 40% on each of the vesting period, respectively. During the years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, 837,301, 1,152,659, 1,575,881 and 17,200 unvested restricted shares were forfeited, respectively, as certain vesting conditions were not fulfilled.

For the selected participants who do not meet the vesting conditions, the unvested restricted shares are to be forfeited.

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	Number of restricted shares			
Restricted Share Incentive Scheme				
As at 1 January	1,987,640	2,746,902	4,005,014	724,560
Granted during the year	1,820,900	2,061,600	–	–
Forfeited during the year	(837,301)	(1,152,659)	(1,575,881)	(17,200)
Vested during the year	(868,107)	–	(1,704,573)	–
Adjustment arising from scrip dividend	643,770	349,171	–	–
As at 1 January/30 April	2,746,902	4,005,014	724,560	707,360

The fair value of the restricted shares issued was assessed based on the market price of the Company's shares at the respective grant date. The expected dividends and time value of money for the expected dividends during the vesting period were taken into account when assessing the fair value of the restricted shares. The weighted average fair value of restricted shares granted during the year ended 31 December 2022 and 2023 were approximately RMB11.82 and RMB11.13 per share respectively.

The Group recognised the expense of RMB4,965,000, RMB9,303,000, RMB1,295,000 and RMB1,229,000 for the year ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025 in relation to the restricted share incentive schemes respectively.

(b) Share options

The Company has share option schemes which were adopted in April 2021 (the "Share Option Scheme 2021"). Pursuant to Share Option Scheme 2021, the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at nil consideration to subscribe for shares of the Company.

30%, 30% and 40% of the options vest at first, second and third anniversary date of grant date and then exercisable within a period of twelve months. Options granted may have certain performance requirements in addition to services. If the performance conditions are not satisfied, the options are forfeited. Each option gives the holder the right to subscribe for one ordinary share in the Company.

All share options will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares.

The terms and conditions of the grants are as follows:

	Number of options	Vesting period	Contractual life of options
Share Option Scheme 2021			
Options granted to senior management			
13 April 2021	210,000	1 year from the date of grant	2 years
		2 years from the date of grant	3 years
		3 years from the date of grant	4 years
Options granted to employee			
13 April 2021	550,100	1 year from the date of grant	2 years
		2 years from the date of grant	3 years
		3 years from the date of grant	4 years

Share options and weighted average exercise price are as follows for Track Record Period presented:

	As at 31 December						As at 30 April	
	2022		2023		2024		2025	
	Number	*Weighted average exercise price*	*Number*	*Weighted average exercise price*	*Number*	*Weighted average exercise price*	*Number*	*Weighted average exercise price*
		RMB		RMB		RMB		RMB
Outstanding at 1 January	1,244,570	30.31	656,246	20.07	642,856	16.64	481,263	16.26
Cancelled	(451,740)	30.31	(120,533)	20.07	(161,593)	16.64	–	–
Exercised	(534,874)	30.31	–	–	–	–	(481,263)	16.26
Scrip dividend	398,290	20.07	107,143	16.64	–	–	–	–
Outstanding at 31 December/30 April	656,246	20.07	642,856	16.64	481,263	16.26	–	–

The fair values of options granted were determined using the Black-Scholes Option Pricing model that takes into account factors specific to the share incentive plans. The following principal assumptions were used in the valuation:

Share Option Scheme 2021	Vesting Period 1	Vesting Period 2	Vesting Period 3
Share price at date of grant	51.96	51.96	51.96
Expected volatility	26.84%	28.13%	28.42%
Expected option life	1	2	3
Dividend yield	0.59%	0.59%	0.59%
Risk-free interest rate	2.56%	2.75%	2.83%
Fair value at grant date	6.04	9.12	11.40
Exercise price at date of grant	51.83	51.83	51.83

The underlying expected volatility was determined by reference to historical data, calculated based on expected life of share options. Expectations of early exercise were incorporated into the Black-Scholes Option Pricing model. No special features pertinent to the options granted were incorporated into measurement of fair value.

In total, RMB407,000, RMB629,000 and RMB1,190,000 and RMBNil of share option expense has been recognised in profit or loss for year ended 31 December 2022, 2023, 2024 and four months ended 30 April 2025, respectively. The corresponding amount of which has been credited to "share option reserve". No liabilities were recognised due to share options.

37. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the Historical Financial Information, the Group had the following transactions with its related parties:

37.1 Relationships with related parties

Name of related party	Relationship with the Group
Shenzhen Bogesi Communication Technology Co., Ltd.	An associate of the Group
Hubei Linksci Technology Co., Ltd.	An associate of the Group
Rolling Wireless PTE Ltd.	A related company of the Group

37.2 Related party transactions

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Purchase					
Associates of the Group	4,531	2,845	382	56	34
Sales of goods					
Associates of the Group	103,476	131,279	37,672	10,616	6,569
A related company of the Group	–	–	8,978	–	32,417

Compensation of key management personnel

The remuneration of executive and non-executive directors and other members of key management during the Track Record Period were as follows:

	Year ended 31 December			Four months ended 30 April	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Wages, salaries and bonuses	9,988	10,022	14,022	6,395	5,587
Termination benefits	516	511	444	156	142
Share based payment expenses	550	1,613	1,813	1,413	363
Contribution to retirement benefit schemes	330	322	325	109	123
	11,384	12,468	16,604	8,073	6,215

37.3 Balances with related party

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amount due from related parties:				
Trade				
Associates of the Group	108,219	166,000	129,719	122,146
A related company of the Group	–	–	8,532	31,251
Non-Trade				
Associates of the Group	4,036	–	–	–
	112,255	166,000	138,251	153,397

	Year ended 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amount due to related parties:				
Trade				
Associates of the Group	2,107	1,264	2,677	2,484

In the opinion of the directors of the Company, the related transactions carried out between the Group and its related parties during the Track Record Period were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

38. COMMITMENTS

38.1 Capital Commitments

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted but not provided for:				
Property, plant and equipment	101,029	98,795	72,632	75,722
Capital Commitment	175,784	155,250	43,468	34,386

38.2 Operating lease Commitments

As a lessee

At the end of the reporting period, the lease commitments for non-cancellable short-term leases are as follows:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	806	693	496	459

The total future cash outflows for operating leases amounting to RMB860,000, RMB793,000, RMB514,000 and RMB475,000 as at years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025.

39. SUPPLIER FINANCE ARRANGEMENT ("SFA")

The Group introduces third party supply chain information service platform to provide services to its suppliers holding the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall transfer the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable and financially viable.

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount of financial liabilities that are part of SFA				
Presented as part of:				
– Trade and other payables	3,371	11,599	13,019	15,701
Payment have been received by the suppliers from the finance provider				
– Trade and other payables	2,998	9,316	8,850	5,847

The range of payment due dates for the liabilities presented as trade and other payables that are part of SFA and those comparable trade payables that are not part of SFA had no significant changes. The payment days are generally 30-150 days.

40. PLEDGED ASSETS

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	29,911	24,941	4,222	3,618
FVTOCI – Bills receivables	–	32,479	–	–
FVTPL – Cash financial products	45,270	–	14,376	–
Pledged deposits	1,874	35,378	67,980	51,874
	77,055	92,798	86,578	55,492

The company pledges bills receivables to the bank as collateral for issuing bills payables. These bills payables are mainly used to pay suppliers for procurement.

41. RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below set out the reconciliation of liabilities arising from financing activities.

	Bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	497,481	43,852	541,333
– Cash Flow	325,088	(13,233)	311,855
– Interest paid	(26,467)	–	(26,467)
– Interest expenses	26,623	15,144	41,767
– Other non-cash movements	575,435	–	575,435
At 31 December 2022 and 1 January 2023	1,398,160	45,763	1,443,923
– Cash Flow	(220,770)	(25,242)	(246,012)
– Interest paid	(43,545)	–	(43,545)
– Interest expenses	42,392	20,543	62,935
– Other non-cash movements	9,136	–	9,136
At 31 December 2023 and 1 January 2024	1,185,373	41,064	1,226,437
– Cash Flow	78,728	(20,757)	57,971
– Interest paid	(44,880)	–	(44,880)
– Interest expenses	42,774	1,360	44,134
– Other non-cash movements	7,657	–	7,657
At 31 December 2024 and 1 January 2025	1,269,652	21,667	1,291,319
(Unaudited)			
At 31 December 2023 and 1 January 2024	1,185,373	41,064	1,226,437
– Cash Flow	126,859	(6,921)	119,938
– Interest paid	(11,868)	–	(11,868)
– Interest expenses	13,673	1,929	15,602
– Other non-cash movements	(1,246)	–	(1,246)
At 30 April 2024	1,312,791	36,072	1,348,863
At 31 December 2024 and 1 January 2025	1,269,652	21,667	1,291,319
– Cash Flow	(8,213)	(6,904)	(15,117)
– Interest paid	(11,213)	–	(11,213)
– Interest expenses	10,510	118,377	128,887
– Other non-cash movements	1,243	–	1,243
At 30 April 2025	1,261,979	133,140	1,395,119

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

42.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost				
Trade and other receivables	2,677,973	2,602,672	2,971,104	2,894,685
Pledged deposits	1,874	35,378	67,980	51,874
Cash and cash equivalents	775,468	978,262	980,120	807,073
Financial assets at FVTOCI				
Unlisted equity securities	112,135	217,280	329,578	352,761
Bills receivables	201,940	324,464	363,685	327,093
Financial assets at FVTPL				
Cash financial products	86,468	104,138	254,813	295,383
Contingent consideration	–	–	353,652	280,438
	3,855,858	4,262,194	5,320,932	5,009,307

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities measured at amortised cost				
Trade and other payables	2,075,807	2,097,125	2,240,129	2,377,040
Lease liabilities	45,763	41,064	21,667	133,140
Bank borrowings	1,398,160	1,185,373	1,269,652	1,261,979
	3,519,730	3,323,562	3,531,448	3,772,159

42.2 Foreign currency risk

The Group's subsidiaries mainly operate in the PRC and overseas and majority of the transactions are settled in RMB and USD, being the functional currency of the group entities to which the transactions relate. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. As at 31 December 2022, 2023 and 2024 and as at 30 April 2025, the Group did not have significant foreign currency risk from its operations.

42.3 Interest rate risk

Other than the interest-bearing bank deposits, the Group has no other significant interest-bearing assets bearing variable rates. It is not anticipated there is any significant impact to these interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's bank and other borrowings bears variable rates expose the Group to cash flow interest rate risk. The Group has not hedged against such a risk as it does not see the benefit in so doing.

Based on the balance of its interest-bearing borrowings as at 31 December 2022, 2023 and 2024 and as at 30 April 2025, it is estimated that should there be a general increase/decrease of 50 basis point change in interest rates would have affected the Group's results of operations profits for the year ended 31 December 2022, 2023, 2024 and as at 30 April 2025 by approximately RMB139,000, RMB123,000, RMB181,000 and RMB217,000, respectively.

42.4 Price risk

The Group is not exposed to significant price risk as there has been no involvement with equity investment on an active market.

42.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025 is the carrying amount as disclosed in note 42.1.

Trade receivables

The Group's policy is to deal with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods and services. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

The Group applied the simplified approach to provide for impairment for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for impairment of all trade receivables.

For trade receivables, the Group assesses ECL under IFRS 9 based on shared credit risk characteristics and aging as well as the corresponding historical credit losses during that period. The Group also made individual assessment on the recoverability of its trade and bills receivables at amortized cost for certain customer based on historical settlement record. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

The Group's concentration of credit risk by geographical location is located in the Mainland China in majority as at years ended 31 December 2022, 2023 and 2024 and four months ended 30 April 2025.

On the above basis, the ECL for trade receivables as at years ended 31 December 2022, 2023 and 2024 and as at 30 April 2025 was determined as follows:

	Expected loss rate	Gross carrying amount	ECL allowance	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022				
Collective assessment				
– Within 1 year	1.70%	2,226,100	37,817	2,188,283
Individual assessment	50.00%	9,592	4,796	4,796
		2,235,692	42,613	2,193,079
As at 31 December 2023				
Collective assessment				
– Within 1 year	1.65%	1,941,428	32,129	1,909,299
– 1-2 year	10.00%	33,354	3,335	30,019
		1,974,782	35,464	1,939,318
As at 31 December 2024				
Collective assessment				
– Within 1 year	1.52%	1,880,333	28,526	1,851,807
– 1-2 year	9.82%	101,610	9,980	91,630
– 2-3 year	20.00%	3,706	741	2,965
Individual assessment	100.00%	7,702	7,702	–
		1,993,351	46,949	1,946,402

	Expected loss rate	Gross carrying amount	ECL allowance	Net carrying amount
		RMB'000	RMB'000	RMB'000
As at 30 April 2025				
Collective assessment				
– Within 1 year	1.53%	1,956,509	30,013	1,926,496
– 1-2 year	10.00%	103,418	10,341	93,077
– 2-3 year	20.00%	3,735	747	2,988
Individual assessment	100.00%	7,710	7,710	–
		2,071,372	48,811	2,022,561

Other financial assets at amortised cost and at FVTOCI

Other financial assets at amortised cost and at FVTOCI include deposits, other receivables, pledged deposits and cash at bank. Other financial assets at FVTOCI include unlisted equity securities and bills receivables.

In order to minimise the credit risk of deposits and other receivables, the management would make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information, and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of deposits and other receivables are considered to be low.

To manage this risk arising from pledged deposits and cash and cash equivalents, the Group mainly transacts with banks with high credit rating. There has been no recent history of default in relation to these financial institutions.The expected credit loss is minimal.

42.6 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by maintaining adequate cash and cash equivalents.

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

	Within 1 year or on demand	Over 1 year but within 5 years	Total undiscounted cash flow	Total carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022				
Non-derivative financial liabilities				
Trade and other payables	2,075,807	–	2,075,807	2,075,807
Lease liabilities	20,187	28,562	48,749	45,763
Bank borrowings	802,067	599,920	1,401,987	1,398,160
	2,898,061	628,482	3,526,543	3,519,730

	Within 1 year or on demand	Over 1 year but within 5 years	Total undiscounted cash flow	Total carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Non-derivative financial liabilities				
Trade and other payables	2,097,125	–	2,097,125	2,097,125
Lease liabilities	19,589	24,097	43,686	41,064
Bank borrowings	791,933	394,472	1,186,405	1,185,373
	2,908,647	418,569	3,327,216	3,323,562

	Within 1 year or on demand	Over 1 year but within 5 years	Total undiscounted cash flow	Total carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Non-derivative financial liabilities				
Trade and other payables	2,240,129	–	2,240,129	2,240,129
Lease liabilities	11,652	11,085	22,737	21,667
Bank borrowings	1,080,892	189,970	1,270,862	1,269,652
	3,332,673	201,055	3,533,728	3,531,448

	Within 1 year or on demand	Over 1 year but within 5 years	Total undiscounted cash flow	Total carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 April 2025				
Non-derivative financial liabilities				
Trade and other payables	2,377,040	–	2,377,040	2,377,040
Lease liabilities	73,540	62,879	136,419	133,140
Bank borrowings	1,213,927	50,000	1,263,927	1,261,979
	3,664,507	112,879	3,777,386	3,772,159

42.7 Fair value measurements

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	As at 31 December 2022		
	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Financial assets at FVTPL			
– Cash financial products	–	86,468	86,468
Financial assets at FVTOCI			
– Unlisted equity securities	–	112,135	112,135
– Bills receivables	201,940	–	201,940
	201,940	198,603	400,543

	As at 31 December 2023		
	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Financial assets at FVTPL			
– Cash financial products	–	104,138	104,138
Financial assets at FVTOCI			
– Unlisted equity securities	–	217,280	217,280
– Bills receivables	324,464	–	324,464
	324,464	321,418	645,882

	As at 31 December 2024		
	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Financial assets at FVTPL			
– Cash financial products	–	254,813	254,813
– Contingent consideration	–	353,652	353,652
Financial assets at FVTOCI			
– Unlisted equity securities	–	329,578	329,578
– Bills receivables	363,685	–	363,685
	363,685	938,043	1,301,728

	As at 30 April 2025		
	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Financial assets at FVTPL			
– Cash financial products	–	295,383	295,383
– Contingent consideration	–	280,438	280,438
Financial assets at FVTOCI			
– Unlisted equity securities	–	352,761	352,761
– Bills receivables	327,093	–	327,093
	327,093	928,582	1,255,675

During the Track Record Period, there was no transfer between Level 2 and Level 3.

The following table presents the changes in Level 2 and 3 fair value hierarchy for the Track Record Period:

	Level 2	Level 3			Total
	Bills receivables at FVTOCI	Cash financial products at FVTPL	Contingent consideration at FVTPL	Unlisted equity securities at FVTOCI	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	116,896	22,322	–	73,403	212,621
Additions	1,110,696	830,500	–	38,732	1,979,928
Disposal	(1,025,652)	(776,877)	–	–	(1,802,529)
Exchange differences	–	10,523	–	–	10,523
As at 31 December 2022 and 1 January 2023	201,940	86,468	–	112,135	400,543
Additions	1,545,470	534,223	–	105,145	2,184,838
Disposal	(1,422,946)	(517,260)	–	–	(1,940,206)
Exchange differences	–	707	–	–	707

	Level 2	Level 3			Total
	Bills receivables at FVTOCI	Cash financial products at FVTPL	Contingent consideration at FVTPL	Unlisted equity securities at FVTOCI	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023 and 1 January 2024	324,464	104,138	–	217,280	645,882
Additions	1,794,226	806,056	353,652	112,298	3,066,232
Disposal	(1,755,005)	(656,369)	–	–	(2,411,374)
Exchange differences	–	988	–	–	988
As at 31 December 2024 and 1 January 2025	363,685	254,813	353,652	329,578	1,301,728
Additions	669,224	618,677	–	23,183	1,311,084
Disposal	(705,816)	(577,490)	(73,214)	–	(1,356,520)
Exchange differences	–	(617)	–	–	(617)
As at 30 April 2025	327,093	295,383	280,438	352,761	1,255,675

The information of fair value measurements for Level 3 as at 31 December 2022, 2023 and 2024 and as at 30 April 2025 is as follows:

	As at 31 December			As at 30 April	Valuation technique	Significant Unobservable input	Sensitivity of fair value to the input(s)
	2022	2023	2024	2025			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Financial assets at FVTPL:							
Cash financial products	86,468	104,138	254,813	295,383	Discounted cash flow	Expected interest rate per annum	Should the expected interest rate per annum be increased/decreased by 1%, the fair value of cash financial products would be decreased/increased by approximately RMB24,000, RMB519,000, RMB1,639,000 and RMB1,752,000 as at 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, respectively.
Contingent consideration	–	–	353,652	280,438	Discounted cash flow	Percentage change of probability for Scenario	Should the percentage change of probability for Scenario be increased/decreased by 1%, the fair value of contingent consideration would be decreased/increased by approximately RMB1,594,000 and RMB1,591,000 as at 31 December 2024 and four months ended 30 April 2025, respectively.
	86,468	104,138	608,465	575,821			

	As at 31 December			As at 30 April	Valuation technique	Significant Unobservable input	Sensitivity of fair value to the input(s)
	2022	2023	2024	2025			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Financial assets at FVTOCI:							
Unlisted equity securities	78,847	154,026	252,000	287,224	Recent transaction	Discounts for lack of control	Should the discounts for lack of control be increased/decreased by 1%, the fair value of unlisted equity securities would be decreased/increased by approximately RMB788,000, RMB1,680,000, RMB2,520,000 and RMB2,872,000 as at 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, respectively.
Unlisted equity securities	33,288	27,154	22,791	20,740	Market approach	Price-to-book ratio	Should the price-to-book ratio be increased/decreased by 1%, the fair value of unlisted equity securities would be decreased/increased by approximately RMB183,000, RMB272,000, RMB228,000 and RMB207,000 as at 31 December 2022, 2023 and 2024 and four months ended 30 April 2025, respectively.
Unlisted equity securities	–	36,100	54,787	44,797	Market approach	Price-to-sales ratio	Should the price-to-sales ratio be increased/decreased by 1%, the fair value of unlisted equity securities would be decreased/increased by approximately RMB361,000, RMB548,000 and RMB448,000 as at 31 December 2023 and 2024 and four months ended 30 April 2025, respectively.
	112,135	217,280	329,578	352,761			
	198,603	321,418	938,043	932,905			

43. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose, net debt is defined as trade and other payables, contract liabilities and borrowings (which includes interest-bearing borrowings and lease liabilities) less cash and cash equivalents, pledged deposits and financial assets at FVTPL. In order to maintain a desirable ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The net debt to equity ratio at the reporting date was:

	As at 31 December			As at 30 April
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	2,245,453	2,347,426	2,407,388	2,488,152
Contract liabilities	67,057	49,376	27,943	44,000
Bank borrowings	1,398,160	1,185,373	1,269,652	1,261,979
Lease liabilities	45,763	41,064	21,667	133,140
Less: Cash and cash equivalents	(775,468)	(978,262)	(980,120)	(807,073)
Pledged deposits	(1,874)	(35,378)	(67,980)	(51,874)
Financial assets at FVTPL	(86,468)	(104,138)	(608,465)	(575,821)
Net adjusted debt	2,892,623	2,505,461	2,070,085	2,492,503
Capital: Equity attributable to owners of the Company	2,428,248	3,133,081	3,604,335	3,797,972
Capital and net adjusted debt	5,320,871	5,638,542	5,674,420	6,290,475
Net debt to equity ratio	1.19	0.80	0.57	0.66

44. LEGAL CASE

In 2023, Faiot Co., Ltd, a subsidiary of the Group and 深圳蓮偶科技有限公司, a client of the Group, signed the "Product Development Contract". In September 2024, 深圳蓮偶科技有限公司 filed a lawsuit at the People's Court of Nanshan District, Shenzhen, demanding Faiot Co., Ltd to return the paid amount of RMB6,319,606.70 and pay a penalty of RMB2,200,000.

The People's Court of Nanshan District, Shenzhen, case number (2024) 粵0305民初24956號, froze Faiot Co., Ltd's account at Bank of Ningbo Co., Ltd. Shanghai Jinan Branch, account number 70060122000491902, with an amount of RMB1,616,639.25 and the court unfreeze the account as at 30 April 2025.

The court also froze Faiot Co., Ltd's account at China Merchants Bank Shenzhen Nanshan Branch, account number 755954347410102, with an amount of RMB8,519,606.70 as at 30 April 2025.

In December 2024, Faiot Co., Ltd applied to the People's Court of Nanshan District, Shenzhen, requesting the case to be transferred to the jurisdiction of the People's Court of Minhang District, Shanghai. As of now, the jurisdictional objection ruling is pending from the court.

After reviewing legal counsel's opinion and the progress of the case, the Group have concluded that the probability of an unfavourable outcome is low. Therefore, no provision for contingent liabilities is required at this stage.

45. EVENTS AFTER THE REPORTING DATE

The Group has evaluated the events after the reporting date through the date of these Historical Financial Information. The Group is not aware of any significant events after the reporting date that would require recognition or disclosure in the Historical Financial Information.

46. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the Companies now comprising the Group in respect of any period subsequent to 30 April 2025 and up to the date of this report.

The following is the text of a report received from the reporting accountants of the Company, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purposes of incorporation in this document.

Grant Thornton
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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE DIRECTORS OF FIBOCOM WIRELESS INC.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information of Fibocom Wireless Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages IA-3 to IA-32, which comprises the interim condensed consolidated statement of financial position as of 30 June 2025, and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (together, the "Interim Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Our responsibility is to express a conclusion on the Interim Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Other Matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2024. The comparative information for the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows, and related explanatory notes, for the period ended 30 June 2024 has not been audited or reviewed.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

14 October 2025

Chiu Wing Ning
Practising Certificate No.: P04920

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	Notes	**2025**	**2024**
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Continuing operations			
Revenue	*4*	3,706,977	3,001,855
Cost of goods sold		(3,098,165)	(2,402,004)
Gross profit		608,812	599,851
Other income, net	*5*	27,821	55,938
Other gains and losses, net	*5*	18,533	(2,873)
Research and development expenses		(239,241)	(268,070)
Selling and distribution expenses		(82,070)	(84,842)
Administrative expenses		(89,818)	(67,276)
Provision of expected credit losses ("ECL") allowance of trade and other receivables	*21*	(5,809)	(6,375)
Operating profit		238,228	226,353
Finance income	*6*	10,384	5,607
Finance costs	*6*	(16,341)	(15,706)
Finance costs, net		(5,957)	(10,099)
Share of result of associate	*18*	(2,882)	(1,310)
Profit before income taxes	*7*	229,389	214,944
Income tax expense	*8*	(10,907)	(6,463)
Profit for the period from continuing operations		218,482	208,481
Discontinued operation			
Profit for the period from discontinued operation	*9*	–	128,965
Profit for the period		218,482	337,446

	Notes	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other comprehensive (loss)/income:			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of financial assets at FVTOCI, net of tax		17,387	59,980
Remeasurement of post-employment benefit obligations		–	28
Items that will be reclassified subsequently to profit or loss			
Currency translation difference		(18,430)	2,574
Total comprehensive income for the period		217,439	400,028
Profit for the period attributable to:			
Owners of the Company			
Continuing operations		217,902	204,528
Discontinued operation		–	128,965
		217,902	333,493
Non-controlling interests			
Continuing operations		580	3,953
		218,482	337,446
Total comprehensive income attributable to:			
Owners of the Company			
Continuing operations		216,859	272,095
Discontinued operation		–	123,980
		216,859	396,075
Non-controlling interests			
Continuing operations		580	3,953
		217,439	400,028
Earnings per share ("EPS") for profit attributable to owners of the Company			
Basic (in RMB per share)			
– Continuing operations	12(a)	0.29	0.27
– Discontinued operation	12(a)	–	0.17
		0.29	0.44
Diluted (in RMB per share)			
– Continuing operations	12(b)	0.29	0.27
– Discontinued operation	12(b)	–	0.17
		0.29	0.44

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**As at 30 June 2025**	**As at 31 December 2024**
		RMB'000	*RMB'000*
		(Unaudited)	
Non-current assets			
Property, plant and equipment	*13*	189,687	171,822
Right-of-use assets	*14*	222,319	135,418
Deferred tax assets		151,825	156,563
Goodwill	*16*	12,902	12,902
Intangible assets	*17*	259,861	247,976
Financial assets at fair value through other comprehensive income ("FVTOCI")	*15*	352,761	329,578
Deposit	*21*	8,588	5,126
Interests in associates	*18*	61,734	57,274
		1,259,677	1,116,659
Current assets			
Inventories	*20*	1,201,100	979,719
Trade and other receivables	*21*	3,222,970	3,415,407
Tax recoverable		23,312	17,021
Financial assets at FVTOCI	*15*	319,498	363,685
Financial assets at fair value through profit or loss ("FVTPL")	*19*	501,407	608,465
Pledged deposits	*22*	41,065	67,980
Cash and cash equivalents	*22*	1,072,668	980,120
		6,382,020	6,432,397
Current liabilities			
Trade and other payables	*23*	2,527,393	2,407,388
Contract liabilities	*24*	36,911	27,943
Bank borrowings	*25*	1,224,631	1,079,682
Lease liabilities	*27*	71,219	10,984
Income tax payable		1,655	120,685
		3,861,809	3,646,682
Net current assets		2,520,211	2,785,715
Total assets less current liabilities		3,779,888	3,902,374

	Notes	**As at 30 June 2025**	**As at 31 December 2024**
		RMB'000	*RMB'000*
		(Unaudited)	
Non-current liabilities			
Bank borrowings	*25*	50,000	189,970
Lease liabilities	*27*	56,085	10,683
Deferred income	*26*	9,788	11,338
Deferred tax liabilities		83,175	77,422
		199,048	289,413
Net assets		3,580,840	3,612,961
EQUITY			
Share capital	*28*	765,453	765,565
Share premium		634,163	631,909
Reserves		362,500	348,256
Retained profits		1,809,518	1,858,605
Equity attributable to owners of the Company		3,571,634	3,604,335
Non-controlling interests		9,206	8,626
Total equity		3,580,840	3,612,961

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Capital reserve**	**Treasury share**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)									
Balance as at 1 January 2025	765,565	631,909	26,171	(44,843)	366,928	1,858,605	3,604,335	8,626	3,612,961
Transactions with owners:									
Share option exercised	481	7,345	–	–	–	–	7,826	–	7,826
Repurchase and cancellation of shares	(593)	(5,091)	–	5,684	–	–	–	–	–
Share based payment	–	–	2,111	–	–	–	2,111	–	2,111
Others	–	–	7,492	–	–	–	7,492	–	7,492
Dividend	–	–	–	–	–	(266,989)	(266,989)	–	(266,989)
Profit for the period	–	–	–	–	–	217,902	217,902	580	218,482
Other comprehensive income	–	–	–	–	(1,043)	–	(1,043)	–	(1,043)
Total comprehensive income	(112)	2,254	9,603	5,684	(1,043)	(49,087)	(32,701)	580	(32,121)
Balance as at 30 June 2025	765,453	634,163	35,774	(39,159)	365,885	1,809,518	3,571,634	9,206	3,580,840

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Capital reserve**	**Treasury share**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)									
Balance as at 1 January 2024	765,806	633,918	23,352	(63,976)	265,360	1,508,621	3,133,081	(4,472)	3,128,609
Transactions with owners:									
Repurchase and cancellation of shares	(62)	(518)	–	580	–	–	–	–	–
Share based payment	–	–	6,915	–	–	–	6,915	–	6,915
Restricted shares exercised	–	–	–	6,856	–	–	6,856	–	6,856
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	4,035	4,035
Others	–	–	695	–	–	–	695	–	695
Dividend	–	–	–	–	–	(289,984)	(289,984)	–	(289,984)
Profit for the period	–	–	–	–	–	333,493	333,493	3,953	337,446
Other comprehensive income	–	–	–	–	62,582	–	62,582	–	62,582
Total comprehensive income	(62)	(518)	7,610	7,436	62,582	43,509	120,557	7,988	128,545
Balance as at 30 June 2024	765,744	633,400	30,962	(56,540)	327,942	1,552,130	3,253,638	3,516	3,257,154

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash flows from operating activities			
Profit before income taxes:			
Continuing operations		229,389	214,944
Discontinued operation		–	132,006
Adjustments for:			
Depreciation of property, plant and equipment		15,613	32,124
Depreciation of right-of-use assets		30,656	11,865
Amortization of intangible assets		17,526	31,566
Share of result of associate		2,882	1,311
Net fair value gain on FVTPL		(9,794)	(4,797)
Financial costs		16,341	19,644
Financial income		(10,384)	(12,286)
Impairment loss of inventories		9,559	5,692
Provision of ECL allowance of trade and bills receivables		5,810	6,106
Loss on early termination of lease		15	–
Loss on disposal of property, plant and equipment, net		360	218
Share based payments		1,847	7,306
Operating profit before working capital changes		309,820	445,699
Increase in inventories		(230,940)	(90,660)
Decrease/(Increase) in trade and other receivables		120,966	(87,683)
(Decrease)/Increase in trade and other payables and provisions		(50,886)	52,819
Increase in pledged deposit		33,805	18,890
Cash generated from operating activities		182,765	339,065
Interest received		14,821	12,542
Interest paid		(18,525)	(18,797)
Income tax paid		(127,565)	(18,349)
Net cash generated from operating activities		51,496	314,461

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Cash flows from investing activities			
Purchase of financial assets at FVTPL		(1,009,632)	(454,074)
Proceeds from financial assets at FVTPL		1,044,694	381,370
Proceeds from contingent consideration receivable		71,579	–
Proceeds from property, plant and equipment		6	14
Purchase for property, plant and equipment		(99,385)	(114,374)
Purchase of financial assets at FVTOCI		–	(18,000)
Cash outflow from acquisition of subsidiaries		–	(2,701)
Net cash generated from/(used in) investing activities		7,262	(207,765)
Cash flows from financing activities			
Proceeds from bank borrowings		633,105	561,942
Repayment of bank borrowings		(581,359)	(255,052)
Payment of lease liabilities		(9,521)	(9,960)
Dividend		–	(289,985)
Proceeds from exercise of share options		7,826	–
Capital contribution from non-controlling interests		–	2,140
Listing expenses paid		(12,674)	–
Repurchase of shares		(5,684)	(579)
Net cash generated from financing activities		31,693	8,506
Net increase in cash and cash equivalents		90,451	115,202
Cash and cash equivalents, beginning of period		980,120	978,263
Effect of exchange rate changes on cash and cash equivalents		2,097	6,046
Cash and cash equivalents, end of period	*22*	1,072,668	1,099,511

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Fibocom Wireless Inc. (the "Company") was incorporated on 11 November 1999 as a limited liability company in Shenzhen with its headquarters located in Shenzhen, Guangdong. The Company's A shares were listed on Shenzhen Stock Exchange on 13 April 2017.

The Company and its subsidiary (the "Group") are principally engaged in the design, research and development, and sales services of communication solutions for the wireless communication module and its application industry. The subsidiary of the Company, Rolling Wireless S.à r.l. was disposed of during year ended 31 December 2024, details of which are set out in note 9.

In the opinion of the directors, the ultimate control of the Company is held by Mr. Zhang TianYu.

In this Interim Financial Information, certain English names of the companies referred herein represent management's effort to translate the Chinese name of the companies as no English name has been registered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of presentation and preparation

This interim condensed consolidated financial information, comprising interim condensed consolidated statement of financial position as at 30 June 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended 30 June 2025 (collectively referred to as the "Interim Financial Information"), has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standard Board ("IASB").

The Interim Financial Information has been prepared in accordance with the same accounting policies and critical accounting estimates and judgments adopted in the historical financial information for the years ended 31 December 2022, 2023 and 2024 and the four months ended 30 April 2025 (the "Historical Financial Information") as disclosed in Appendix I to the prospectus issued by the Company.

This Interim Financial Information contains consolidated financial statements and selected explanatory notes. The selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest annual consolidated financial statements as at and for the year ended 31 December 2024. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"). Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Historical Financial Information and notes thereto.

3. ADOPTION OF NEW AND AMENDED IFRSs

Amended IFRSs that are effective for annual periods beginning on 1 January 2025

The adoption of amended IFRSs as described below.

Amendments to IAS 21 . . . . Lack of exchangeability

The adoption of these amended IFRSs had no material impact on the Interim Financial Information.

Issued but not yet effective IFRSs

At the date of authorisation of these Interim Financial Information, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first annual period beginning on or after the effective date of the pronouncement. All the new and amended IFRSs are not expected to have a material impact on the Interim Financial Information.

4. REVENUE AND SEGMENT INFORMATION

4.1 Revenue

The Group's principal activities are disclosed in Note 1 to the Interim Financial Information.

The Group derives revenue from the transfer of goods and services at a point in time or services over time were analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Continuing operations		
Types of goods or service		
Module products	3,446,371	2,883,099
Solutions	214,840	82,557
Others	45,766	36,199
	3,706,977	3,001,855
Timing of revenue recognition		
At point in time	3,693,676	2,991,667
Over time	13,301	10,188
Total	3,706,977	3,001,855

4.2 Segment information

During the six months ended 30 June 2025 and 2024, the executive directors of the Company, being the CODM reviews the overall results of the Group as a whole to make decisions about resources allocation and performance review. Accordingly, other than the entity-wide disclosure, no segment analysis is presented.

The Group disposed Rolling Wireless S.à r.l. and its subsidiaries during the year ended 31 December 2024.

Geographical information

The Company is domiciled in Mainland China. The following table sets out the geographical information of the Group's revenue for the six months ended 30 June 2025 and 2024, which was determined based on geographical region of the customers.

	Six months ended 30 June	
	2025	**2024**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Continuing operations		
Geographical markets		
Mainland China	1,370,850	1,311,034
Taiwan	1,393,449	802,252
United States	406,200	366,267
Singapore	167,801	227,376
Hong Kong	110,631	151,827
Others	258,046	143,099
Total	3,706,977	3,001,855

The following table sets out information about the Group's property, plant and equipment, right-of-use assets, goodwill and intangible assets ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets or the location of operations. For property, plant and equipment and right-of-use assets, the physical location of the assets is relevant, for goodwill and intangible assets, the location of operations is relevant.

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Geographical locations		
Mainland China	641,936	521,342
Others	42,833	46,776
Total	684,769	568,118

Information about major customers

The following table sets out the revenue from the Group's customers which individually contributed over 10% of the Group's revenue during the the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	**2024**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Continuing operations		
Customer A	869,017	509,043
Customer B	426,885	469,691
Customer C	400,681	365,388
Customer D	422,956	228,756

5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Continuing operations		
Other income		
Government subsidies	26,971	33,316
Sundry income	850	22,622
	27,821	55,938
Other gains/(losses), net		
Loss on disposal of property, plant and equipment, net	(360)	(11)
Loss on early termination of lease	(15)	–
Net fair value gains on financial assets at FVTPL – realised	2,844	3,832
Net fair value gains on financial assets at FVTPL – unrealised	6,949	965
Exchange gain/(loss)	9,638	(10,130)
Others	(523)	2,471
	18,533	(2,873)

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Continuing operations		
Finance income		
Interest income	10,384	5,607
Finance costs		
Interest expense	(16,341)	(15,706)
Finance costs, net	(5,957)	(10,099)

7. PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Profit before income taxes from continuing operations is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Depreciation:		
Owned assets	15,612	20,996
Right-of-use assets	30,656	10,238
Total depreciation	46,268	31,234
Amortisation of intangible assets	17,526	14,909
Cost of inventories recognised as expenses	2,976,802	2,325,849
Lease charges:		
Short-term leases	1,280	824
ECL allowances on trade and bill receivables	5,837	6,154
ECL allowances on other receivables	(28)	221
Reversal of inventories, net	(15,273)	(336)

8. INCOME TAX (CREDIT)/EXPENSE RELATING TO CONTINUING OPERATIONS

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Current tax		
PRC enterprise income tax ("EIT")	2,835	9,649
Hong Kong income tax	1,366	281
Other country's income tax	132	–
	4,333	9,930
Deferred taxation	6,574	(3,467)
Income tax (credit)/expense	10,907	6,463

Reconciliation between tax expense and profit before income taxes at applicable tax rates is as follow:

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Profit before income tax	229,389	214,944
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	30,250	30,380
Tax effect of:		
– non-deductible expenses	780	888
– non-taxable income	(1,797)	(10)
– deductible temporary differences not recognised	16,581	26,393
– utilisation of tax losses previously not recognised	(755)	(1,693)
– (over)/under provision in respect of prior years	(61)	(5,384)
– share of associates	709	296
– additional deduction on research and development expense	(34,800)	(44,407)
Income tax (credit)/expense	10,907	6,463

(a) PRC corporate income tax

The Company were approved as High and New Technology Enterprise on 23 December 2021 and 26 December 2024, and therefore entitled to a preferential tax rate of 15% during the six months ended 30 June 2025 and 2024.

The Group's subsidiaries, Shenzhen Favalon Technology Co., Ltd, Fibocom Wireless Software Inc. were approved as High and New Technology Enterprise and therefore entitled to a preferential tax rate of 15% during the six months ended 30 June 2025 and 2024.

Fibocom Technology Co. Ltd were also approved as High and New Technology Enterprise and entitled to a preferential tax rate of 15% during the six months ended 30 June 2025 and a tax rate of 25% during the six months ended 30 June 2024.

The Group's subsidiaries, Xi An Fibocom Wireless Software Inc was approved as Software Enterprise, and therefore entitled to tax free for two years ended 31 December 2023 and preferential tax rate of 12.5% for the year ended 31 December 2024 and six months ended 30 June 2025.

The Group's subsidiaries, Rolling Wireless Communication Technology (Shenzhen) Ltd was approved as Advanced Technology Service Enterprise and entitled to a preferential tax rate of 15% during the six months ended 30 June 2024.

The Group's subsidiaries, Faiot Co., Ltd was approved as Advanced Technology Service Enterprise and therefore entitled to a preferential tax rate of 15% during the six months ended 30 June 2025 and a tax rate of 25% during the six months ended 30 June 2024.

The Company's other subsidiaries in Mainland China other than those mentioned above are subject to the PRC enterprise income tax at the standard rate of 25%.

In addition, according to relevant laws and regulations promulgated by the State Council of the PRC and The State Taxation Administration of The PRC announced in March 2021 that enterprises engaging in research and development activities are entitled to claim 200% of the research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year.

(b) Hong Kong profit tax

Hong Kong profit tax has been provided at the rate of 16.5% on the estimated profits arising from Hong Kong.

(c) Corporate income tax in other jurisdictions

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

9. DISCONTINUED OPERATION

On 2 July 2024, the board of directors of a subsidiary, Fibocom Wireless Inc. passed a resolution for the disposal of 100% equity interest in Rolling Wireless S.à r.l. to EUROPASOLAR S.À R.L. for US$150,000,000 (equivalent to RMB1,017,190,000) and the disposal is completed on 25 July 2024.

The profit for the period ended 25 July 2024 and six months ended 30 June 2024 from discontinued operation is set out below.

	Period ended 25 July 2024	**Six months ended 30 June 2024**
	RMB'000	*RMB'000* *(Unaudited)*
Revenue	1,217,663	1,072,836
Cost of goods sold	(901,656)	(793,259)
Gross profit	316,007	279,577
Other income, net	163,015	404
Other gains and losses, net	1,158	(62)
Research and development expenses	(104,209)	(97,225)
Selling and distribution expenses	(30,261)	(23,555)
Administrative expenses	(48,056)	(30,144)
(Provision)/Reversal of expected credit losses ("ECL") allowance of trade and bills receivables	(441)	270
Operating profit	297,213	129,265
Finance income	8,008	6,679
Finance costs	(5,327)	(3,938)
Finance costs, net	2,681	2,741
Profit before income tax	299,894	132,006
Income tax expense	(46,207)	(3,041)
Profit for the period from discontinued operation	253,687	128,965
Profit for the period attributable to:		
Owners of the Company	253,687	128,965

Profit for the period from discontinued operation includes depreciation expenses of RMB17,168,000 and RMB12,755,000 and amortisation expenses of RMB18,804,000 and RMB16,657,000 for the period ended 25 July 2024 and the six months ended 30 June 2024.

Cash flows from discontinued operation are analysed as follows:

	Period ended 25 July 2024	Six months ended 30 June 2024
	RMB'000	*RMB'000* *(Unaudited)*
Net cash inflows from operating activities	467,426	224,018
Net cash inflows/(outflows) from investing activities	69,015	(13,910)
Net cash outflows from financing activities	(64,258)	(63,450)
Net cash inflows	472,183	146,658

According to the contract, the consideration for this disposal includes approximately (a) a cash consideration of RMB686,345,000 and (b) a contingent consideration of RMB347,051,000 less the post-employment staff costs of RMB16,206,000.

The amount of contingent consideration as at 31 December 2024 and 30 June 2025 is RMB353,652,000 and RMB281,555,000 respectively.

Analysis of assets and liabilities over which control was lost:

	25 July 2024
	RMB'000
Property, plant and equipment	64,547
Right-of-use assets	9,479
Intangible assets	138,419
Goodwill	303,133
Deferred tax assets	29,176
Inventories	145,738
Trade and other receivables	604,056
Cash and cash equivalents	602,594
Trade and other payables	(535,768)
Income tax payables	(114,379)
Borrowings	(353,801)
Lease liabilities	(12,318)
Deferred tax liabilities	(8,803)
Net assets of the disposed subsidiaries	872,073
Other reserves	1,852
Foreign currency translation reserve	(19,346)
Gain on the disposal	162,611
Consideration	1,017,190

Net cash inflow on disposal of subsidiaries

	25 July 2024
	RMB'000
Consideration received in cash and cash equivalents	686,345
Cash and cash equivalent disposal of	(602,594)
Cash inflow, net of cash acquired	83,751

10. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Continuing operations		
Wages, salaries and bonuses	270,524	274,368
Social welfare and other costs	22,239	22,919
Contribution to retirement benefit schemes	19,110	16,816
Share based payment	1,847	7,306
	313,720	321,409
Less: Employee benefit expenses included in:		
Cost of Inventories	(25,367)	(21,921)
Research and development expenses	(19,022)	(21,781)
Total	269,331	277,707

11. DIVIDENDS

(a) Dividends attributable to the period

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Ordinary A shares		
Dividend of RMB3.5 per 10 shares	–	266,989
Closing net carrying amount	–	266,989

The dividends of RMB3.5 per 10 shares in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group. The dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period, but reflected as an appropriation of retained profits for the year ended 31 December 2024.

12. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic EPS

The basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and share information used in the calculation of basic EPS:

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Profit attributable to owners of the Company used in calculating basic EPS		
– Continuing operations	217,902	204,528
– Discontinued operation	–	128,965
	217,902	333,493
Number of shares		
Weighted average number of ordinary shares in issue (thousand shares)	762,039	759,435
Earnings per share for profit attributable to owners of the Company (RMB)		
Basic		
– Continuing operations	0.29	0.27
– Discontinued operation	–	0.17
	0.29	0.44

(b) Diluted EPS

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options (collectively forming the denominator for computing the diluted EPS).

The following table illustrates the earnings and share information used in the calculation of diluted EPS:

	Six months ended 30 June	
	2025	2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Profit attributable to owners of the Company used in calculating diluted EPS		
– Continuing operations	217,902	204,528
– Discontinued operation	–	128,965
	217,902	333,493
Number of shares		
Weighted average number of ordinary shares in issue (thousand shares)	765,011	762,808
Earnings per share for profit attributable to owners of the Company (RMB)		
Diluted		
– Continuing operations	0.29	0.27
– Discontinued operation	–	0.17
	0.29	0.44

13. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Research equipment	52,220	56,346
Motor vehicles	735	842
Office equipment	12,868	12,404
Machinery and equipment	9,262	9,379
Construction in progress	114,602	92,851
	189,687	171,822

Depreciation of the Group's property, plant and equipment has been recognized as follows:

	As at 30 June 2025	As at 30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Cost of revenue	1,715	12,293
General and administration expenses	1,296	2,658
Research and development expenses	12,166	16,787
Selling and marketing expenses	436	386
	15,613	32,124

14. RIGHT-OF-USE ASSETS

The carrying amount of the Group's right-of-use assets is analysed as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Land	112,168	114,356
Buildings	25,449	21,062
Machineries	84,702	–
	222,319	135,418

Depreciation of the Group's right-of-use assets has been recognised as follows:

	As at 30 June 2025	As at 30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Land	2,188	1,901
Buildings	9,645	9,892
Machineries	18,823	72
	30,656	11,865

15. FINANCIAL ASSETS AT FVTOCI

Financial assets at FVTOCI included the following investments:

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Non-current		
Unlisted equity securities	352,761	329,578
Current		
Bills receivables	319,498	363,685

16. GOODWILL

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
At the beginning of year/period		
Gross carrying amount	27,786	326,103
Accumulated impairment	(14,884)	(14,884)
	12,902	311,219
Net carrying amount at 1 January	12,902	311,219
Business combination	–	4,816
Disposal of subsidiaries *(Note 9)*	–	(303,133)
Net carrying amount at 31 December	12,902	12,902
At end of year/period		
Gross carrying amount	27,786	27,786
Accumulated impairment	(14,884)	(14,884)
	12,902	12,902

17. INTANGIBLE ASSETS

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Patent	78,051	70,926
Development platform	124,888	125,262
Software	21,579	23,424
Development cost	35,343	28,364
	259,861	247,976

Amortization of the Group's intangible assets has been recognized as follows:

	As at 30 June 2025	As at 30 June 2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Cost of revenue	157	410
General and administration expenses	1,113	1,280
Research and development expenses	16,256	21,915
Selling and marketing expenses	–	7,961
	17,526	31,566

18. INTERESTS IN ASSOCIATES

Movement of investments in associates and joint ventures is analyzed as follows:

	As at 30 June 2025	As at 30 June 2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
At the beginning of the period	57,274	60,477
Share of results, net	(2,882)	(1,310)
Dividend	(150)	–
Deemed acquisition	7,492	695
At the end of the period	61,734	59,862

Investments in associates of the Group mainly included the investments in Shenzhen Bogesi Communication Technology Co., Ltd., Hubei Linksci Technology Co., Ltd. and Shenzhen High-tech Investment FIBOCOM IoT Industry Private Equity Fund Partnership (Limited Partnership). There was no associate of the Group as at 30 June 2025 which, in the opinion of the directors, was material to the Group.

19. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Cash financial products	219,852	254,813
Contingent consideration *(Note 9)*	281,555	353,652
	501,407	608,465

The fair value of cash financial products is determined with reference to expected return rate of 2.00%-5.10% and 1.59%-4.05% for the year ended 31 December 2024 and six months ended 30 June 2025, respectively, provided by the underlying banks. The investments in cash financial products were denominated in Renminbi. Changes in fair value were recognised in "other gains/(losses), net" in the consolidated statement of comprehensive income.

20. INVENTORIES

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Raw materials	333,706	862
Consigned processing materials	345,241	555,461
Finished goods	467,867	312,266
Goods in transit	80,317	147,697
Contract cost	2,605	7,343
	1,229,736	1,023,629
Less: Provision for inventories	(28,636)	(43,910)
	1,201,100	979,719

21. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Non-current		
Deposits	8,588	5,126
Current		
Trade receivables	1,893,447	1,993,351
Bills receivables	69,458	119,222
Trade and bills receivables, gross	1,962,905	2,112,573
Less: ECL allowance	(53,045)	(47,277)
Trade and bills receivables, net	1,909,860	2,065,296
Other receivables, deposits and prepayments		
Value-added tax recoverable	501,743	348,923
Prepayments	76,872	100,506
Deposit	10,135	9,380
Other receivables	724,740	891,694
	1,313,490	1,350,503
Less: ECL allowance	(380)	(392)
	1,313,110	1,350,111
	3,231,558	3,420,533
Analysed as		
Current	3,222,970	3,415,407
Non-current	8,588	5,126
	3,231,558	3,420,533

Based on date of invoice date, the ageing analysis of the trade and bill receivables, net of ECL allowances, were as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
0-365 days	1,809,074	1,970,701
1-2 years	97,611	91,630
2-3 years	3,175	2,965
	1,909,860	2,065,296

The movement in the ECL allowance of trade receivables and bill receivables during the six months ended 30 June 2025 and the year ended 31 December 2024 were as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Balance at 1 January	47,277	35,464
ECL allowance recognised during the year	5,837	12,219
Disposal of subsidiaries	–	(571)
Exchange differences	(69)	165
Balance at 30 June/31 December	53,045	47,277

The movement in the ECL allowance of other receivables during the six months ended 30 June 2025 and the year ended 31 December 2024 were as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Balance at 1 January	392	481
ECL allowance recognised during the year	(28)	336
ECL allowance reversed during the year	–	(428)
Exchange differences	16	3
Balance at 30 June/31 December	380	392

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	
Cash at bank and in hand	1,072,668	980,120
Pledged deposits *(Note (i))*	41,065	67,980
	1,113,733	1,048,100
Less: Pledged deposits	(41,065)	(67,980)
Cash and cash equivalents per the consolidated statement of cash flows	1,072,668	980,120

Note (i): In respect of the legal case between Faiot Co., Ltd and 深圳蓮偶科技有限公司, certain bank deposits of Faiot Co., Ltd were temporarily not available for use by the Group. The amount of cash and cash equivalents inaccessible to the Group as at 31 December 2024 and 30 June 2025 is RMB1,617,000 and RMB8,520,000 respectively.

23. TRADE AND OTHER PAYABLES

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Trade payables	1,664,698	1,718,555
Bills payables	298,389	345,723
Salaries payables	58,993	136,864
Value-added tax payables	40,301	30,395
Other payables	465,012	175,851
	2,527,393	2,407,388

Majority amounts are short term and hence the carrying amounts of the Group's trade payables, bills payables, salaries payables and other payables are considered to be a reasonable approximation of fair value.

During the six months ended 30 June 2025 and the year ended 31 December 2024, the Group endorsed certain bills receivables accepted by banks in the PRC (the "Endorsed Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

The Group is granted by its suppliers a credit period of 0-90 days. Based on the invoice date, the ageing analysis of the trade payables is as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Within 1 year	1,662,840	1,717,220
Over 1 year	1,858	1,335
	1,664,698	1,718,555

24. CONTRACT LIABILITIES

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Contract liabilities	36,911	27,943

25. BANK BORROWINGS

As at 31 December 2024 and as at 30 June 2025, the Group's bank loans were repayable as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Carrying amount repayable		
Within one year	1,224,631	1,079,682
In the second to fifth years	50,000	189,970
Total carrying amount	1,274,631	1,269,652
Amount due within one year	(1,224,631)	(1,079,682)
Carrying amount shown under non-current liabilities	50,000	189,970
Analysed as:		
Fixed-rate borrowings	1,274,631	1,269,652

As at 31 December 2024 and as at 30 June 2025, the loans are interest bearing at ranging from 2.30% to 4.65% and 2.02% to 4.73% per annum respectively.

26. DEFERRED INCOME

Deferred income represents the government subsidies received from the People's Republic of China in relation to the acquisition of certain property, plant and equipment. These subsidies were amortized over 1-8 years in accordance with the depreciable life of the assets. Movements in deferred income during the six months ended 30 June 2025 and the year ended 31 December 2024 were as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Balance at 1 January	11,338	13,288
Additions	1,703	4,684
Amortizations	(3,253)	(6,634)
Balance at 30 June/31 December	9,788	11,338

27. LEASE LIABILITIES

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Total minimum lease payments		
Due within one year	73,462	11,652
Due in the second to fifth year	56,604	11,085
	130,066	22,737
Future finance charges on lease liabilities	(2,762)	(1,070)
Present value of leases liabilities	127,304	21,667
Present value of minimum lease payments		
Due within one year	71,219	10,984
Due in the second to fifth year	56,085	10,683
	127,304	21,667
Less: Portion due within one year included under current liabilities	(71,219)	(10,984)
Portion due after one year included under non-current liabilities	56,085	10,683

As at 31 December 2024, the Group has entered into leases agreements for use of premises with terms ranging from 1 to 5 years.

As at 30 June 2025, the Group has entered into leases agreements for use of premises and machineries with terms ranging from 1 to 5 years and 1 to 2 years respectively.

These leases do not contain option to renew the lease and are subjected to monthly fixed rental payment.

28. SHARE CAPITAL

	Number of shares	*RMB'000*
Ordinary shares of RMB1		
Authorized, issued and fully paid:		
As at 1 January 2024	765,805,784	765,806
Repurchase of shares	(240,921)	(241)
As at 31 December 2024	765,564,863	765,565
Share option exercised *(Note (i))*	481,263	481
Repurchase of shares	(592,584)	(593)
At 30 June 2025	765,453,542	765,453

Note (i): During the period ended 30 June 2025, 481,263 ordinary shares were from share option exercised.

29. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the Interim Financial Information, the Group had the following transactions with its related parties:

29.1 Relationships with related parties

Name of related party	Relationship with the Group
Shenzhen Bogesi Communication Technology Co., Ltd.	An associate of the Group
Hubei Linksci Technology Co., Ltd.	An associate of the Group
Rolling Wireless PTE Ltd.	A related company of the Group

29.2 Related party transactions

	As at 30 June 2025	As at 30 June 2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Purchase		
Associates of the Group	3,934	2,615
Sales of goods		
Associates of the Group	6,036	22,117
A related company of the Group	75,996	–

Compensation of key management personnel

The remuneration of executive and non-executive directors and other members of key management during the six months ended 30 June 2025 and 2024 were as follows:

	As at 30 June 2025	As at 30 June 2024
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Wages, salaries and bonuses	7,253	9,406
Termination benefits	213	222
Share based payment expenses	547	1,600
Contribution to retirement benefit schemes	185	167
	8,198	11,395

29.3 Balances with related party

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Amount due from related parties:		
Trade		
Associates of the Group	118,134	129,719
A related company of the Group	62,259	8,532
	180,393	138,251

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Amount due to related parties:		
Trade		
Associates of the Group	2,565	2,677

In the opinion of the directors of the Company, the related transactions carried out between the Group and its related parties during the six months ended 30 June 2025 and 2024 were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

30. COMMITMENTS

30.1 Capital commitments

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Contracted but not provided for:		
Property, plant and equipment	109,012	72,632
Capital Commitment	34,386	43,468

30.2 Operating lease commitments

As a lessee

At the end of the reporting period, the lease commitments for non-cancellable short-term leases are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Within 1 year	806	693	496	3,594

The total future cash outflows for operating leases amounted to RMB514,000 and RMB3,853,000 as at 31 December 2024 and 30 June 2025 respectively.

31. SUPPLIER FINANCE ARRANGEMENT ("SFA")

The Group introduces third party supply chain information service platform to provide services to its suppliers holding the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall transfer the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable and financially viable.

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Carrying amount of financial liabilities that are part of SFA		
Presented as part of:		
– Trade and other payables	14,968	13,019
Payment have been received by the suppliers from the finance provider		
– Trade and other payables	8,048	8,850

The range of payment due dates for the liabilities presented as trade and other payables that are part of SFA and those comparable trade payables that are not part of SFA had no significant changes. The payment days are generally 30-150 days.

32. PLEDGED ASSETS

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Bills receivables	5,355	4,222
FVTOCI – Bills receivables	3,986	–
FVTPL – Cash financial products	–	14,376
Pledged deposits	41,065	67,980
	50,406	86,578

The Company pledges bills receivables to the bank as collateral for issuing bills payables. These bills payables are mainly used to pay suppliers for procurement.

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Historical Financial Information.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks during the six months ended 30 June 2025.

33.1 Fair value measurements

Financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow approach, recent transaction price approach and market approach. The inputs of the valuation technique mainly include volatility, financial data of target companies, market multiple of comparable companies and discount for lack of marketability.

Assets subject to Level 2 fair value measurement were mainly included bills receivables measured at FVTOCI are evaluated by market approach.

Assets subject to Level 3 fair value measurement were mainly included cash financial products measured at FVTPL, contingent consideration measured at FVTPL and equity investments in unlisted entities measured at FVTOCI. These assets were measured mainly using discounted cash flow approach, recent transaction price approach and market approach. The judgment of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value. Significant unobservable inputs mainly include expected interest rate per annum, percentage change of probability for scenario, discounts for lack of marketability and market multiple of comparable companies, discount for lack of marketability price-to book ratio and price-to-sales ratio.

The Group did not change any valuation techniques in determining the Level 2 and Level 3 fair values.

The financial assets measured at fair value in the condensed consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	As at 31 December 2024		
	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTPL			
– Cash financial products	–	254,813	254,813
– Contingent consideration	–	353,652	353,652
Financial assets at FVTOCI			
– Unlisted equity securities	–	329,578	329,578
– Bills receivables	363,685	–	363,685
	363,685	938,043	1,301,728

	As at 30 June 2025		
	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTPL			
– Cash financial products	–	219,852	219,852
– Contingent consideration	–	281,555	281,555
Financial assets at FVTOCI			
– Unlisted equity securities	–	352,761	352,761
– Bills receivables	319,498	–	319,498
	319,498	854,168	1,173,666

During the six months ended 30 June 2025 and the year ended 31 December 2024, there was no transfer between Level 2 and Level 3.

The following table presents the changes in Level 2 and 3 fair value hierarchy for the six months ended 30 June 2025 and the year ended 31 December 2024:

	Level 2	Level 3			
	Bills receivables at FVTOCI	Cash financial products at FVTPL	Contingent consideration at FVTPL	Unlisted equity securities at FVTOCI	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023 and 1 January 2024	324,464	104,138	–	217,280	645,882
Additions	1,794,226	806,056	347,051	18,000	2,965,333
Disposal	(1,755,005)	(656,369)	–	–	(2,411,374)
Change in fair value	–	–	6,601	94,298	100,899
Exchange differences	–	988	–	–	988
As at 31 December 2024 and 1 January 2025	363,685	254,813	353,652	329,578	1,301,728
Additions	1,215,370	1,009,632	–	–	2,225,002
Disposal	(1,259,557)	(1,044,693)	(71,579)	–	(2,375,829)
Change in fair value	–	–	(518)	23,183	22,665
Exchange differences	–	100	–	–	100
As at 30 June 2025	319,498	219,852	281,555	352,761	1,173,666

34. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose, net debt is defined as trade and other payables, contract liabilities and borrowings (which includes interest-bearing borrowings and lease liabilities) less cash and cash equivalents, pledged deposits and financial assets at FVTPL. In order to maintain a desirable ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2024 and the six months ended 30 June 2025.

The net debt to equity ratio at the reporting date was:

	As at 30 June 2025	As at 31 December 2024
	RMB'000 *(Unaudited)*	*RMB'000*
Trade and other payables	2,527,393	2,407,388
Contract liabilities	36,911	27,943
Bank borrowings	1,274,631	1,269,652
Lease liabilities	127,304	21,667
Less: Cash and cash equivalents	(1,072,668)	(980,120)
Pledged deposits	(41,065)	(67,980)
Financial assets at FVTPL	(501,407)	(608,465)
Net debt	2,351,099	2,070,085
Capital: Equity attributable to owners of the Company	3,571,634	3,604,335
Capital and net debt	5,922,733	5,674,420
Net debt to equity ratio	0.66	0.57

35. LEGAL CASE

In 2023, Faiot Co., Ltd, a subsidiary of the Group and 深圳蓮偶科技有限公司, a client of the Group, signed the "Product Development Contract". In September 2024, 深圳蓮偶科技有限公司 filed a lawsuit at the People's Court of Nanshan District, Shenzhen, demanding Faiot Co., Ltd to return the paid amount of RMB6,319,606.70 and pay a penalty of RMB2,200,000.

The People's Court of Nanshan District, Shenzhen, case number (2024) 粵0305民初24956號, froze Faiot Co., Ltd's account at Bank of Ningbo Co., Ltd. Shanghai Jinan Branch with an amount of RMB1,616,639.25 and the court unfreeze the account as at 30 June 2025.

The court also froze Faiot Co., Ltd's account at China Merchants Bank Shenzhen Nanshan Branch with an amount of RMB8,519,606.70 as at 30 June 2025.

In December 2024, Faiot Co., Ltd applied to the People's Court of Nanshan District, Shenzhen, requesting the case to be transferred to the jurisdiction of the People's Court of Minhang District, Shanghai. As of now, the jurisdictional objection ruling is pending from the court.

In April 2025, 廣州芯象科技有限公司 applied for arbitration at Shenzhen Court of International Arbitration related to a sales contract of RMB5,173,266.65 signed between Faiot Co., Ltd and 廣州芯象科技有限公司. 廣州芯象科技有限公司 requests Faiot Co., Ltd to continue the sales contract or refund the paid inventories fee of RMB4,171,134.96 and interest of RMB462,995.98. The arbitration is currently in the negotiation stage between the parties.

After reviewing legal counsel's opinion and the progress of the case, the Group have concluded that the probability of an unfavourable outcome is low. Therefore, no provision for contingent liabilities is required at this stage.

36. EVENTS AFTER THE REPORTING DATE

The Group has evaluated the events after the reporting date through the date of these Interim Financial Information. The Group is not aware of any significant events after the reporting date that would require recognition or disclosure in the Interim Financial Information.

37. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the Companies now comprising the Group in respect of any period subsequent to 30 June 2025 and up to the date of this report.

The following information set out in this Appendix does not form part of the Accountants' Report from Grant Thornton Hong Kong Limited, Certified Public Accountants, the reporting accountants of the Company, as set out in Appendix I to this document, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets is prepared in accordance with paragraph 4.29 of the Listing Rules for purposes of illustrating the effect of the Global Offering as if the Global Offering had taken place on 30 April 2025 on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2025 as derived from the Accountant's Report, the text of which is set out in Appendix I to this documents, and adjusted as described below.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at 30 April 2025 or at any future dates:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2025**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 April 2025**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 5)*
Based on the Offer Price of HK$19.88 per H Share.	3,541,060	2,358,023	5,899,083	6.57	7.20
Based on the Offer Price of HK$21.50 per H Share.	3,541,060	2,552,799	6,093,859	6.79	7.43

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2025 is extracted from the Accountants' Report set out in Appendix I to this document, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 30 April 2025 of approximately RMB3,797,972,000 after deducting the Group's goodwill and intangible assets attributable to owners of the Company of approximately RMB12,902,000 and RMB244,010,000 respectively as at 30 April 2025.

(2) 897,905,782 Shares is used in calculating the unaudited pro forma adjusted consolidated net tangible assets per Share. The estimated net proceeds from the Global Offering are based on 135,080,200 Offer Shares and estimate lower-end and high-end Offer Price of HK$19.88 and HK$21.50 per H Share respectively, after deduction of the estimated underwriting fees and other related listing expenses expected to be incurred by the Group subsequent to 30 April 2025 and takes no account of any Shares which may be allotted and issued by the Company upon the exercise of the Over-allotment Option, any Shares which may be issued by the Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 897,905,782 Shares (including 762,825,582 A-shares (excluding 2,627,960 A-shares as treasury shares) and 135,080,200 H-shares) were in issue as at 30 April 2025, assuming that the Global Offering had been completed on 30 April 2025 but does not take into account of any Shares which may be allotted and issued by the Company upon the exercise of the Over-allotment Option, any Shares which may be issued by the Company upon the exercise of any options may be granted under the Share Incentive Plans or any Shares which may be issued or repurchased by the Company.

(4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2025 to reflect any trading results or other transactions of the Group entered into subsequent to 30 April 2025.

(5) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the translation of Renminbi amounts into Hong Kong dollars has been made at a rate of RMB0.913 to HK$1. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Grant Thornton
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of FIBOCOM WIRELESS INC.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Fibocom Wireless Inc. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 April 2025 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of Appendix II to the prospectus of the Company dated 14 October 2025, in connection with the proposed initial public offering of H shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed global offering of the Company's H shares on The Stock Exchange of Hong Kong Limited (the "Global Offering") on the Group's financial position as at 30 April 2025 as if the Global Offering had taken place as at 30 April 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended 30 April 2025, on which an accountants' report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of *the Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at 30 April 2025 would have been as presented.

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

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

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

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

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

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong
14 October 2025

The following is a summary of the principal provisions of the Company's Articles of Association (the "Articles" or the "Articles of Association") for investors' overview. As this is a summary, it may not contain all the information that is important to potential investors.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates. The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights. Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares that it/he/she subscribes for.

All shares issued by the Company shall have a par value denominated in Renminbi of RMB1 per share. Shares issued by the Company and listed on the Shenzhen Stock Exchange are hereinafter referred to as "A Shares"; and shares issued by the Company and listed on the Hong Kong Stock Exchange are hereinafter referred to as "H Shares".

A Shares issued by the Company are under centralized depositary of the Shenzhen branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company may be primarily deposited with a custodian company under Hong Kong Securities Clearing Company Limited in accordance with the laws and practices of securities registration and depository of the places where the shares of the Company are listed, and may be held by a shareholder in his/her name.

Increase and Reduction of Shares

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a separate resolution of the shareholders' general meeting, by any of the following methods:

(I) a public offering of shares;

(II) a private placement of shares;

(III) allotment of bonus shares to existing shareholders;

(IV) conversion of reserve into share capital;

(V) other methods permitted by laws, administrative regulations and the CSRC and other securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

Share Buy-Back

The Company shall not repurchase its shares. However, exceptions are made in any of the following cases:

(I) to reduce the registered capital of the Company;

(II) to merge with other companies that hold shares in the Company;

(III) to use the shares for employee shareholding schemes or as share incentives;

(IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' general meetings on the merger or division of the Company;

(V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

(VI) to safeguard corporate value and shareholders' equity as the Company deems necessary.

The Company may repurchase its own shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the CSRC and other regulatory authorities of the place and the stock exchange where the Company's shares are listed, and shall comply with the provisions under applicable laws and regulations, as well as securities regulatory rules of the place where the Company's shares are listed.

Where the purchases of the Company's shares under any of the circumstances specified in aforesaid items (III), (V) and (VI), centralized trading shall be adopted publicly.

Where the Company purchases its own shares as a result for reasons specified in the aforesaid items (I) and (II) of Article 24, it shall require a resolution of the shareholders' general meeting. Where the purchases of the Company's shares under any of the circumstances specified in aforesaid items (III), (V) and (VI), it shall, provided that they comply with the applicable securities regulatory rules of the place where the Company's shares are listed, require a resolution of a board of directors attended by two-thirds or more of the directors in accordance with requirements of the Articles of Association or authorization of the shareholders' general meeting.

After the Company purchasing its own shares pursuant to the provisions above, such shares shall be cancelled within 10 days from the date of purchase under the circumstance as described in item (I); such shares shall be either transferred or cancelled within six months under the circumstances as described in items (II) and (IV); the aggregate number of shares it holds shall not exceed 10% of the total shares in issue of the Company and such shares shall be transferred or cancelled within three years under the circumstances as described in items (III), (V) and (VI). If the laws and regulations or regulatory rules at the place where shares of the Company are listed provide otherwise for the aforesaid circumstances, such provisions shall prevail. Any purchase of the Company's shares by the Company should fulfil the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the places where the Company's shares are listed.

Transfer of Shares

Shares of the Company can be transferred in accordance with the law. Restriction, reduction and other changes of shares held by shareholders, directors, supervisors and senior management members of the Company shall comply with the Company Law, Securities Law, Securities and Futures Ordinance, Hong Kong Listing Rules and relevant requirements on share changes of the stock exchange where the shares are listed.

The directors, supervisors, and senior management members of the Company shall declare the number of shares (including preferred shares) held by them and the relevant changes, and the number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company under the same class held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the listing date of the shares of the Company. The shares of the Company held by the persons above shall not be transferred within half a year from the date of his/her resignation. Where there are other provisions in the listing rules of the place where the Company's shares are listed in respect of the restrictions on the transfer of shares of the Company, such provisions shall prevail.

If any of the Company's directors, supervisors, senior management members or shareholders holding more than 5% of the Company's shares (other than a shareholder who is a recognized clearing house and its nominee), sells the shares or other securities with an equity nature of the Company held by him/her within six months after buying the same, or buys shares or securities within six months after selling the same, the earnings therefrom shall belong to the Company and be taken back by the board of directors of the Company. However, where a securities company holds more than 5% of the Company's shares as a result of underwriting and purchase of the remaining shares after offering and under other circumstances stipulated by the CSRC, such taking back by the Company shall be exempted. Where there are other provisions in the listing rules of the place where the Company's shares are listed in respect of the restrictions on the transfer of shares of the Company, such provisions shall prevail.

Shares or other securities with an equity nature held by directors, supervisors, senior management members and individual shareholders as mentioned in the preceding Article include shares or other securities with an equity nature held by their spouses, parents, children and through other people's accounts.

If the board of directors of the Company fails to implement in accordance with the above provisions, shareholders are entitled to request the board of directors to implement within 30 days. If the board of directors of the Company fails to implement within the aforesaid time limit, shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the interest of the Company.

If the board of directors of the Company fails to implement in accordance with the above provisions, the directors responsible shall bear joint liabilities in accordance with the law.

SHAREHOLDERS AND GENERAL MEETING

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the share registrar. The register of shareholders shall be sufficient evidence proving the shareholders' holding of the Company's shares. The original register of holders of H Shares listed in Hong Kong shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of members in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. In the event that any Shareholder whose name is recorded in or any person who requests to have its name entered in the H Share register loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a H Shareholder loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the H Share register is maintained. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her. Shareholders who hold shares of the same class shall enjoy equal rights and assume equal obligations. For the purpose of this Article, A Shares and H Shares of the Company shall be deemed as same class of shares.

When the Company needs to confirm the identity of a shareholder for holding a shareholders' general meeting, distributing dividends, conducting liquidation and engaging in other acts, the Board of Directors or the convener of the shareholders' general meeting shall determine a record date. Shareholders registered in the register after the close of trading on the record date shall be entitled to the relevant rights.

Shareholders of the Company enjoy the following rights:

(I) the right to receive dividends and other distributions in proportion to the number of shares held;

(II) the right to request, convene, preside over, attend or appoint proxy(ies) to attend the shareholders' general meeting and to exercise the corresponding right to vote according to law;

(III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;

(IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(V) the right to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of the shareholders' general meetings, resolutions of the Board of Directors, resolutions of the Board of Supervisors and financial and accounting reports;

(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(VII) shareholders who object to resolutions of merger or division made by the shareholders' general meeting may request the Company purchase the shares they hold;

(VIII) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules in the place where the Company's shares are listed or the Articles of Association.

When a shareholder requests to have access to or obtain the information mentioned in the previous article, he or she shall present evidence to prove the class and amount of shareholdings in writing. The Company shall comply with the shareholder's request after verifying his/her identity. The Shareholders of the Company shall comply with the requirements of laws and administrative regulations such as the Company Law and the Securities Law, as well as the securities regulatory rules of the place where the Company' Shares are listed, when inspecting and reproducing relevant materials.

A resolution of the shareholders' general meeting or the Board of Directors may be declared void by the people's court upon application from shareholders if the content contravenes the laws or administrative regulations.

If the convening procedure or voting method of a shareholders' general meeting or the Board of Directors contravenes the laws, administrative regulations or the Articles of Association, or if the contents of the resolutions of such meetings contravene the Articles of Association, the shareholders can request the people's court to revoke the resolution within 60 days of the resolution.

Where a director or senior management member violates the provisions of the laws, administrative regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the board of supervisors in writing to initiate legal proceedings in the People' s Court; where the board of supervisors violates the provisions of the laws, administrative regulations or the Articles of Association in the course of performing its duties and causes losses to the Company, the shareholders shall have the right to request the board of directors in writing to initiate legal proceedings in the People's Court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, where the board of supervisors and the board of directors refuse to file a lawsuit or fail to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances that failure in filing a lawsuit immediately will cause irreparable damage to the interests of the Company, the aforesaid shareholders shall have the right to file a lawsuit to the People's Court directly in their own names for the benefits of the Company.

In the event that any person infringes the legitimate interests of the Company and causes losses thereto, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days may file a lawsuit to the People's Court in accordance with the above provisions.

If a director or senior management member violates the provisions of the laws, administrative regulations or the Articles of Association, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

The shareholders of the Company assume the following obligations:

(I) to comply with laws, administrative regulations and the Articles of Association;

(II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(III) not to return shares unless prescribed otherwise in laws and regulations;

(IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity and the limited liability of shareholders to harm the interests of the Company's creditors.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with laws; any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

General Requirements of Shareholders' General Meeting

The shareholders' general meeting is the body of power of the Company which exercises the following functions and powers according to law:

(I) to decide on the business policy and investment plans of the Company;

(II) to elect and replace the directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors;

(III) to consider and approve the reports of the Board of Directors;

(IV) to consider and approve the reports of the Board of Supervisors;

(V) to consider and approve the proposed annual financial budgets and final accounts of the Company;

(VI) to consider and approve the Company's profit distribution plan and plan for recovery of losses;

(VII) to resolve on the increase or reduction of the Company's registered capital;

(VIII) to resolve on issuance of corporate bonds;

(IX) to resolve on the merger, division, dissolution, liquidation or changing the form of the Company;

(X) to amend the Articles of Association;

(XI) to adopt resolutions on the Company's appointments and dismissals of accounting firms and the remunerations of accounting firms;

(XII) to consider and approve the guarantees provided in Article 42 of the Articles of Association;

(XIII) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;

(XIV) to consider and approve changes in the use of proceeds;

(XV) to consider the equity incentive plans and employee shareholding schemes;

(XVI) to consider connected transactions (except the Company receiving cash assets and receiving guarantee) that are entered into between the Company and a related person with a transaction amount of more than RMB30,000,000, representing more than 5% of the absolute value of the latest audited net assets of the Company, and connected transactions that the Company provide guarantee to a related person;

(XVII) to consider all transactions where the Company's percentage ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules relating to percentage ratios are not less than 25% (including one-off transactions and a series of transactions which require combined percentage ratio calculation) and related transactions where the percentage ratios are not less than 5% (including one-off transactions and a series of transactions which require combined percentage ratio calculation);

(XVIII) to consider other matters on which decisions shall be made by the shareholders' general meeting as required by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The general meeting may authorize the Board to resolve on the issuance of corporate bonds. Other than that, the functions and powers of the general meeting mentioned above should not be delegated to the Board or other body or individual.

The following external guarantees of the Company shall be submitted to the general meeting for consideration after being considered and approved by the Board:

(I) a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;

(II) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries reaches or exceeds 50% of the latest audited net assets of the Company;

(III) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;

(IV) the total amount of guarantees for twelve consecutive months exceeds 30% of the latest audited total assets of the Company;

(V) the total amount of guarantees for twelve consecutive months exceeds 50% of the latest audited net assets of the Company, and with an absolute amount of more than RMB50 million;

(VI) any guarantees to be provided for Shareholders, de facto controllers and their related parties;

(VII) any guarantee provided after the total amounts of the external guarantees reaches or exceeds 30% of the latest audited total assets;

(VIII) other guarantees which shall be determined by the general meeting as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company' Shares are listed or the Articles of Association.

When a guarantee is considered by the Board, it shall, in addition to the approval of a majority of all Directors, also be considered and approved by more than two-thirds of the Directors present at the meeting who have the right to vote. When the guarantee specified in item (IV) as set out above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the Shareholders present at the meeting.

When the resolution on guarantees provided to Shareholders, de facto controllers and their related parties is considered at the general meeting, such Shareholders or the Shareholders controlled by the de facto controllers or their related parties shall not participate in such voting, and the vote shall be passed by more than half of the voting rights held by other Shareholders present at the general meeting.

The shareholders' general meetings are classified into annual shareholders' general meetings and interim shareholders' general meetings. The annual shareholders' general meeting shall be convened once a year and be held within 6 months of the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an interim shareholders' general meeting within 2 months from the date upon which the circumstance occurs:

(I) when the number of directors falls short of the number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(II) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;

(III) when requested by Shareholders who individually or jointly hold more than 10% voting rights (excluding the voting rights of treasury shares) of the Company;

(IV) when the Board of Directors deems necessary;

(V) when proposed by the Board of Supervisors;

(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' General Meeting

The independent Directors shall have the right to propose the convening of the interim shareholders' general meetings to the Board, and the exercise of such power by the independent Directors shall be approved by more than half of all independent Directors. For the proposal required by independent directors on holding an interim shareholders' general meeting, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an interim shareholders' general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the Board of Directors agrees to hold an interim shareholders' general meeting, a notice of the shareholders' general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given, and an announcement shall be made.

The Board of Supervisors shall be entitled to submit a proposal in writing to the Board of Directors on holding an interim shareholders' general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an interim shareholders' general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an interim shareholders' general meeting, a notice of the shareholders' general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to approval from the Board of Supervisors.

Where the Board of Directors does not agree to hold an interim shareholders' general meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a shareholders' general meeting. In such a case, the Board of Supervisors may convene and preside over the meeting on its own.

Shareholders who individually or together hold 10% or more of the voting rights (excluding voting rights of the treasury shares) of the Company shall have the right to request the Board of Directors to convene an interim shareholders' general meeting and such a request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an interim shareholders' general meeting within 10 days upon receipt of the request in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an interim shareholders' general meeting, it shall issue a notice of the shareholders' general meeting within 5 days after the resolution is made. Any change to the original request in the notice shall be subject to approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an interim shareholders' general meeting or fails to give a reply within 10 days upon receipt of the request, shareholders who individually or together hold 10% or more of the voting rights (excluding voting rights of the treasury shares) of the Company shall have the right to submit a proposal to the Board of Supervisors on holding an interim shareholders' general meeting and such request shall be made to the Board of Supervisors in writing.

Where the Board of Supervisors agrees to hold an interim shareholders' general meeting, it shall issue a notice of the shareholders' general meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

Where the Board of Supervisors fails to give the notice of the shareholders' general meeting within the specified time limit, it shall be deemed that the Board of Supervisors does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the voting rights (excluding voting rights of the treasury shares) of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

Where the Board of Supervisors or shareholders decide to convene a shareholders' general meeting on their own, they must notify the Board of Directors in writing and, in accordance with the securities regulatory rules and the requirements of the stock exchange where the Company's shares are listed, complete the necessary filings or announcements.

Prior to the announcement of the resolution of the shareholders' general meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The Board of Supervisors or the convening shareholders shall, upon issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting, submit the relevant proof materials and complete the necessary filings or announcements in accordance with the securities regulatory rules and the requirements of the stock exchange where the Company's shares are listed.

The Board of Directors and the secretary to the Board of Directors should cooperate with the Board of Supervisors or shareholders to convene shareholders' general meetings on their own. The Board of Directors shall provide the register of shareholders on the record date of equity interests.

Where the general meeting is convened independently by the Board of Supervisors or shareholders, all necessary costs and expenses of the meeting shall be borne by the Company.

Proposals and Notices of Shareholders' General Meeting

The contents of a proposal of the shareholders' general meeting shall be within the scope of duties and powers of the shareholders' general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the relevant requirements set forth in the Articles of Association.

When the Company convenes a shareholders' general meeting, the Board of Directors, the Board of Supervisors and shareholders who individually or together hold 3% or more of the shares of the Company are entitled to put forward a proposal to the Company. Shareholders individually or together holding 3% or more of the shares of the Company can put forward a temporary proposal 10 days before the shareholders' general meeting is held and submit the proposal to the convener of the meeting in writing. The convener shall issue a supplemental notice within 2 days upon receiving such proposal and notify shareholders of the content of such proposal. If the shareholders' general meeting needs to be postponed due to the issuance of a supplemental notice of the shareholders' general meeting according to the securities regulatory rules of the place where the Company's shares are listed, the convening of the shareholders' general meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed. Other than stipulated above, the convener shall not amend any proposal stated in the notice of the general meeting or add any new proposal after the announcement by way of issuance of the notice of the general meeting.

The general meeting shall not vote and resolve proposals not stated in the notice of the general meeting or failing to meet the abovementioned requirements of the Articles of Association.

The convener shall notify each shareholder 20 days prior to an annual shareholders' general meeting by way of announcements and shall notify each shareholder 15 days prior to an interim shareholders' general meeting. For the purpose of calculating the starting date, the day on which the meeting is held shall be excluded.

Notice of a shareholders' general meeting shall include the following contents:

(I) the date, venue and duration of the meeting;

(II) matters and proposals to be considered at the meeting;

(III) an express statement that the entire ordinary shareholders (including preference shareholders whose voting rights have been restored) are entitled to attend the shareholders' general meeting, and to appoint proxy(ies) in writing to attend and vote on his/her behalf at the meeting, and that a proxy needs not be a shareholder of the Company;

(IV) the record date on which the shareholders are entitled to attend the shareholders' general meeting;

(V) the name and telephone number of permanent contact persons for the affairs of the meeting;

(VI) the voting time and procedure via internet or through other means (if any).

Where a general meeting intends to discuss matters relating to the election of directors and supervisors, the notice of the general meeting shall fully disclose the details of the candidates for directors and supervisors, including at least the following:

(I) personal information such as educational background, work experience and part-time jobs;

(II) whether the candidates have any related relationship with the Company or its controlling Shareholders and de facto controllers;

(III) disclosure of the number of shares held in the Company;

(IV) whether it has been penalized by the CSRC and other relevant governmental authorities and disciplined by the stock exchange;

(V) other details as required by the securities regulatory rules of the place where the Company's Shares are listed.

In addition to the adoption of the cumulative voting system for the election of directors and supervisors, each candidate for director or supervisor shall be submitted as a single proposal.

After the notice of the general meeting has been given, the general meeting shall not be postponed or canceled without a valid reason, and the proposals specified in the notice of the general meeting shall not be canceled. In the event of postponement or cancellation, the convener shall make an announcement at least two working days prior to the original convening date and state the reasons. If there are special provisions under the securities regulatory rules of the place where the Company's Shares are listed regarding the procedures for postponing or canceling the general meeting, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.

Holding of Shareholders' General Meeting

All ordinary Shareholders registered on the date of record (including Shareholders whose voting rights have been restored in respect of preference shares) or their proxies shall be entitled to attend the general meetings, and shall exercise their voting rights in accordance with the relevant laws and regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association (unless individual Shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the places where the Company's Shares are listed). Pursuant to the applicable laws and regulations and the listing rules of the stock exchange on which the Company's Shares are listed, where any Shareholder shall abstain from voting on any particular resolution or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction cast by such Shareholder or proxy thereof shall not be counted in the voting results.

Shareholders may attend the shareholders' general meeting in person, or appoint proxies to attend and vote. An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity and stock account cards. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

A legal person shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card and valid certificates evidencing his/her capacity as the legal representative. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative of the legal person shareholder according to law (except for shareholder who is a recognized clearing house and its nominees).

If the shareholder is a recognized clearing house (or its nominee), such shareholder may authorize 1 or more persons as he/she deems appropriate to act on his/her behalf at any shareholders' general meetings or creditors' meetings; however, if more than 1 persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized, and signed by the authorized person of the recognized clearing house. The person(s) so authorized may represent the recognized clearing house (or its nominee) to exercise its rights, without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized, and shall be entitled to the legal rights equivalent to those of the other Shareholders, including the right to speak and vote, as if that proxy is an individual Shareholder of the Company.

Voting and resolutions at Shareholders' General Meetings

The resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution of the shareholders' general meeting shall be adopted by more than half of the votes (excluding treasury shares) held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting. A special resolution of the shareholders' general meeting shall be adopted by two-thirds or more of the votes (excluding treasury shares) held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

The following matters shall be approved by the shareholders' general meeting through ordinary resolutions:

(I) work reports of the Board of Directors and the Board of Supervisors;

(II) profit distribution plans and loss recovery plans drafted by the Board of Directors;

(III) appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;

(IV) annual budget and final account plan of the Company;

(V) annual report of the Company;

(VI) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' general meeting:

(I) the increase or reduction of the registered capital of the Company;

(II) the division, spin-off, merger, dissolution and liquidation of the Company;

(III) amendments to the Articles of Association;

(IV) the purchases or sales of material assets by the Company within a year or the guarantee amount exceeding 30% of the latest audited total assets of the Company;

(V) share incentive schemes and employee stock ownership schemes;

(VI) guarantees specified in item (IV) of clause 1 to Article 42 of the Articles of Association;

(VII) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters that the shareholders' general meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

If at any time the Company's Shares are divided into different classes of shares, and the Company intends to change or abolish the rights of a particular class of Shareholders, such change or abolition shall be passed by a special resolution of the affected class of Shareholders at the general meeting convened separately.

Shareholders (including proxies) may exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote. Other securities regulatory rules at the place where the shares of the Company are listed shall prevail. When material issues affecting the interests of minority shareholders are considered at a shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares of the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' general meeting. If a shareholder purchases shares with voting rights of the Company in violation of paragraph 1 and paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted in the total number of shares with voting rights present at the shareholders' general meeting.

The Board of Directors, independent directors, shareholders of the Company holding 1% or more of the voting shares of the Company or investor protection institutions established pursuant to laws, administrative regulations or requirements of the CSRC, may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. The solicitation of voting rights from shareholders with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for the solicitation of voting rights, except for statutory conditions.

Pursuant to the requirements of the relevant laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, where any Shareholder shall abstain from voting on relevant resolution or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction cast by such Shareholder or proxy thereof shall not be counted in the voting results.

BOARD OF DIRECTORS

Directors

Directors of the Company should be natural persons, and the following person should not serve as a director of the Company:

(I) person without capacity or with limited capacity of civil conduct;

(II) person who has committed offences relating to corruption, bribery, embezzlement of property, misappropriation of property or disruption of social economic order and has been sentenced to criminal punishment, where less than five years has elapsed since the date of completion of the sentence, or who has been deprived of his/her political rights due to a criminal offense, where less than five years has elapsed since the date of restoring his/her political rights;

(III) person who was a director, factory manager or general manager of a company or enterprise which was declared bankrupt and was liquidated and who was personally liable for the bankruptcy of such a company or enterprise, where less than three years has elapsed since the date of completion of bankruptcy and liquidation of the company or enterprise;

(IV) person who was a legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who was personally liable, where less than three years has elapsed since the date of the revocation;

(V) person who has a substantial number of debts due and outstanding;

(VI) person who is subject to the CSRC's penalties which prohibits him/her from entering into the securities market for a period which has not yet expired;

(VII) other circumstances specified by the laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the Company's shares are listed.

The election, appointment or delegation of Directors in violation of the aforesaid provisions shall be null and void. Directors committing the above during the term of office shall be dismissed by the Company.

Directors shall be elected or replaced by the shareholders' general meeting and serve a term of 3 years. Directors shall be eligible for re-election and re-appointment upon the expiry of the term of office. An independent Director may not serve for more than six consecutive years. The general meeting shall not dismiss any Director without valid reasons prior to the expiry of the term of office. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise for the re-election of Directors, such provision shall prevail.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

A director may serve concurrently as general manager or other senior executives, but the total number of directors serving concurrently as general manager or other senior executives and employee representative directors shall not be more than half of the directors of the Company.

The Company may dismiss an independent Director before the expiry of the term of office in accordance with statutory procedures. In case of early dismissal, the Company shall promptly disclose the specific reasons and grounds. If the independent Directors have any objections thereto, the Company shall disclose them in a timely manner. If an independent Director fails to comply with the provisions of Article 7 (I) or (II) of the Measures for the Administration of Independent Directors of Listed Companies, he/she shall immediately cease to perform his/her duties and resign from his/her office. If he/she fails to resign, the Board shall immediately remove him/her from his/her position in accordance with the provisions after it knows or should have known of the occurrence of such a fact. In the event that an independent Director resigns from or is dismissed from his/her duties as a result of the circumstances set forth in this paragraph, resulting in the proportion of independent Directors on the Board or its special committees not complying with the provisions of the Measures for the Administration of Independent Directors of Listed Companies or the Articles of Association, or a shortage of accounting professionals among the independent Directors, the Company shall complete the by-election of such independent Director within sixty days from the date of the occurrence of the foregoing facts.

Directors shall fulfill the following duties of loyalty to the Company in accordance with the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association:

(I) not abusing their powers to accept bribes or any other unlawful income or encroach on the Company's property;

(II) not misappropriating the Company's funds;

(III) not depositing the Company's assets or funds into any accounts under their own names or the names of other individuals;

(IV) not lending the Company's funds to others or providing guarantees in favor of others backed by the Company's assets in violation of the Articles of Association or without approval of the general meeting or the board of directors;

(V) not entering into any contracts or transactions with the Company in violation of the Articles of Association or without approval of the general meeting;

(VI) not leveraging their positions and powers to procure business opportunities which should be available to the Company for themselves or others or engaging in any business similar to that of the Company, either on their own or with others, without approval of the general meeting;

(VII) not accepting for their own benefit any commissions in relation to transactions with the Company;

(VIII) not disclosing without authorization any confidential information of the Company;

(IX) not using their connected relationships to harm the interests of the Company;

(X) performing any other duties of loyalty provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company may have a claim against the breaching director for an account of profits for any income earned by such director in violation of the aforesaid provisions; such director is liable for compensation if any loss is caused to the Company.

Directors shall fulfill the following duties of care to the Company in accordance with the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association:

(I) to exercise the powers conferred by the Company with prudence, care and diligence to ensure that the commercial activities of the Company comply with the provisions of the national laws, administrative regulations and various state economic policies and not exceed the business scope specified in the business license;

(II) to treat all shareholders impartially;

(III) to keep track of the operation and management of the Company on a timely basis;

(IV) to sign the written confirmation opinions on the Company's regular reports, and ensure that the information disclosed by the Company is true, accurate, and complete;

(V) to provide the board of supervisors with truthful information and materials, and not to intervene in the performance of the board of supervisors or supervisors of their functions and powers;

(VI) to perform any other duties of care provided by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Directors who fail to attend two consecutive meetings of the board of directors either in person or entrust other directors to do so are deemed incapable of performing their duties, and the board shall make a proposal to the general meeting to remove such directors. Directors may submit their resignation prior to the expiry of their terms of office. The resigning director is required to submit a resignation report to the board in writing. The Board of Directors shall disclose the relevant information within 2 days or within the period stipulated in the securities regulatory rules in the place where the Company's shares are listed.

If the resignation of a Director results in the number of Board members falling below the quorum or no independent Director permanently residing in Hong Kong, the original Director shall still perform his/her duties as a Director under the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company' Shares are listed and the Articles of Association until the alternate Director holds office. In the event that the resignation of any independent Director results in the proportion of independent Directors on the Board or its special committees not complying with the provisions of the Measures for the Administration of Independent Directors of Listed Companies or the Articles of Association, or a lack of appropriate professional qualifications or a shortage of accounting professionals among the independent Directors, the independent Director tendered his/her resignation shall still perform his/her duties as a Director until the date that new Director is appointed, and the Company shall complete the by-election of such independent Director within sixty days from the date on which the independent Director tendered his/her resignation. Except for the circumstances listed in the preceding paragraph, a Director's resignation shall be effective from the time such a resignation report is delivered to the Board.

When a Director's resignation takes effect or his/her term of office expires, the Director shall complete all transfer procedures with the Board. His/her fiduciary duties towards the Company and the Shareholders shall not be necessarily ceased after the end of his/her term of office, but shall still be valid within two years after his/her resignation takes effect or his/her term of office expires.

No director is allowed to act in his/her own name on behalf of the Company or the board without the legal authorization provided in the Articles of Association or from the board. In the event that a director acts in his/her own name and a third party may reasonably believe that the director is acting on behalf of the Company or the board, such director shall state his/her position and capacity in advance.

A director is liable for compensation for any loss of the Company arising from violation by him/her of any laws, administrative regulations, departmental rules, the securities regulatory rules in the place where the Company's shares are listed or the Articles of Association in the course of performing his/her duties.

Matters such as the qualification, nomination, resignation of an independent Director shall be carried out in accordance with the laws and regulations, other regulatory documents, the securities regulatory rules of the place where the Company's Shares are listed and the relevant provisions of the Company's management system.

Board of Directors

The Company sets up the Board of Directors, which is responsible for the shareholders' general meeting.

The Board of Directors of the Company establishes the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee. The establishment and composition of the special committees of the Board shall be determined by the general meeting. The Board shall be responsible for formulating the terms of reference of each special committee, and the member replacement of the special committees shall be determined by the Board through election. The members of the Audit Committee shall be Directors who do not hold senior management positions in the Company, of whom a majority shall be independent Directors, and shall be convened by a member of the independent Directors who is an accounting professional, with at least one of the independent Directors possessing appropriate professional qualifications or appropriate accounting or related financial management expertise as required under the Hong Kong Listing Rules. The independent Directors in the Nomination Committee and the Remuneration and Appraisal Committee shall account for more than half and serve as the convener. The Board is responsible for formulating the terms of reference of and regulating the operation of the special committees.

The Board of Directors consists of 6 directors, including 3 independent directors. The number of independent directors shall not be less than 3 and shall constitute no less than one-third of all directors, and shall include at least 1 independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the securities regulatory rules of the place where the Company's shares are listed. At least one independent director shall be ordinarily resident in Hong Kong. All independent directors shall possess independence as required by the securities regulatory rules of the place where the Company's shares are listed. Directors of the Company may include executive Directors, non-executive Directors and independent non-executive Directors. Non-executive Directors refer to the Directors who do not hold any operational management positions in the Company.

The Board of Directors exercises the following functions and powers:

(I) to convene shareholders' general meetings and report on its work to the shareholders' general meeting;

(II) to implement the resolutions of the shareholders' general meetings;

(III) to decide on the Company's business plans and investment plans;

(IV) to formulate the Company's annual financial budget plan and final account plan;

(V) to formulate the Company's profit distribution plan and loss recovery plan;

(VI) to formulate proposals for the increase or reduction of the Company's registered capital, issuance of bonds or other securities, and listing plans;

(VII) to formulate plans for major acquisitions of the Company, purchase of our Company's shares, or merger, division, dissolution and change of form of our Company;

(VIII) within the scope authorized by the shareholders' general meeting, to decide on the Company's external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related transactions, and external donations;

(IX) to decide on the establishment of the Company's internal management structure;

(X) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors, or other senior management personnel, and to determine their remuneration, rewards, and penalties; based on the general manager's nomination, to decide on the appointment or dismissal of the Company's deputy general manager, financial officer, and other senior management personnel, and to determine their remuneration, rewards, and penalties;

(XI) to formulate the Company's basic management system;

(XII) to formulate proposals for any amendment to the Articles of Association;

(XIII) to manage the information disclosure matters of the Company;

(XIV) to propose to the shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of our Company;

(XV) to receive the work report of the Company's general manager and examine the general manager's work;

(XVI) other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association and the general meeting.

Matters beyond the scope of authorization of the general meeting shall be submitted by the Board to the general meeting for consideration.

Meetings of the Board should be held at least twice every year and convened by the chairman. Notice of the meeting in writing should be served on all of the Directors and Supervisors ten days before the date of the meeting.

The Company shall convene the special meeting of independent Directors on a regular or irregular basis. The special meeting of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors. The Company shall facilitate and support the convening of special meetings of independent Directors. The following matters shall be considered at the special meetings of independent Directors:

(I) connected transactions that shall be disclosed;

(II) programs of the Company and related parties to change or waive commitments;

(III) decisions made and measures taken by the board of directors of the acquired listed company in respect of the acquisition;

(IV) appoint intermediaries independently to audit, consult or verify specific matters of the Company;

(V) make proposals to the Board for holding an interim shareholders' general meeting;

(VI) make proposals to hold Board meetings;

(VII) other matters prescribed by the laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

The special meetings of independent Directors consider matters under the items (I) to (III) and (VII) above, shall obtain the approval of a majority of all independent directors and submit to the Board of Directors for consideration.

An interim board meeting may be convened upon the proposal of shareholders representing more than one tenth of the voting rights, more than one third of the directors or the board of supervisors. Chairman of the board of directors shall convene and chair the board meeting within 10 days after receiving such proposal.

Minutes of meetings of the Board and its special committees and special meetings of independent Directors shall be prepared in accordance with regulations. The minutes of meetings should be true, accurate and complete, and fully reflect the opinions of attendees on the matters considered. The Directors, secretary to the Board and record-keeper present at the meetings shall sign the minutes of meetings for confirmation.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company may appoint several deputy general managers, who shall be appointed or dismissed by the Board of Directors. The general manager, deputy general manager, financial officer, and secretary to the Board of Directors are senior management of the Company.

The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(I) to lead the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;

(II) to organize the implementation of the Company's annual operation plan and investment proposal;

(III) to prepare the plan for the establishment of the Company's internal management structure;

(IV) to prepare the basic management system of the Company;

(V) to formulate the specific rules and regulations of the Company;

(VI) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager and financial officer;

(VII) to decide on the appointment or dismissal of responsible management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) other functions and powers authorized by the Articles of Association or the Board of Directors.

BOARD OF SUPERVISORS

Supervisors

Directors, general manager and other senior executives shall not act as supervisors concurrently. The term of office of the supervisor is three (3) years for each session. Upon expiry of the term, the supervisor may be re-appointed upon re-election.

Board of Supervisors

The Company shall have one Board of Supervisors. The Board of Supervisors shall be composed of three Supervisors, and shall have a chairman. The chairman of the Board of Supervisors shall be elected by more than half of all the Supervisors. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors; where the chairman of the Board of Supervisors is unable to or fails to perform his duties, a supervisor shall be chosen by more than half of all the supervisors to convene and preside over the meeting of the Board of Supervisors.

The Board of Supervisors shall include 2 shareholder representatives and one employee representative of the Company. The employee representatives in the Board of Supervisors shall be elected by the Company's employees through the employee representatives' meeting, employee meeting or other democratic forms. Other candidates for Supervisors shall be nominated by Shareholders who individually or collectively hold more than 1% of the Company's Shares in accordance with Article 84 of the Articles of Association.

The Board of Supervisors shall exercise the following functions and powers:

(I) to review the Company's regular reports prepared by the Board of Directors and provide written review opinions;

(II) to examine the Company's financial affairs;

(III) to supervise the conduct of directors and senior executives in performing their duties for the Company, and propose the dismissal of directors and senior executives who have violated laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' general meetings;

(IV) to require directors and senior executives to rectify their acts when they are detrimental to the interests of the Company;

(V) to propose to convene an interim shareholders' general meeting, and to convene and preside over the shareholders' general meeting when the Board of Directors fails to perform the duties of convening and presiding over the shareholders' general meeting under the Company Law;

(VI) to submit proposals to the shareholders' general meeting;

(VII) to file lawsuits against the directors and senior executives in accordance with Article 151 of the Company Law;

(VIII) to investigate any irregularities in the operations of the Company; if necessary, may engage accounting firms, law firms and other professional institutions to assist in the work, with expenses to be borne by the Company.

FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall report and disclose its annual report to the CSRC and the stock exchange(s) where the shares are listed within 4 months from the ending date of each fiscal year, and report and disclose its interim report to the delegated authority of the CSRC and the stock exchange(s) where the shares are listed within 2 months from the end of the first half of each fiscal year. The aforementioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, the requirements of the CSRC and the stock exchange(s) where the shares are listed.

When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company's statutory reserve until the fund has reached 50% or more of the Company's registered capital. When the Company's statutory reserve is not sufficient to make up for the losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision. After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary reserve. After the Company covers its losses and makes allocations to its reserve, the remaining profits after taxation, upon approval by a resolution at a shareholders' general meeting, shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profits distributed to shareholders by a shareholders' general meeting before losses are covered and allocations are made to the statutory reserve in violation of the preceding requirements must be returned to the Company. The Company shall not distribute any profits in respect of the shares held by it.

The Company is required to appoint one or more receiving agent(s) in Hong Kong for shareholders of H shares. The receiving agent(s) shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, and transmit such payments to such shareholders of H shares. The receiving agent(s) appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

The reserve of the Company shall be applied to making up for the Company's losses, expanding its business operations or increasing its capital. The capital reserve, however, shall not be used to make up for the Company's losses. Upon the conversion of statutory reserve into capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

After the resolution on the profit distribution plan was passed at the Company's general meeting, the Board of the Company shall complete the distribution of dividends (or bonus shares) within two months after convening the general meeting. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such regulations and the actual situation.

Internal Audit

The Company shall implement an internal audit system, where dedicated auditing staff carry out the internal audit and supervision over the financial revenue and expenditure and the economic activities of the Company.

Appointment of an Accounting Firm

The Company shall engage an accounting firm which is qualified under the Securities Law, and securities regulatory rules of the place where the Company's shares are listed, to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is 1 year and can be renewed.

The engagement of an accounting firm by the Company shall be determined at the shareholders' general meeting, and the Board of Directors shall not engage an accounting firm before any decision is made at the shareholders' general meeting. The Company shall ensure to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

The audit fee of the accounting firm shall be determined by the shareholders' general meeting. A 15-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the shareholders' general meeting of the Company conducts a vote on the dismissal of the accounting firm. Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

Notice and Announcement

Notices of the Company shall be issued by the following means:

(I) by personal delivery;

(II) by post, facsimile or e-mail;

(III) by announcements;

(IV) by any other means as permitted by the Articles of Association.

Regarding the requirements for the manners of provision and/or distribution of the corporate communication to H Shareholders under the securities regulatory rules of the place where the Shares are listed, the Company may, subject to the securities regulatory rules of the place where the Company's Shares are listed, also issue or provide the corporate communication to H Shareholders by electronic means or publication on the website of the Company or on the website of the stock exchange where the Company's Shares are listed.

Where the Company's notice is delivered by personal delivery, a recipient shall sign (or affix a seal on) the acknowledgement of receipt, and the date of receipt is the date on which the recipient signs such acknowledgement of receipt. Where the Company's notice is delivered by post, the date of receipt is the 3rd business day after the date of posting at the post office. Notices sent by facsimile shall be deemed served on the date indicated on the successful transmission receipt; notices sent by e-mail shall be deemed served on the date indicated on the successful transmission receipt; notices sent by way of announcement shall be deemed to have been received by all relevant parties after the publication of such announcement; and notices sent by any other means as permitted by the Articles of Association shall have their service dates determined in accordance with the laws and regulations, the securities regulatory rules of the place where the Company' Shares are listed, and the Articles of Association.

The meetings and the resolutions of the meetings shall not be null and void even if the notice of the meeting fails to be delivered to or received by any person entitled to receive such notice due to accidental omission.

The Company shall publish the Company's announcements and other information required to be disclosed in the newspapers, websites and other media designated by the securities regulatory authorities and the stock exchange(s) of the place where the Company's shares are listed.

MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase and Reduction of Capital

The merger of the Company may take the form of either merger by absorption or merger by new establishment. The absorption by one company of another company constitutes a merger by absorption, in which case the absorbed company shall be dissolved. A merger by new establishment means that two or more companies are merged to establish a new company, and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the designated newspapers and websites within 30 days as of the date of such resolution. A creditor may within 30 days as of receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the designated newspapers and websites within 30 days as of the date of such resolution.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it must prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the designated newspapers and websites within 30 days as of the date of such resolution. A creditor may within 30 days as of receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts. The registered capital of the Company after the reduction shall not be less than the statutory minimum amount.

Where there is a merger or division of the Company, the Company shall, in accordance with the laws, apply for a change in its registration with the company registration authority for any changes of its registered information caused thereby. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

(I) expiry of the term of business provided in the Articles of Association or other causes of dissolution as specified therein;

(II) a resolution on dissolution is passed by the shareholders' general meeting;

(III) dissolution is required due to the merger or division of the Company;

(IV) the business license is revoked, or the Company is ordered to close down or dissolved in accordance with the laws;

(V) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders' interests, Shareholders holding 10% or above of the total voting rights (excluding voting rights of the treasury shares) of the Company may plead the people's court to dissolve the Company.

If the above-mentioned event (I) occurs, the Company may continue to exist by amending the Articles of Association. Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of Shareholders holding two-thirds or above of the voting rights present at the shareholders' general meetings.

Where the Company is dissolved pursuant to sub-paragraphs (I), (II), (IV) or (V) above, it shall establish a liquidation committee within 15 days as of the dissolution circumstance arises, and the liquidation shall be started. The liquidation committee shall be composed of Directors or persons determined by the shareholders' general meeting. If the liquidation committee is not established to conduct liquidation within the prescribed time limit, the creditors may apply to the people's court to designate relevant personnel to form a liquidation committee to conduct liquidation.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(I) to liquidate the Company's assets and prepare a balance sheet and an inventory list for assets;

(II) to notify creditors and publish an announcement;

(III) to handle outstanding businesses of the Company related to liquidation;

(IV) to settle all taxes in arrears and taxes arising in the course of liquidation;

(V) to liquidate creditor's rights and debts;

(VI) to deal with the Company's remaining assets after the debts are paid off;

(VII) to conduct civil lawsuits on behalf of the Company.

As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and make a public announcement on the designated newspapers and websites within 60 days. Creditors shall, within 30 days as of receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee. Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims. The liquidation committee shall not pay off any debts to any creditors during the period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for confirmation by the shareholders' general meeting or the people's court. The remaining assets of the Company shall be used in the following order to make payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staff, taxes and debts of the Company, which shall be distributed to the shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but cannot carry out any business activities unrelated to liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding paragraph.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall file an application to the people's court for a declaration of bankruptcy in accordance with the laws. Upon the declaration of bankruptcy of the Company by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' general meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for the deregistration of the Company, and announce the termination of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(I) after amendments are made to the Company Law or relevant laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed, any term contained in the Articles of Association become inconsistent with the said amendments;

(II) if certain changes of the Company occur resulting in inconsistency with certain terms specified in the Articles of Association;

(III) the shareholders' general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the changes involved shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolutions of the general meeting and the approval opinions of relevant competent authorities.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company under the laws of the PRC on November 11, 1999, and was converted into a joint stock company with limited liability on December 25, 2014. We were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 8, 2025, and have established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. Ms. Yung Mei Yee (翁美儀) has been appointed as our authorized representative for the acceptance of service of process in Hong Kong.

As our Company is incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association and relevant aspects of PRC law is set out in "Regulatory Overview" and "Summary of the Articles of Association" in Appendix III, to this prospectus.

2. Changes in the Share Capital of Our Company

Save as disclosed below, there has been no alteration in our share capital within the two years immediately preceding the date of this prospectus.

Pursuant to the 2023 Restrictive Share Incentive Plan as approved at the 2023 3rd extraordinary shareholders' general meeting of our Company dated July 31, 2023 and the 36th meeting of the third session of our Board dated July 31, 2023, we issued a total of 2,061,600 restricted A Shares which were listed on the ChiNext Board of the Shenzhen Stock Exchange on September 20, 2023. As a result, our total share capital increased from RMB765,574,282 comprising 765,574,282 A Shares to RMB767,635,882 comprising 767,635,882 A Shares.

As approved at the 32nd meeting of the third session of our Board on July 5, 2023, we completed cancellation of an aggregate of 1,830,098 restricted A Shares repurchased by our Company under the repurchase mandate for the 2021 Share Option Incentive Plan and Restricted Share Incentive Plan and the 2022 Restricted Share Incentive Plan on December 7, 2023, resulting in a reduction of the total share capital of our Company from RMB767,635,882 comprising 767,635,882 A Shares to that of RMB765,805,784 comprising 765,805,784 A Shares.

As approved at the 41st meeting of the third session of our Board dated December 11, 2023, we completed cancellation of a total of 61,755 restricted A Shares repurchased by our Company under the repurchase mandate for the 2021 Share Option Incentive Plan and Restricted Share Incentive Plan, the 2022 Restricted Share Incentive Plan and the 2023 Restricted Share Incentive Plan on April 11, 2024. As a result, our total share capital decreased to RMB765,744,029 divided into 765,744,029 A Shares.

As approved at the 47th meeting of the third session of our Board on June 3, 2024 and the 2024 2nd extraordinary shareholders' meeting of our Company on June 21, 2024, we completed the cancellation of a total of 179,166 restricted A Shares repurchased by our Company under the repurchase mandate for the 2021 Share Option Incentive Plan and Restricted Share Incentive Plan, the 2022 Restricted Share Incentive Plan and the 2023 Restricted Share Incentive Plan on October 23, 2024. As a result, there was a reduction in the total share capital of our Company from RMB765,744,029 comprising 765,744,029 A Shares to that of RMB765,564,863 comprising 765,564,863 A Shares.

As approved at the 8th meeting of the fourth session of our Board dated October 25, 2024 and the 2024 4th extraordinary shareholders' meeting of our Company dated November 15, 2024, we completed the cancellation of 592,584 restricted A Shares repurchased by our Company under the repurchase mandate for the 2021 Share Option Incentive Plan and Restricted Share Incentive Plan, the 2022 Restricted Share Incentive Plan and the 2023 Restricted Share Incentive Plan on February 12, 2025. As a result, there was a reduction in our total share capital from RMB765,564,863 comprising 765,564,863 A Shares to RMB764,972,279 comprising 764,972,279 A Shares.

Pursuant to the Resolutions regarding the Fulfillment of the Conditions for the Third Exercise/Unlocking of Lock-up Period/Unlocking of Lock-up Conditions with respect to the First Grant under the 2021 Share Option Incentive Plan and Restricted Share Incentive Plan (《關於公司2021年股票期權與限制性股票激勵計劃首次授予部分第三個行權/解除限售期可行權/可解除限售條件成就的議案》) as approved at the 48th meeting of the third session of our Board dated June 13, 2024, we completed the allotment of an aggregate of 481,263 A Shares to 84 eligible participants upon exercise of their corresponding A Share options pursuant to the 2021 Share Option Incentive Plan and Restricted Share Incentive Plan and the listing of such A Shares on the ChiNext Board of the Shenzhen Stock Exchange on February 24, 2025. As a result, our total share capital increased from RMB764,972,279 comprising 764,972,279 A Shares to RMB765,453,542 comprising 765,453,542 A Shares.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I to this prospectus.

The following sets out our subsidiaries which were established within the two years immediately preceding the date of this prospectus:

Name of subsidiary	Place of establishment	Date of establishment	Initial registered capital/share capital
Faiot PTE. LTD. . . .	Singapore	December 23, 2024	USD50,000
Faiot Limited.	The Cayman Islands	February 13, 2025	USD50,000
Gingkgo Solution Inc.	The United States	February 25, 2025	USD50,000

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus:

Favalon Technology

- On August 24, 2023, the registered share capital of Favalon Technology increased from RMB28,571,429 to RMB31,746,032.

- On February 5, 2024, the registered share capital of Favalon Technology increased from RMB31,746,032 to RMB33,241,918.

FAIOT Co., LTD (上海廣翼智聯科技有限公司)

- On August 9, 2023, the registered share capital of FAIOT Co., LTD increased from RMB20,000,000 to RMB23,255,800.

- On August 25, 2023, the registered share capital of FAIOT Co., LTD increased from RMB23,255,800 to RMB25,974,000.

4. Resolutions of Our Shareholders

On April 11, 2025, resolutions of our Shareholders were passed pursuant to which, among other things:

(a) the Articles was approved and adopted with effect from the Listing Date;

(b) the Global Offering (including the Hong Kong Public Offering, International Offering and Over-allotment Option) and the Listing were approved and our Directors were authorized to allot and issue the Offer Shares pursuant to the Global Offering; and

(c) in accordance with the relevant requirements of the Listing Rules and other applicable regulatory requirements, the proposed number of H Shares to be offered shall not exceed 20% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option), and the number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of the business carried on or intended to be carried on by our Company) were entered into by any member of our Group within the two years preceding the date of this prospectus and is or may be material:

(a) a joint venture agreement dated January 17, 2024 entered into among Fibocom Investment Inc. (深圳市廣和通投資發展有限公司, "**Fibocom Investment**"), Mr. Zhu Tao (朱濤), Mr. Zhang Fan (張帆), Mr. Zhang Chen (張晨), Mr. Pan Yijun (潘毅駿) and Shanghai Sevenfold Universe Digital Technology Co., Ltd. (上海七重宇宙數字科技有限公司, "**Shanghai Sevenfold Universe**"), pursuant to which, among others, Fibocom Investment and Mr. Zhu Tao agreed to acquire 45.9% and 5.1% equity interest in Shanghai Sevenfold Universe from Mr. Zhang Fan at the total consideration of RMB4,410,000 and RMB490,000, respectively (the "**Shanghai Sevenfold Universe Joint Venture Agreement**");

(b) an acting-in-concert agreement dated January 17, 2024 entered into between Fibocom Investment and Mr. Zhu Tao, pursuant to which Fibocom Investment and Mr. Zhu Tao agreed to act in concert in exercising their voting rights in Shanghai Sevenfold Universe (the "**Shanghai Sevenfold Universe Acting-in-Concert Agreement**");

(c) an equity pledge agreement dated January 17, 2024 entered into between Fibocom Investment and Mr. Zhang Fan, pursuant to which Mr. Zhang Fan agreed to pledge all of his equity interests in Shanghai Sevenfold Universe in favour of Fibocom Investment;

(d) an asset purchase agreement dated July 3, 2024 entered into among EUROPASOLAR S.À R.L ("**EUROPASOLAR**"), Rolling Wireless (H.K.) Limited (銳凌無線(香港)有限公司) (currently known as LINK FUTURE WIRELESS (H.K.) LIMITED (創聯未來(香港)有限公司)) ("**Hong Kong Rolling**"), Rolling Wireless Technology Co., Ltd. (深圳市銳凌無線技術有限公司) (currently known as Shenzhen Chuanglian Future Wireless Technology Co., Ltd. (深圳市創聯未來無線技術有限公司)) ("**Shenzhen Rolling**"), our Company, Rolling Wireless S.à r.l. ("**Luxembourg Rolling**") and Rolling Wireless Pte. Ltd., pursuant to which, among others, Hong Kong Rolling agreed to transfer 100% equity interest in Luxembourg Rolling and certain assets and liabilities of Hong Kong Rolling to EUROPASOLAR at the maximum consideration of USD150,000,000 (the "**Disposal Agreement**");

(e) an amendment agreement to the Disposal Agreement dated July 15, 2024 entered into among EUROPASOLAR, Hong Kong Rolling, Shenzhen Rolling and our Company, pursuant to which, among others, it is agreed that the earnout purchase price as set out in the Disposal Agreement shall be settled in RMB;

(f) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, Hong Kong Qindao Gantong Co., Limited (香港勤道贛通有限公司), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of RMB500,000,000;

(g) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, Pacific Asset Management Co., Limited (太平洋資產管理有限責任公司), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD16,000,000;

(h) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, CPIC Investment Management (H.K.) Company Limited (中國太保投資管理(香港)有限公司), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD4,000,000;

(i) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, GF Fund Management Co., Ltd. (廣發基金管理有限公司), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD12,800,000;

(j) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, GF International Investment Management Limited (廣發國際資產管理有限公司), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD7,200,000;

(k) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, RUIHUA (INTERNATIONAL) INVESTMENT LIMITED, CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD13,000,000;

(l) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, Genimous Investment (Hong Kong) Co., Limited (智度投資(香港)有限公司), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD10,000,000;

(m) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, Mr. Zhang Xiaolei (張曉雷), CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD15,000,000;

(n) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, Guotai Junan Investments (Hong Kong) Limited, CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of RMB60,000,000;

(o) the cornerstone investment agreement dated October 11, 2025 entered into among our Company, Dream'ee (Hong Kong) Open-ended Fund Company, CITIC Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited and SDICS International Securities (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HKD40,000,000; and

(p) the Hong Kong Underwriting Agreement.

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
1. . .	FIBOCOM	9	Our Company	PRC	7513618	February 6, 2031
2. . .	FIBOCOM	38	Our Company	PRC	51747162	August 13, 2031
3. . .	Fibocom	9	Our Company	PRC	17229432	September 27, 2027
4. . .	Fibocom	9	Our Company	PRC	23020739	May 13, 2028
5. . .	Fibocom	9	Our Company	PRC	39377615	December 13, 2030
6. . .	Fibocom	38	Our Company	PRC	51729368	August 13, 2031
7. . .	Fibocom	42	Our Company	PRC	51753674	August 13, 2031
8. . .	Fibocom 广和通	9	Our Company	PRC	23020743	May 13, 2028
9. . .	G&T	38	Our Company	PRC	7513619	November 6, 2030
10. .	Fibo	9	Our Company	PRC	17229726	October 27, 2026
11. .	广和通	9	Our Company	PRC	23020649	March 6, 2028
12. .	億租機	42	Our Company	PRC	58266901	February 13, 2032
13. .	FIBOFWA	9	Our Company	PRC	64063935	October 6, 2032
14. .	FIBOFWA	38	Our Company	PRC	64058164	October 6, 2032
15. .	FIBOFWA	42	Our Company	PRC	64036157	October 6, 2032
16. .	THINGSMATRIX	9	Our Company	PRC	40779984	April 13, 2030
17. .	THINGSMATRIX	9	Our Company	PRC	40772962	June 13, 2030
18. .	THINGSMATRIX	38	Our Company	PRC	40773002	April 20, 2030
19. .	THINGSMATRIX	42	Our Company	PRC	40773027	April 20, 2030
20. .	Gazr	9	Our Company	PRC	58274407	February 6, 2032

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
21. .	Gazr	42	Our Company	PRC	58268612	February 6, 2032
22. .		42	Favalon Technology	PRC	51364666	August 13, 2032
23. .	FAVALON	9	Favalon Technology	PRC	58271434	February 6, 2032
24. .	FAVALON	38	Favalon Technology	PRC	58291340	February 6, 2032
25. .	FAVALON	42	Favalon Technology	PRC	58291360	February 6, 2032
26. .	Favalon	9	Favalon Technology	PRC	59313388	March 20, 2032
27. .	Favalon	38	Favalon Technology	PRC	59305348	March 20, 2032
28. .	Favalon	42	Favalon Technology	PRC	59308544	March 20, 2032
29. .	FAIOT	38	FAIOT Co.,LTD	PRC	52268696	August 20, 2031
30. .	FAIOT	42	FAIOT Co.,LTD	PRC	52248094	October 13, 2031
31. .	Favalon 广通远驰	38	Favalon Technology	PRC	75399700	May 13, 2034
32. .	Favalon 广通远驰	42	Favalon Technology	PRC	75399994	August 20, 2034
33. .	Fibot	9	Our Company	PRC	77750331	December 6, 2034
34. .	Fibot	12	Our Company	PRC	77738708	September 20, 2034
35. .	FIA	9	Our Company	European Union	017949399	August 31, 2028
36. .	FIA	9, 35	Our Company	United States	5909765	November 12, 2029
37. .	FIBOCOM	9	Our Company	European Union	017879045	March 22, 2028
38. .	FIBOCOM	9	Our Company	United States	5626210	December 11, 2028
39. .	FIBOCOM	9	Our Company	Taiwan, China	02168377	September 15, 2031
40. .	FIBOCOM	9	Our Company	Madrid	1578334	December 24, 2030

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
41.	Fibocom	9	Our Company	South Africa	2021/00015	January 4, 2031
42.	Fibocom	9	Our Company	Chile	1350720	July 29, 2031
43.	Fibocom	9	Our Company	Argentina	3304793	July 8, 2032
44.	THIN SMATRIX	9, 35, 38, 42	Our Company	Madrid	1536874	April 3, 2030
45.	THIN SMATRIX	9, 38, 42	Our Company	United Kingdom	UK00003677652	August 5, 2031
46.	Gazr	42	Our Company	European Union	018534077	August 16, 2031
47.	Gazr	42	Our Company	United Kingdom	UK00003683325	August 18, 2031
48.	Gazr	42	Our Company	Japan	6545286	April 15, 2032
49.	Gazr	42	Our Company	United States	7038153	April 25, 2033
50.		9	Fibocom Auto Inc.	Hong Kong	305453550	November 18, 2030
51.		9	Fibocom Auto Inc.	European Union	018342101	November 20, 2030
52.		9	Fibocom Auto Inc.	Canada	TMA1173312	March 29, 2033
53.		9	Fibocom Auto Inc.	South Korea	40-1863803	May 4, 2032
54.		9	Fibocom Auto Inc.	Japan	6456979	October 15, 2031
55.	THIN SMATRIX	38, 42	Our Company	European Union	018867943	April 27, 2033
56.	Fibocom	9	Our Company	Hong Kong	306825484	March 2, 2035
57	Favalon 广通远驰	9	Favalon Technology	PRC	75401574	March 27, 2035
58	FibocomFibot	9	Our Company	European Union	019129525	January 10, 2035

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
1.	Image output system and method (圖像輸出系統和方法)	Invention	Our Company	PRC	2021103266666	March 26, 2021
2.	Network registration method and terminal equipment (註冊網絡的方法及終端設備)	Invention	Our Company	PRC	2021102557096	March 9, 2021
3.	Throughout rate analysis method, computer storage medium and electronic equipment (一種吞吐率分析方法、計算機存儲介質及電子設備)	Invention	Our Company	PRC	2021106197884	June 3, 2021
4.	5G communication module network searching method and device, computer equipment and storage medium (5G通信模塊搜網方法、裝置、計算機設備和存儲介質)	Invention	Our Company	PRC	2021103324159	March 29, 2021
5.	Method and device for realizing virtual peripheral sharing of Internet of Things module, and computer equipment (實現物聯網模塊虛擬外設共享的方法、裝置、計算機設備)	Invention	Our Company	PRC	2021103178970	March 25, 2021
6.	Performance parameter adjustment method, related device, equipment and readable storage medium (性能參數調整的方法、相關裝置、設備以及可讀存儲介質)	Invention	Our Company	PRC	2021103720610	April 7, 2021

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
7.	Communication method and device, equipment and readable storage medium (一種通信方法、裝置、設備及可讀存儲介質)	Invention	Our Company	PRC	2021102402273	March 4, 2021
8.	Equipment enumeration method and device of PCIe interface, equipment and storage medium (PCIe接口的設備枚舉方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2021101550051	February 4, 2021
9.	Network registration method and module, computer equipment and storage medium (網絡註冊方法、模組、計算機設備和存儲介質)	Invention	Our Company	PRC	2021102506535	March 8, 2021
10.	Antenna parameter configuration method, multi-antenna device, computer equipment and storage medium (天線參數配置方法、多天線設備裝置、計算機設備和存儲介質)	Invention	Our Company	PRC	2021101393370	February 1, 2021
11.	Positioning method, communication module, electronic equipment and storage medium (定位方法、通信模組、電子設備及存儲介質)	Invention	Our Company	PRC	2021101528359	February 3, 2021
12.	Method and device for determining paging cycle, and storage medium (尋呼週期的確定方法、設備及存儲介質)	Invention	Our Company	PRC	2021102696027	March 12, 2021

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
13.	Multi-frequency terminal working frequency band configuration method and device, electronic equipment and storage medium (多頻終端工作頻段配置方法、裝置、電子設備及存儲介質)	Invention	Our Company	PRC	2021105376285	May 17, 2021
14.	Routing method and device, equipment and storage medium (路由方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2021106480661	June 10, 2021
15.	Cell access method and device, computer equipment and computer storage medium (小區接入方法、裝置、計算機設備及計算機存儲介質)	Invention	Xi'an Fibocom Software	PRC	2021108563508	July 28, 2021
16.	Data processing method, storage medium and equipment (數據處理方法、存儲介質及設備)	Invention	Our Company	PRC	2021109958995	August 27, 2021
17.	Voice data transmission method and device, electronic equipment and storage medium (一種語音數據傳輸方法、裝置、電子設備及存儲介質)	Invention	Fibocom Software	PRC	2021111535700	September 29, 2021
18.	Terminal positioning method and device, storage medium and positioning module (一種終端定位方法、設備、存儲介質及定位模組)	Invention	Xi'an Fibocom Software	PRC	2021108737196	July 30, 2021
19.	Network slice resource sharing method and device, equipment and medium (一種網絡切片資源的共享方法、裝置、設備及介質)	Invention	Our Company	PRC	2021108501075	July 27, 2021

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
20.	Call initiating method and electronic equipment (呼叫發起方法及電子設備)	Invention	Our Company	PRC	2021109782714	August 24, 2021
21.	Transmitting power control method and electronic equipment (發射功率控制方法及電子設備)	Invention	Our Company	PRC	2021110913251	September 16, 2021
22.	Storage space management method and device, equipment and storage medium (存儲空間管理方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2021111878522	October 12, 2021
23.	Positioning adjustment method and device, electronic equipment and storage medium (定位調整方法、裝置、電子設備和存儲介質)	Invention	Xi'an Fibocom Communication	PRC	2021109965467	August 27, 2021
24.	Remote management method, remote management equipment, module and readable storage medium (一種遠程管理方法、遠程管理設備、模塊及可讀存儲介質)	Invention	Xi'an Fibocom Software	PRC	2021113269001	November 10, 2021
25.	Data processing method, device, computer equipment and storage medium (數據處理方法、裝置、計算機設備以及存儲介質)	Invention	Our Company	PRC	2021109613186	August 20, 2021
26.	Communication module and external interface configuration method and configuration device thereof, and storage medium (通信模組及其外部接口配置方法、配置裝置和存儲介質)	Invention	Fibocom Software	PRC	2021113549604	November 16, 2021

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
27.	Application management method and related product (應用管理方法及相關產品)	Invention	Xi'an Fibocom Communication	PRC	2021114860003	December 7, 2021
28.	Memory optimization method and device, terminal and storage medium (內存優化方法、裝置、終端、存儲介質)	Invention	Xi'an Fibocom Communication	PRC	2021112489907	October 26, 2021
29.	Video playing method and system and storage medium (視頻播放方法、系統和存儲介質)	Invention	Our Company	PRC	2021116057673	December 25, 2021
30.	Communication method and device based on PCIE (Peripheral Component Interface Express), computer equipment and readable storage medium (基於PCIE的通信方法、裝置、計算機設備和可讀存儲介質)	Invention	Fibocom Software	PRC	2021116033043	December 26, 2021
31.	Resistive touch screen touch recognition method, device and equipment and storage medium (電阻觸摸屏觸摸識別的方法、裝置、設備及存儲介質)	Invention	Fibocom Software	PRC	2021114988153	December 9, 2021
32.	Chip platform upgrading method and related device (芯片平台升級方法及相關裝置)	Invention	Our Company	PRC	2021114476583	November 30, 2021
33.	Cloud platform connection method and device, equipment and storage medium (雲平台連接方法、裝置、設備及存儲介質)	Invention	Xi'an Fibocom Communication	PRC	2021115062956	December 10, 2021

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
34.	Fault processing method and device, equipment and storage medium (一種故障處理方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2021116711323	December 31, 2021
35.	Method, system and related device for managing eSIM card in electronic equipment (一種電子設備中eSIM卡的管理方法、系統及相關裝置)	Invention	Xi'an Fibocom Software	PRC	2022103742987	April 11, 2022
36.	Communication adaptation repair method, device and system and storage medium (通信適配修復方法、裝置、系統及存儲介質)	Invention	Our Company	PRC	2021116413235	December 29, 2021
37.	Automatic dial-up networking method, host, wireless module and storage medium (自動撥號上網方法、主機、無線模塊和存儲介質)	Invention	Our Company	PRC	2022103956721	April 15, 2022
38.	Network slice access method, device and system and storage medium (網絡切片接入方法、裝置、系統和存儲介質)	Invention	Xi'an Fibocom Software	PRC	2021116407499	December 29, 2021
39.	Data forwarding device and method, electronic equipment and storage medium (數據轉發裝置、方法、電子設備及存儲介質)	Invention	Xi'an Fibocom Software	PRC	2022103220578	March 29, 2022
40.	Computing equipment starting method and device (一種計算設備啟動方法及裝置)	Invention	Xi'an Fibocom Software	PRC	2022102824759	March 22, 2022

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
41.	Module configuration method, communication module, electronic equipment and storage medium (模組配置方法、通信模組、電子設備和存儲介質)	Invention	Xi'an Fibocom Software	PRC	2022103994954	April 15, 2022
42.	Multi-stage operational amplifier closing method and device, equipment and storage medium (多級運放的關閉方法、裝置、設備及存儲介質)	Invention	Xi'an Fibocom Software	PRC	2022103860292	April 13, 2022
43.	Specific absorption rate adjusting method and device, equipment and storage medium (比吸收率調整方法、裝置、設備及存儲介質)	Invention	Xi'an Fibocom Software	PRC	2022106713882	June 14, 2022
44.	System and wireless communication module based on CPE wide area network management protocol (基於CPE廣域網管理協議的系統及無線通信模組)	Invention	Our Company	PRC	2022104948544	May 7, 2022
45.	Data network name acquisition method and system, base station, terminal and storage medium (數據網絡名稱獲取方法、系統、基站、終端及存儲介質)	Invention	Xi'an Fibocom Communication	PRC	2022103479652	April 1, 2022
46.	Model training and detection method, communication module, device, equipment and storage medium (模型訓練及檢測方法、通信模塊、裝置、設備及存儲介質)	Invention	Our Company	PRC	2022103984609	April 15, 2022

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
47.	Multi-rate adaptation method and PCIe device (多速率適配方法及PCIe設備)	Invention	Xi'an Fibocom Communication	PRC	2022103213540	March 29, 2022
48.	PDN dialing and configuration method, system and device, equipment and storage medium (PDN撥號及配置方法、系統、裝置、設備及存儲介質)	Invention	Fibocom Software	PRC	2022105283213	May 16, 2022
49.	Communication method and communication module (一種通信方法及通信模組)	Invention	Xi'an Fibocom Communication	PRC	2022109714675	August 12, 2022
50.	Communication method and device, storage medium and terminal equipment (一種通信方法、裝置、存儲介質和終端設備)	Invention	Xi'an Fibocom Communication	PRC	2022110419054	August 29, 2022
51.	Human-computer interaction message processing method and device, electronic equipment and storage medium (人機交互消息處理方法、裝置、電子設備及存儲介質)	Invention	Fibocom Software	PRC	2022112349145	October 10, 2022
52.	Power adaptive adjustment method and device based on general algorithm and computer equipment (基於通用算法的功率自適應調整方法、裝置和計算機設備)	Invention	Fibocom Software	PRC	2022111984761	September 29, 2022

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
53.	Telephone number acquisition method, device and system based on machine learning, and medium (基於機器學習的電話號碼獲取方法、設備、系統及介質)	Invention	Fibocom Software	PRC	2022111711285	September 26, 2022
54.	Physical antenna switching method and equipment based on general algorithm (基於通用算法的物理天線切換方法及設備)	Invention	Fibocom Software	PRC	2023111054790	August 30, 2023
55.	Vehicle safety prompting method and device based on human-computer interaction (一種基於人機交互的車輛安全提示方法及裝置)	Invention	Fibocom Software	PRC	2023111772480	September 13, 2023
56.	Exposure adjustment method and equipment based on four-color filter array algorithm (基於四色濾波陣列算法的曝光調整方法及設備)	Invention	Fibocom Software	PRC	2023111215063	September 1, 2023
57.	Log capturing method and device based on artificial intelligence, equipment and medium (基於人工智能的日誌抓取方法、裝置、設備及介質)	Invention	Fibocom Software	PRC	2023110939941	August 29, 2023
58.	Artificial intelligence robot environment sensing method and device and electronic equipment (人工智能機器人環境感知方法、裝置及電子設備)	Invention	Xi'an Fibocom Software	PRC	2024108512995	June 28, 2024
59.	Vegetation yellow leaf cutting method, device and system and storage medium (一種植被黃葉剪切方法、設備、系統及存儲介質)	Invention	Xi'an Fibocom Software	PRC	2024114880316	October 24, 2024

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
60.	Monocular perception data processing method and device, electronic equipment and storage medium (單目感知數據處理方法、裝置、電子設備及存儲介質)	Invention	Xi'an Fibocom Software	PRC	2024113434750	September 25, 2024

(c) Software Copyrights

As of the Latest Practicable Date, the Group had registered the following software copyrights which we consider to be material in relation to our business:

No.	Name of Software	Place of Registration	Registered Owner
1 . . .	Favalon Technology 5G In-vehicle Module Software (廣通遠馳5G車載模組軟件) [Abbreviation: Favalon Technology 5G In-vehicle Module Software] V1.0	PRC	Favalon Technology
2 . . .	Favalon Technology In-vehicle Linux Module Software (廣通遠馳車載Linux模塊軟件) [Abbreviation: AN958T] V1.0	PRC	Favalon Technology
3 . . .	Fibocom Wireless Data Transmission Software V1.2 (廣和通無線數據傳輸軟件V1.2)	PRC	Fibocom Software
4 . . .	Fibocom Wireless Communication Platform Data Transmission Software V1.0 (廣和通無線通信平台數據傳輸軟件V1.0)	PRC	Fibocom Software
5 . . .	Fibocom Wireless Communication Wireless Data Transmission Software V1.0 (廣和通無線通信無線數據傳輸軟件V1.0)	PRC	Fibocom Software
6 . . .	Favalon Technology Voice Interaction Application Software V1.0.0 (廣通遠馳語音交互應用軟件V1.0.0)	PRC	Fibocom Auto
7 . . .	Favalon HMI One-click Upgrade Tool Software V1.0.0 (Favalon人機交互一鍵升級工具軟件V1.0.0)	PRC	Fibocom Auto

No.	Name of Software	Place of Registration	Registered Owner
8 . . .	Multi-sensor Fusion Localization Algorithm Software V1.0 (多傳感器融合定位算法軟件 V1.0)	PRC	Fibocom Software
9 . . .	Autonomous Mobile Robot Navigation Software V1.0 (自主移動機器人導航軟件 V1.0)	PRC	Fibocom Software
10 . .	Industrial Internet Platform FWA Software V1.0 (工業互聯網平台FWA軟件 V1.0)	PRC	Fibocom Software
11 . .	5G-WWAN Wireless Data Transmission Software V1.0 (5G-WWAN無線數據傳輸軟件 V1.0)	PRC	Xi'an Fibocom Software
12 . .	5G Smart PDA System Software V1.0 (5G智能PDA系統軟件 V1.0)	PRC	Xi'an Fibocom Software
13 . .	Favalon HMI Multipath Upgrade Tool Software V1.0.3 (Favalon人機交互多路升級工具軟件V1.0.3)	PRC	Fibocom Auto
14 . .	Favalon Technology Unified Module Development Platform Software V1.0.0 (廣通遠馳統一模塊開發平台軟件 V1.0.0)	PRC	Favalon Technology
15 . .	favalon Log Data Collection and Management Software V1.0.0 (favalon日誌數據採集與管理軟件 V1.0.0)	PRC	Fibocom Auto
16 . .	FAIOT Android-based Tablet Landscape Software V1.0 (FAIOT基於android平板橫屏的軟件 V1.0)	PRC	Faiot Software
17 . .	Home Gateway Software Incorporating Deep Learning Technology V1.0 (融合深度學習技術的家庭網關軟件 V1.0)	PRC	Xi'an Fibocom Software
18 . .	Artificial Intelligence Fast Lane – AI and High Speed Module Co-Innovation Software V1.0 (人工智能快車道-AI與高速模組的協同革新軟件 V1.0)	PRC	Xi'an Fibocom Software
19 . .	Performance Optimization Software for Terminal Devices with Reinforcement Learning Algorithms V1.0 (終端設備搭配強化學習算法的性能優化軟件V1.0)	PRC	Xi'an Fibocom Software
20 . .	Fibocom PC Cloud Management 5G R15 Wireless Module Communication Software V1.0 (廣和通PC雲管理5G R15無線模組通訊軟件V1.0)	PRC	Fibocom Technology

No.	Name of Software	Place of Registration	Registered Owner
21 . .	Fibocom PC Cloud Management 5G R17 Wireless Module Communication Software V1.0 (廣和通PC雲管理5G R17無線模組通訊軟件V1.0)	PRC	Fibocom Technology
22 . .	Fibocom PC Cloud Management 5G Redcap Wireless Module Communication Software V1.0 (廣和通PC雲管理5G Redcap無線模組通訊軟件V1.0)	PRC	Fibocom Technology
23 . .	Fibocom PC Cloud Management CAT-M Wireless Module Communication Software V1.0 (廣和通PC雲管理CAT-M無線模組通訊軟件V1.0)	PRC	Fibocom Technology
24 . .	T-BOX Data Storage Management Software (T-BOX數據存儲管理軟件) [Abbreviation: T-BOX Storage Management Software] V1.0.0	PRC	Fibocom Auto
25 . .	Favalon HMI Tool Software for Automatic Clearing of Windows In-vehicle Terminal Residual Information V1.0.0 (Favalon人機交互自動清除Windows車載終端殘留信息工具軟件V1.0.0)	PRC	Fibocom Auto
26 . .	Fibocom IPC_Router Software (廣和通IPC_Router軟件) [Abbreviation: FIPC_Router] V1.0	PRC	Fibocom Software
27 . .	Fibocom Virtual Screen Extension Software V1.0 (廣和通虛擬屏幕擴展軟件V1.0)	PRC	Fibocom Software
28 . .	Fibocom Intelligent Assistant Solution Software V1.0 (廣和通智能助手解決方案軟件V1.0)	PRC	Fibocom Software
29 . .	Favalon HMI EFS Smart Repair Tool Software V1.0.2 (Favalon人機交互EFS智能修復工具軟件V1.0.2)	PRC	Favalon Technology
30 . .	Fibocom Edge AI Inference Engine Software (廣和通端側AI推理引擎軟件) [Abbreviation: Inference Engine] V1.0	PRC	Fibocom Software

(d) Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be material in relation to our business:

No.	Domain name	Registrant	Expiry date
1. . . .	fibocom.com	Our Company	May 13, 2026

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual or industrial property rights which we consider to be material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of our Directors, Supervisors and chief executive

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing), the interests or short positions of our Directors, Supervisors and chief executive in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are listed, are set out below:

(i) Interest in our Company

Name of Director, Supervisor or chief executive	Nature of interest(1)	Number and class of Shares or underlying Shares held	Shareholding in relevant class of Shares upon completion of the Global Offering(2)	Shareholding in total issued share capital upon completion of the Global Offering(2)
Mr. Zhang Tianyu(3)	Beneficial owner	281,512,495 A Shares	36.78%	31.26%
	Interest in controlled corporation	2,627,960 A Shares	0.34%	0.29%

Name of Director, Supervisor or chief executive	Nature of interest(1)	Number and class of Shares or underlying Shares held	Shareholding in relevant class of Shares upon completion of the Global Offering(2)	Shareholding in total issued share capital upon completion of the Global Offering(2)
Mr. Ying Lingpeng(4) . . .	Beneficial owner	25,526,106 A Shares	3.33%	2.83%
	Interest in controlled corporation	19,281,816 A Shares	2.52%	2.14%
Mr. Xu Ning(5) .	Beneficial owner	190,291 A Shares	0.02%	0.02%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 900,533,742 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing).

(3) As of the Latest Practicable Date, (i) Mr. Zhang Tianyu directly held 281,512,495 A Shares; and (ii) since Mr. Zhang controlled one third or more of the voting power at general meetings of our Company as of the Latest Practicable Date, he might be taken to have an interest in the 2,627,960 treasury Shares held by our Company as of the Latest Practicable Date by virtue of the SFO.

(4) As of the Latest Practicable Date, (i) Mr. Ying Lingpeng directly held 25,526,106 A Shares; and (ii) Guanghe Chuanghong directly held 19,281,816 A Shares. By virtue of the SFO, Mr. Ying Lingpeng, as the general partner of Guanghe Chuanghong, is deemed to be interested in the A Shares held by Guanghe Chuanghong.

(5) As of the Latest Practicable Date, Mr. Xu Ning directly held 190,291 A Shares (among which 94,290 A Shares were issued and granted to him but subject to lock-up pursuant to the 2023 Restricted Share Incentive Plan).

(ii) Interest in our associated corporations

Save as disclosed in the table below, so far as our Directors are aware, immediately following the completion of the Global Offering, no Directors, Supervisors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

Name of Director, Supervisor or chief Executive	Nature of interest	Member of our Group	Approximate % of Shareholding
Mr. Ying Lingpeng. .	Beneficial owner	Favalon Technology	4.5%

Name of Director, Supervisor or chief Executive	Nature of interest	Member of our Group	Approximate % of Shareholding
Mr. Ying Lingpeng. .	Beneficial owner	Shenzhen Guangyi Win-Win Enterprise Management Partnership (Limited Partnership) (深圳市廣翼共贏企業管理合夥企業(有限合夥))	5.0%

(b) Interests of substantial shareholders in members of our Group

Save as disclosed in "Substantial Shareholders" in this prospectus, "— C. Further Information about Our Directors, Supervisors and Substantial Shareholders — 1. Disclosure of Interests — (a) Interests of our Directors, Supervisors and chief executive — (ii) Interest in our associated corporations" in this section and the table below, our Directors are not aware of any person (other than a Director, Supervisor or chief executive of our Company) who will have an interest or a short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

Member of our Group	Name of substantial shareholder	Approximate % held by the substantial shareholder
Shanghai Sevenfold Universe. . . .	Mr. Zhu Tao (朱濤)(1)	51.00%
	Mr. Zhang Fan (張帆)	49.00%
Favalon Technology	Shenzhen Guangtong Chuangyuan Enterprise Management Center (Limited Partnership) (深圳市廣通創遠企業管理中心(有限合夥), "**Shenzhen Guangtong Chuangyuan**")(2)	14.17%
Shenzhen Guangtong Chuangyuan(2)	Ms. Yang Yan (楊燕)	33.18%

Member of our Group	Name of substantial shareholder	Approximate % held by the substantial shareholder
Shenzhen Chijun Enterprise Management Consulting Partnership (Limited Partnership) (深圳馳駿企業管理諮詢合夥企業(有限合夥), "**Shenzhen Chijun**")(3)	Mr. Qi Guangzhi (齊廣志)	66.48%
	Mr. Han Xiao (韓笑)	33.24%
Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) (寧波廣翼企業管理合夥企業(有限合夥), "**Ningbo Guangyi**")(4)	Ms. Wang Zhongxiang (王鐘香)	22.86%
	Mr. Liu Xiangsheng (劉祥生)	17.13%

Notes:

(1) As of the Latest Practicable Date, Shanghai Sevenfold Universe was held as to (i) 5.1% by Mr. Zhu Tao, (ii) 45.9% by Fibocom Investment, our wholly-owned subsidiary, and (iii) 49% by Mr. Zhang Fan. Pursuant to the Shanghai Sevenfold Universe Acting-in-Concert Agreement, Fibocom Investment and Mr. Zhu Tao agreed to act in concert in exercising their voting rights in Shanghai Sevenfold Universe and, in the event of any difference in opinions, Mr. Zhu Tao shall act in accordance with the views of Fibocom Investment. By reason of the Shanghai Sevenfold Universe Acting-in-Concert Agreement, Mr. Zhu Tao is also deemed to be interested in the 45.9% equity interest in Shanghai Sevenfold Universe held by Fibocom Investment.

(2) As of the Latest Practicable Date, Shenzhen Guangtong Chuangyuan, our employee shareholding platform, was held as to (i) approximately 21.49% by FIA, our wholly-owned subsidiary and the sole general partner of Shenzhen Guangtong Chuangyuan, (ii) approximately 38.32% by Shenzhen Chijun, (iii) approximately 33.18% by Ms. Yang Yan (楊燕), an Independent Third Party except for being a substantial shareholder of Shenzhen Guangtong Chuangyuan, (iv) approximately 4.78% by Mr. Hou Meilu, an Independent Third Party, and (v) approximately 2.23% by Mr. Wu Ronghua, an Independent Third Party.

(3) As of the Latest Practicable Date, Shenzhen Chijun, our employee shareholding platform, was held as to (i) approximately 0.28% by its sole general partner, FIA, (ii) approximately 66.48% by Mr. Qi Guangzhi, an Independent Third Party except for being a substantial shareholder of Shenzhen Chijun and (iii) approximately 33.24% by Mr. Han Xiao, an Independent Third Party except for being a substantial shareholder of Shenzhen Chijun.

(4) As of the Latest Practicable Date, Ningbo Guangyi, our employee shareholding platform, was held as to (i) approximately 60.01% by its sole general partner, Fibocom Investment, (ii) approximately 22.86% by Ms. Wang Zhongxiang, an Independent Third Party except for being a substantial shareholder of Ningbo Guangyi and (iii) approximately 17.13% by Mr. Liu Xiangsheng, an Independent Third Party except for being a substantial shareholder of Ningbo Guangyi.

2. Directors' and Supervisors' Service Contracts and Letters of Appointment

We have entered into a service contract or appointment letter with each of our Directors and Supervisors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service, (b) termination provisions, and (c) dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors or Supervisors have entered, or have proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors' and Supervisors' Remuneration

The aggregate remuneration paid and benefits in kind granted to our Directors and Supervisors by our Group in respect of the latest completed financial year, being the year ended December 31, 2024, was approximately RMB10.9 million. For details of our Directors' and Supervisors' emoluments during the Track Record Period, see Note 12 to the Accountants' Report in Appendix I to this prospectus.

Under the arrangements in force at the date of this prospectus, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors and Supervisors by our Group in respect of the year ending December 31, 2025 to be approximately RMB8.1 million.

D. SHARE INCENTIVE PLANS

1. 2021 Share Option Incentive Plan and Restricted Share Incentive Plan

Our Company adopted the 2021 Share Option Plan and Restricted Share Incentive Plan on April 13, 2021, pursuant to which a maximum of 1,120,000 A Share options and 1,600,000 restricted A Shares could be granted to our Directors, senior management, middle-level management and core technical personnel for the purpose of improvement of our long-term incentive mechanism and to attract and retain outstanding talents. As of the Latest Practicable Date, a total of 1,747,018 A Shares were allotted and issued under the 2021 Share Option Plan and Restricted Share Incentive Plan. As of the Latest Practicable Date, there was no outstanding A Share option exercisable but not yet exercised or restricted A Share subject to lock-up, and no further A Share option or restricted A Share could be granted pursuant to the terms of 2021 Share Option Plan and Restricted Share Incentive Plan.

2. 2022 Restricted Share Incentive Plan and 2023 Restricted Share Incentive Plan

The following is a summary of the principal terms of the 2022 Restricted Share Incentive Plan and the 2023 Restricted Share Incentive Plan (collectively, the "**Restricted Share Incentive Plans**") in effect as of the Latest Practicable Date. As of the Latest Practicable Date, the Company actually granted 1,820,900 restricted A Shares to 193 participants and completed the registration and listing of the relevant Shares under the 2022 Restricted Share Incentive Plan on August 31, 2022; and actually granted 2,061,600 restricted A Shares to 241 participants and completed the registration and listing of the relevant Shares under the 2023 Restricted Share Incentive Plan on September 20, 2023. There was no outstanding restricted Share under the Restricted Share Incentive Plans as of the Latest Practicable Date. The terms of Restricted Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted Shares by our Company after our Listing.

Save as otherwise disclosed, the terms of each of the Restricted Share Incentive Plans are substantially similar:

(a) Purpose

The purpose of the Restricted Share Incentive Plans is to further improve our Company's long-term incentive mechanism, to attract and retain outstanding talents, to fully mobilize our senior management members, middle management members and core technical (business) personnel, and to align the interests of our Shareholders with that of our Company and our core team members.

(b) Administration

The Restricted Share Incentive Plans are subject to the approval of the Shareholders' meeting, administration by the Board and supervision by the board of Supervisors and the independent Directors of our Company.

(c) Participants

The eligible participants of our 2022 Restricted Share Incentive Plan include our senior management members, middle management members and core technical (business) personnel, and exclude (i) Directors, independent Directors, Supervisors, Shareholders or actual controllers of our Company who, individually or collectively, hold 5% or more of our Shares and (ii) spouses, parents and children of the foregoing persons.

The eligible participants of our 2023 Restricted Share Incentive Plans include our Directors, senior management members, middle management members and core technical (business) personnel, and exclude (i) independent Directors, Supervisors, Shareholders or actual controllers of our Company who, individually or collectively, hold 5% or more of our Shares and (ii) spouses, parents and children of the foregoing persons.

(d) Source and Number of Shares Granted and Registered

The underlying Shares for our Restricted Share Incentive Plans shall be A Shares issued by our Company. All of the underlying Shares for 2022 Restricted Share Incentive Plan and 2023 Restricted Share Incentive Plan had been issued on August 31, 2022 and September 20, 2023, respectively. Details are set follows:

Restricted Share Incentive Plan	Issue and listing date of restricted Shares	Number of restricted Shares granted and registered under the plan
2022 Restricted Share Incentive Plan.	August 31, 2022	1,820,900
2023 Restricted Share Incentive Plan	September 20, 2023	2,061,600

The 2022 Restricted Share Incentive Plan consists of restricted Shares under the first grant (the "**2022 Restricted Shares under the First Grant**") and retained restricted Shares, the grantees of which are to be determined within 12 months of the date of the Shareholders' meeting approving the 2022 Restricted Share Incentive Plan (the "**2022 Retained Restricted Shares**"). The number of restricted Shares granted and registered as described above does not include the 2022 Retained Restricted Shares. As of the Latest Practicable Date, such 2022 Retained Restricted Shares have lapsed.

(e) Date of Grant and Term of the Restricted Share Incentive Plans

The date on which the restricted Shares are granted shall be determined by the Board within 60 days from the date of approval of the Restricted Share Incentive Plans by Shareholders' meeting. The grant of restricted Shares is subject to the approval of the Board and shall be registered and announced within 60 days after approval of the Restricted Share Incentive Plans by Shareholders' meeting. The Restricted Share Incentive Plans will be effective from the date of completion of the grant of restricted Shares under such plans until the date on which the restricted Shares granted under such plans are no longer subject to any lock-up or have been repurchased and canceled, provided that the term of the Restricted Share Incentive Plans shall not exceed 60 months.

(f) Lock-up for Directors and Senior Management

If the grantee is a Director or a member of senior management of the Company,

(i) during their employment with our Company, the Shares to be transferred by him/her in each year shall not exceed 25% of the total Shares he or she holds;

(ii) no Share held by such Director or senior management can be transferred within six months after termination of his or her employment with our Company;

(iii) income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board; and

(iv) if there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with such amended laws and regulations.

(g) Conditions to the Grant of Restricted Shares

The restricted Shares under the Restricted Share Incentive Plans will only be granted to selected participants if the following conditions are met:

(i) The following circumstances have not occurred with respect to our Company:

- an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year;

- an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial report for the most recent fiscal year;

- our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

- applicable laws and regulations prohibit the implementation of share incentive; or

- circumstances as determined by the CSRC; and

(ii) with respect to a grantee, none of the following circumstances having occurred:

- the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

- the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;

- the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;

- the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;
- the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or
- other circumstances as determined by the CSRC.

(h) Unlocking of Restricted Shares

During the lock-up period, the restricted Shares granted to the grantee shall not be transferred or used as guarantee or for repayment of debt. In addition, the restricted Shares will only be unlocked when (i) the conditions set out under paragraph (g) above are fulfilled and (ii) the annual assessment and performance targets as set out under the Restrictive Share Incentive Plans are achieved.

In respect of the 2022 Restricted Shares under the First Grant under the 2022 Restrictive Share Incentive Plan, the restricted Shares will be unlocked after the lock-up period in accordance with the unlocking schedule as set out in the 2022 Restrictive Share Incentive Plan as follows:

(i) unlocked in tranches of 30% during the unlocking period that occurs between the first trading day after expiration of 12 months from the date of grant and the last trading day after expiration of 24 months from the date of grant;

(ii) unlocked in tranches of 30% during the unlocking period that occurs between the first trading day after expiration of 24 months from the date of grant and the last trading day after expiration of 36 months from the date of grant; and

(iii) unlocked in tranches of 40% during the unlocking period that occurs between the first trading day after expiration of 36 months from the date of grant and the last trading day after expiration of 48 months from the date of grant.

In respect of the 2022 Retained Restricted Shares under the 2022 Restrictive Share Incentive Plan, in the event that the grant and the registration of such 2022 Retained Restricted Shares is completed in the year of 2022, the unlocking schedule thereof shall be consistent with that of the 2022 Restricted Shares under the First Grant as set out above. In the event that the grant and the registration of the 2022 Retained Restricted Shares is completed in the year of 2023, the unlocking schedule thereof shall be as follows as set out in the 2022 Restrictive Share Incentive Plan:

(i) unlocked in tranches of 50% during the unlocking period that occurs between the first trading day after expiration of 12 months from the date of grant and the last trading day after expiration of 24 months from the date of grant; and

(ii) unlocked in tranches of 50% during the unlocking period that occurs between the first trading day after expiration of 24 months from the date of grant and the last trading day after expiration of 36 months from the date of grant.

In respect of the 2023 Restrictive Share Incentive Plan, the restricted Shares will be unlocked after the lock-up period in accordance with the unlocking schedule as set out in the 2023 Restrictive Share Incentive Plan as follows:

(i) unlocked in tranches of 30% during the unlocking period that occurs between the first trading day after expiration of 12 months from the date of grant and the last trading day after expiration of 24 months from the date of grant;

(ii) unlocked in tranches of 30% during the unlocking period that occurs between the first trading day after expiration of 24 months from the date of grant and the last trading day after expiration of 36 months from the date of grant; and

(iii) unlocked in tranches of 40% during the unlocking period that occurs between the first trading day after expiration of 36 months from the date of grant and the last trading day after expiration of 48 months from the date of grant.

Each of the grantees is required to pay a grant price to purchase the A Shares from the Company upon fulfillment of all conditions in respect of the restricted Shares. The grant price payable per restricted Share shall not be less than the nominal value of each A Share and, in principle, shall not be lower than the followings (as the case may be):

(i) in respect of the 2022 Restricted Share Incentive Plan:

- in the case of the 2022 Restricted Shares under the First Grant, the higher of (1) 50% of the average trading price of the A Shares on the trading day prior to the announcement of the draft plan; and (2) 50% of the average trading price of the A Shares during the 20 trading days prior to the announcement of the draft plan;

- in the case of the 2022 Retained Restricted Shares, the higher of (1) 50% of the average trading price of the A Shares on the trading day prior to the announcement of the resolution of the Board for the grant of the retained restricted Shares; and (2) 50% of the average trading price of the A Shares during the 20, 60 or 120 trading days prior to the announcement of the resolution of the Board for the grant of the retained restricted Shares; and

(ii) in respect of the 2023 Restricted Share Incentive Plan: the higher of (1) 50% of the average trading price of the A Shares on the trading day prior to the announcement of the draft plan; and (2) 50% of the average trading price of the A Shares during the 120 trading days prior to the announcement of the draft plan.

The number of restricted Shares granted and/or the grant prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, distribution of dividends, subdivision of shares, placing, share reduction etc. Our Company may repurchase the restricted Shares upon the occurrence of certain events set forth in the Restrictive Share Incentive Plans (including but not limited to where there is a change in the grantee's position or termination of his/her employment). Pursuant to the price adjustment mechanism and other terms and conditions as set forth in the Restrictive Share Incentive Plans, the price payable by our Company for the repurchases of restricted Shares shall be equivalent to the grant price of the relevant restricted Shares.

(i) Dividends and Voting Rights

Upon transfer of the A Shares by our Company, the grantees of the restricted Shares will have the right to exercise the right of Shareholders, including but not limited to the right to receive dividends and the right to vote.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

2. Litigation

Save as disclosed in this prospectus and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

As of the Latest Practicable Date, the sponsor group held less than 1% of the issued share capital of our Company. Accordingly, the Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of USD500,000 for acting as a sponsor for the Listing.

4. No Material Adverse Change

Save as disclosed in this prospectus, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since April 30, 2025, being the end of the period reported on in the Accountants' Report set out in Appendix I to this prospectus.

5. Qualification and Consent of Experts

This prospectus contains statements made by the following experts:

Name	Qualification
CITIC Securities (Hong Kong) Limited	A corporation licensed to carry on Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jingtian & Gongcheng	Qualified PRC lawyers
Grant Thornton Hong Kong Limited	Certified public accountants and public interest entity auditor
Grant Thornton Tax Services Limited	Transfer pricing consultant
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

The experts named above have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case maybe) and references to their names included in the form and context in which they are respectively included.

6. Promoters

Our promoters at the time of our Company's conversion into a joint stock company are Mr. Zhang Tianyu, Shenzhen Guanghe Chuangtong Investment Enterprise (Limited Partnership) (深圳市廣和創通投資企業(有限合夥)) (currently known as Guanghe Chuanghong), Intel Semiconductor (Dalian) Co., Ltd. (英特爾半導體(大連)有限公司), Mr. Ying Lingpeng and Mr. Xu Ning.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the above promoters in connection with the Global Offering and the related transactions described in this prospectus.

7. Preliminary Expenses

We have not incurred any material preliminary expenses.

8. Binding Effect

This prospectus shall have the effect, where an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

9. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Miscellaneous

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in "— E. Other Information — 5. Qualification and Consent of Experts" in this section have received any such payment or benefit;

(ii) no capital of any member of our Group has been issued or is proposed to be issued for cash or issued as fully or partly paid up otherwise than in cash;

(iii) none of our Directors, Supervisors or the experts named in "— E. Other Information — 5. Qualification and Consent of Experts" in this section have any interest, direct or indirect, in the promotion of, or in any assets which have been, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and

(iv) no commissions (but not including commissions to sub-underwriters) have been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or debentures of our Company.

(b) Save as disclosed in this prospectus:

(i) there is no arrangement under which future dividends are waived or agreed to be waived;

(ii) our Company has no outstanding convertible debt securities or debentures;

(iii) there are no founder, management or deferred shares in our Company or any of our subsidiaries;

(iv) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;

(v) there has not been any interruption in the business of our Group which may have or have had a significant effect on our financial position in the 12 months immediately preceding the date of this prospectus; and

(vi) none of our Directors or Supervisors are materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of the material contracts referred to in the section headed "Statutory and General Information — B. Further Information about Our Business — Summary of Material Contracts" as set out in Appendix IV to this prospectus; and

(b) the written consents referred to in the section headed "Statutory and General Information — E. Other Information — 5. Qualification and Consent of Experts" as set out in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fibocom.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the audited consolidated financial statements of the Group for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2025;

(c) the Accountants' Report issued by Grant Thornton Hong Kong Limited, the text of which is set forth in Appendix I to this prospectus;

(d) the report on review of the unaudited interim condensed consolidated financial information of our Group for the six months ended June 30, 2025 from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix IA to this prospectus;

(e) the report on the unaudited pro forma financial information of our Group issued by Grant Thornton Hong Kong Limited, the text of which is set out in Appendix II to this prospectus;

(f) the legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisor, in respect of certain aspects and the property interests of the Group in the PRC;

(g) the transfer pricing analysis report issued by Grant Thornton Tax Services Limited;

(h) the industry report issued by Frost & Sullivan;

(i) the material contracts referred to in "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" as set out in Appendix IV to this prospectus;

(j) the service contracts and letters of appointment referred to in "Statutory and General Information — C. Further Information about Our Directors, Supervisors and Substantial Shareholders — Directors' and Supervisors' Service Contracts and Letters of Appointment" as set out in Appendix IV to this prospectus;

(k) the written consents referred to in "Statutory and General Information — E. Other Information — Qualification and Consent of Experts" as set out in Appendix IV to this prospectus; and

(l) a copy of the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies, together with their respective unofficial English translations thereof.