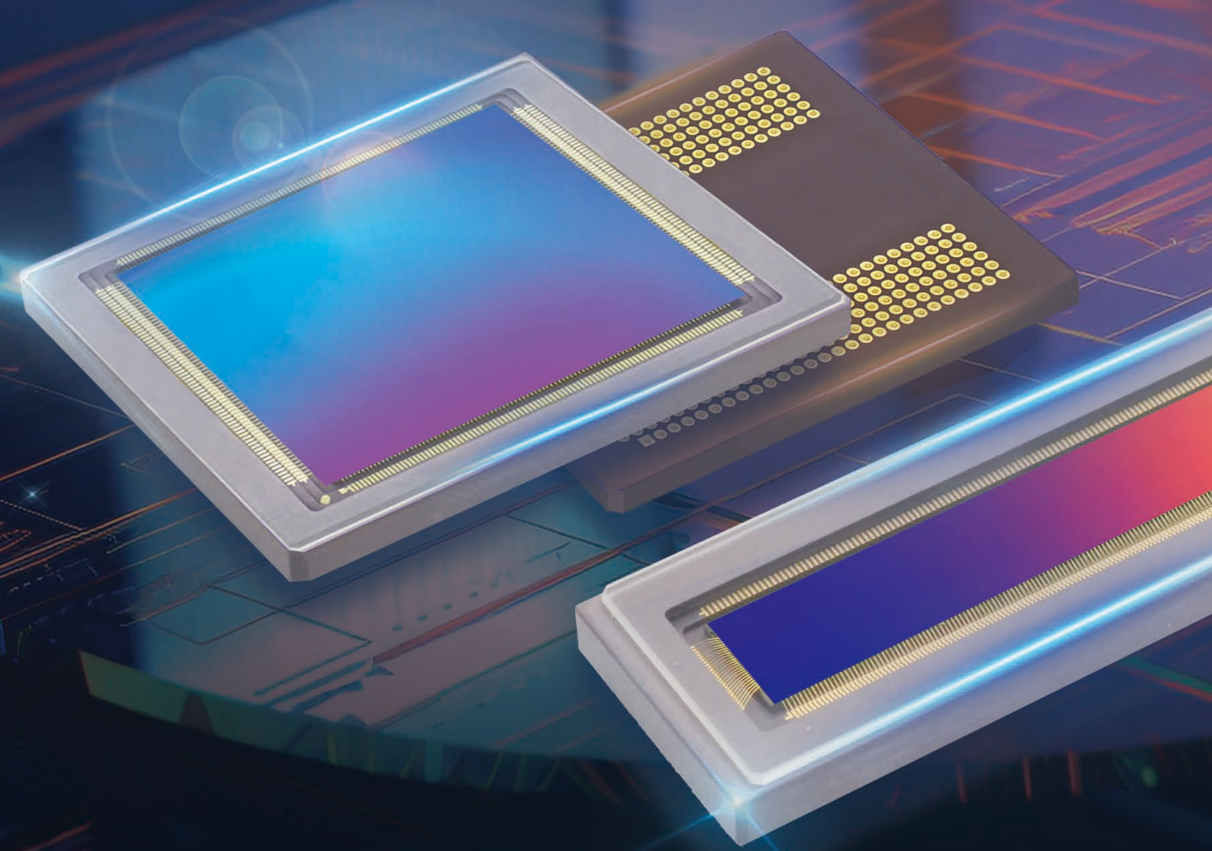
Gpixel Changchun Microelectronics Inc.
長春長光辰芯微電子股份有限公司

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

Stock Code : 3277

GLOBAL OFFERING



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

CITIC SECURITIES

國泰海通 GUOTAI HAITONG

國泰君安國際 GUOTAI JUNAN INTERNATIONAL

IMPORTANT

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

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**65,294,200 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**6,529,500 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**58,764,700 H Shares (subject to reallocation and the Over-allotment Option)**
Offer Price	:	**HK$39.88 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
Stock code	:	**3277**

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

CITIC SECURITIES

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN 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 and Available on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK$39.88 per H Share, unless otherwise announced. Applicants for Hong Kong Offer Share may be required to pay, on application (subject to application channels), the Offer Price of HK$39.88 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Stock Exchange trading fee of 0.00565%.

The Overall Coordinators, for themselves and on behalf of the Underwriters, and with our consent may, where considered appropriate, reduce the number of Hong Kong Offer Shares at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the website of our Company at **www.gpixel.com** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and the offer will be canceled and relaunched at the revised number of Offer Shares and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental prospectus or a new prospectus (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering —Grounds for Termination" of this prospectus.

The Offer Shares have not been and will not be registered under the US Securities Act or any state securities law in the United States and may be offered and sold only outside the United States in offshore transactions in accordance with Regulation S under the US Securities Act.

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 in relation to the Hong Kong Public Offering.

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

April 9, 2026

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

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

This Prospectus is available at the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at **www.gpixel.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 **HK eIPO White Form** service at **www.hkeipo.hk**; or

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

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed document 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 the Hong Kong Offer Shares" for further details on the procedures through which you can apply for Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table.

If you are applying through the **HK eIPO White Form** 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	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	4,028.23	2,500	100,705.47	30,000	1,208,465.69	600,000	24,169,313.88
200	8,056.44	3,000	120,846.57	40,000	1,611,287.59	700,000	28,197,532.85
300	12,084.66	3,500	140,987.67	50,000	2,014,109.49	800,000	32,225,751.85
400	16,112.87	4,000	161,128.76	60,000	2,416,931.39	900,000	36,253,970.82
500	20,141.10	4,500	181,269.86	70,000	2,819,753.29	1,000,000	40,282,189.80
600	24,169.32	5,000	201,410.95	80,000	3,222,575.19	2,000,000	80,564,379.60
700	28,197.53	6,000	241,693.14	90,000	3,625,397.08	3,264,700(1)	131,509,265.04
800	32,225.75	7,000	281,975.33	100,000	4,028,218.98		
900	36,253.97	8,000	322,257.52	200,000	8,056,437.95		
1,000	40,282.19	9,000	362,539.71	300,000	12,084,656.95		
1,500	60,423.29	10,000	402,821.90	400,000	16,112,875.92		
2,000	80,564.38	20,000	805,643.80	500,000	20,141,094.90		

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 **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) 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.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

*If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement on the respective websites of the Company at **www.gpixel.com** and the Stock Exchange at **www.hkexnews.hk**.*

Date[1]

Hong Kong Public Offering commences . . . . 9:00 a.m. on Thursday, April 9, 2026

Latest time for completing electronic applications via the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . 11:30 a.m. on Tuesday, April 14, 2026

Application lists open[3] . . . . 11:45 a.m. on Tuesday, April 14, 2026

Latest time for (a) completing payment for **HK eIPO White Form** applications by effecting Internet banking transfer(s) or PPS payment transfer(s) and ; (b) giving **electronic application instructions** to HKSCC[4] . . . . 12:00 noon on Tuesday, April 14, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **HKSCC EIPO** applications on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the 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 Tuesday, April 14, 2026

Announcement of:

- the level of indications of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Offer Shares

to be published on the website of our Company at **www.gpixel.com**[5] and the website of the Stock Exchange at **www.hkexnews.hk** . . . . at or before 11:00 p.m., Thursday, April 16, 2026

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

- in the announcement to be posted on the website of our Company at **www.gpixel.com**(5) and the website of the Stock Exchange at **www.hkexnews.hk** . . . . Thursday, April 16, 2026

- from the "Allotment Results" page at the designated results of allocations website at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result** with a "search by ID" function on a 24-hour basis from . . . . 11:00 p.m. on Thursday, April 16, 2026 to 12:00 midnight on Wednesday, April 22, 2026

- from the allocation results telephone enquiry line by calling at +852 3691 8488 between 9:00 a.m. and 6:00 p.m. . . . . from Friday, April 17, 2026 to Wednesday, April 22, 2026 (excluding Saturdays, Sundays and public holidays in Hong Kong)

Despatch of H Share certificates in respect of wholly or partially successful applications, or deposit of H Share certificates into CCASS, on or before(6)(8) . . . . Thursday, April 16, 2026

HK eIPO White Form
e-Auto Refund payment instructions/refund cheques in respect of wholly or partially unsuccessful applications to be despatched on or before . . . . Friday, April 17, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at . . . . 9:00 a.m. on Friday, April 17, 2026

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at **www.hkeipo.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 a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, April 14, 2026, the application lists will not open or close on that day. For further details, see "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this prospectus.

(4) 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.

(5) Neither of the websites nor any of the information contained on the websites forms part of this prospectus.

(6) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects on or before then. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates becoming valid do so entirely at their own risk.

(7) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications. Part of the applicant's identification document numbers, or, if the application is made by joint applicants, part of the identification document numbers of the first-named applicant, provided by the applicant(s) may be

printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document numbers before encashment of the refund checks. Inaccurate completion of an applicant's identification document numbers may invalidate or delay encashment of the refund checks.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

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

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

Any uncollected Share certificates and/or refund checks (if applicable) will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

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

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

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

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

You should rely only on the information contained in this prospectus to make your investment decision. 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 included in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors or advisors, or any other person or party involved in the Global Offering. Information contained on our website, located at ***www.gpixel.com****, does not form part of this prospectus.*

CONTENTS

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 and is qualified in its entirety by, and should be in conjunction with, the full text of this prospectus. You should read the entire document before you decide to invest in the Offer Shares.

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

OVERVIEW

We are a provider of CMOS(1) image sensors ("**CIS**"). Since our establishment, we have been focusing on the research and development of CIS, offering nine major product series widely applicable to advanced technology fields such as industrial imaging, scientific imaging, professional photography and video, and medical imaging. During the Track Record Period, we primarily design and sell CIS for downstream customers in the industrial imaging and scientific imaging sectors and we operate under a fabless model. Our products play a vital role in enhancing the performance and imaging quality of industrial cameras, scientific cameras, professional cinema cameras and other imaging devices. For example, with respect to industrial imaging applications, our CIS is used in the inspection process of manufacturing such as detection of alignment error in the manufacturing of lithium battery, while our CIS is used in scientific imaging applications including DNA sequence imaging, confocal microscope and fluorescence camera. According to Frost & Sullivan, in terms of industrial imaging revenue in 2024, we ranked third among global CIS companies, accounting for 15.2% of the global market share. In addition, in terms of scientific imaging revenue in 2024, we ranked third among global CIS companies, accounting for 16.3% of the global market share. The industrial imaging and scientific imaging CIS markets are dominated by a few international and regional leaders. In terms of revenue in 2024, industrial imaging and scientific imaging CIS markets accounted for approximately 2.1% and 0.8% of the global CIS market, respectively.

We have been consistently driven by technological innovation, maintaining our commitment to CIS development while continuously overcoming critical technical challenges. In 2015, we successfully developed the world's first BSI(2) sCMOS(3) image sensor, subsequently expanding into industrial imaging, professional photography and video, and medical imaging sectors.

OUR BUSINESS MODEL

We operate under a fabless business model, which means we focus primarily on the design, development, testing, and sales of CMOS image sensors while outsourcing the wafer manufacturing processes to world-class production partners. This approach allows us to concentrate on our core competencies in innovation and product design, while leveraging the specialized expertise of industry-leading manufacturers for wafer fabrication. By collaborating with production partners, we

Notes:

(1) CMOS, complementary metal-oxide semiconductor, is a type of technology that uses a combination of metal, oxide and semiconductor materials to create electronic circuits that are low-power and highly reliable. "CMOS image sensor" is an image sensor using the CMOS technology.

(2) BSI, back-side illuminated, is a type of an CMOS image sensor design where the photodiode layer (that convert light into electrical signals for formation of image) is positioned on the back of the sensor, allowing light to directly hit the photodiodes without having to pass through the wirings. This design maximizes the amount of light captured by the photodiodes, enhancing its sensitivity, especially in low-light conditions. FSI, front-side illuminated, by contrast, the traditional CMOS image sensor design of which photodiode layer is positioned in the front, meaning light must pass through the wirings before reaching the photodiodes, which reduce the amount of light that reaches the photodiodes and thereby affect image quality, especially in low-light situations.

(3) sCMOS, scientific CMOS, is a type of image sensor designed for scientific and industrial applications, which features high dynamic range combined with low read noise for low-light applications.

ensure that our CMOS image sensors meet the highest standards of quality, reliability, and performance. Crucially, we retain full control over core value-added processes, including sensor design, wafer testing, and final sensor testing, ensuring quality and performance meet stringent industry standards. This hybrid approach, combining in-house expertise with strategic outsourcing, allows us to maintain flexibility, reduce capital expenditure, and focus on innovation in high-performance imaging technology. As a fabless CIS design company, we operate in the upstream segment of the industry value chain. See "Industry Overview — Value Chain of CIS" in this prospectus.

OUR PRODUCTS AND SOLUTIONS

We have developed a comprehensive portfolio of standard products, namely our CMOS image sensors, comprising nine major product series with over 50 standard products as of the Latest Practicable Date. In addition, we provide customized sensor solutions when the standard off-shelf products available in the market cannot meet the demanding requirements of the targeted applications. The customized sensor solutions empower our customers, leading manufacturers in their specific areas such as high-end industrial inspection, scientific instruments, medical or prosumer applications, to develop their future generation products with customized CMOS image sensors.

Our CMOS image sensors can be categorized by pixel arrangement into (i) area array sensors and (ii) linear array sensors. The following table sets forth our revenue breakdown by pixel arrangement during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
CMOS Image Sensor[(1)]	**505,038**	**83.5**	**510,330**	**75.8**	**794,663**	**92.8**
Area array sensors	409,569	67.7	414,862	61.6	621,390	72.5
Linear array sensors	87,169	14.4	81,790	12.2	132,625	15.5
Other components	8,300	1.4	13,678	2.0	40,648	4.8
Customized Sensor Solutions	**98,366**	**16.3**	**162,197**	**24.1**	**61,182**	**7.1**
Others[(2)]	**1,431**	**0.2**	**521**	**0.1**	**668**	**0.1**
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note:

(1) CMOS Image Sensors refer to our standard products.

(2) Others include sale of raw materials and provision of other CIS aging test and other testing services as required by customers from time to time. At the request of some customers, we occasionally sell small number of raw materials such as sockets, connectors and packaging materials to them that are used for post-processing of CIS and R&D purposes. For the years ended December 31, 2023, 2024 and 2025, revenue from the sale of raw materials amounted to RMB1.4 million, RMB0.3 million and RMB0.5 million, while revenue from other services for the same periods was RMB18,645, RMB0.2 million and RMB0.1 million, respectively. The fluctuations in our revenue from others were driven by the change in customer demand, and the amount of our other income is expected to remain low in the future.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*Gross profit margin (%)*	*RMB'000*	*Gross profit margin (%)*	*RMB'000*	*Gross profit margin (%)*
CMOS Image Sensors	**344,215**	**68.2**	**333,144**	**65.3**	**540,413**	**68.0**
Area array sensors	292,246	71.4	279,023	67.3	420,216	67.6
Linear array sensors	46,637	53.5	44,204	54.0	87,934	66.3
Other components	5,332	64.2	9,917	72.5	32,263	79.4
Customized Sensor Solutions	**39,328**	**40.0**	**63,392**	**39.1**	**32,413**	**53.0**
Others	**411**	**28.7**	**326**	**62.6**	**455**	**68.1**
Total	**383,954**	**63.5**	**396,862**	**59.0**	**573,281**	**66.9**

Our products can also be categorized by their application scenarios, each with distinct technical priorities and R&D focuses. Currently, the major application scenarios of our projects include (i) industrial imaging; (ii) scientific imaging; (iii) professional photography and video; and (iv) medical imaging. The following table sets forth our revenue breakdown by our major application scenarios during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Industrial imaging	327,524	54.2	446,550	66.3	638,980	74.6
Scientific imaging	253,952	42.0	192,405	28.6	204,304	23.9
Professional photography and video	13,629	2.3	9,807	1.5	9,517	1.1
Medical imaging	—	—	20,236	3.0	474	0.1
Others *(Note)*	9,730	1.5	4,050	0.6	3,238	0.3
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note: Include sales of evaluation boards, wafers and other raw materials, and provision of testing services.

The following table sets forth our gross profit and gross profit margin breakdown by our major application scenarios during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit (RMB'000)	*Gross profit margin %*	*Gross profit (RMB'000)*	*Gross profit margin %*	*Gross profit (RMB'000)*	*Gross profit margin %*
Industrial imaging	191,128	58.4	244,331	54.7	406,802	63.7
Scientific imaging	179,725	70.8	141,421	73.5	158,691	77.7
Professional photography and video & Medical imaging	8,242	60.5	8,935	29.7	6,260	62.7
Others *(Note)*	4,859	49.9	2,175	53.7	1,528	47.2
Total	**383,954**	**63.5**	**396,862**	**59.0**	**573,281**	**66.9**

Note: Include sales of evaluation boards, wafers and other raw materials, and provision of testing services.

OUR CUSTOMERS AND SUPPLIERS

Our products are utilized by customers across various industries, including industrial imaging, scientific imaging, professional photography and video, and medical imaging. Revenue generated from our top five customers in each year during the Track Record Period amounted to approximately RMB276.7 million, RMB225.9 million and RMB347.8 million, representing approximately 45.8%, 33.5% and 40.7% of our total revenue for the respective periods. In terms of sales and marketing strategy, we primarily employ a direct sales supplemented by distributorship model. Revenue from direct sales for each year during the Track Record Period amounted to RMB570.7 million, RMB647.7 million and RMB827.8 million, respectively, representing 94.4%, 96.2% and 96.7% of our total revenue for the respective periods. Customer Group A, being one of our top five customers in each year of the two years ended December 31, 2024, comprises of UP OPTOTECH, which is a substantial shareholder of our Company. During each year during the Track Record Period, revenue generated from Customer Group A amounted to approximately RMB110.1 million, RMB39.9 million and RMB27.4 million, representing approximately 18.2%, 5.9% and 3.2% of our total revenue for the respective periods. In addition, among our top five customers in each year during the Track Record Period, each of Customer D and a member of Customer Group A is an institute of the Chinese Academy of Sciences.

Our major customers are camera manufacturers and OEMs, research institutes, instrument producers, distributors and trading companies. Set out below is the revenue breakdown by major customer types:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Camera manufacturers and OEMs	372,975	61.7	467,191	69.4	698,751	81.6
Research institutes	165,031	27.3	80,407	11.9	43,489	5.1
Instrument producers	32,682	5.4	100,094	14.9	85,586	10.0
Distributors and trading companies	34,147	5.6	25,356	3.8	28,687	3.3
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note: Each customer is classified based on their principal business type.

Our major suppliers are (i) the suppliers of raw materials, components and parts and (ii) outsourced service providers. As a fabless company, we outsource the wafer manufacturing processes to world-class production partners. After the wafers are manufactured, we test the wafers in-house. We then ship the tested wafers to assembly houses for packaging or pack the tested wafers in-house. The purchases from our top five suppliers in each year for the three years ended December 31, 2025, amounted to approximately RMB240.5 million, RMB120.6 million and RMB274.7 million, representing approximately 74.7%, 63.7% and 70.5% of our total purchase amount for the respective periods. Throughout the Track Record Period, we maintained stable procurement relationships with our suppliers and mainly outsourced wafer fabrication to our largest supplier, Supplier Group A in each year during the Track Record Period. The purchases from our largest supplier in each year during the Track Record Period amounted to approximately RMB164.3 million, RMB75.1 million and RMB195.0 million, representing approximately 51.1%, 39.7% and 50.1% of our total purchase amount for the respective periods.

OUR COMPETITIVE STRENGTHS

We believe our following core competitive strengths will allow us to further consolidate our established market position: (a) specialization in CMOS image sensors; (b) independent technology moat through 14 years of innovation; (c) independent industry chain development and integration through in-house packaging & testing verification system and strategic expansion; (d) comprehensive collaboration with a global network of customers; and (e) dedicated and experienced management team complemented by a forward-looking and global talent pipeline.

OUR DEVELOPMENT STRATEGIES

To achieve our vision and mission, we intend to pursue the following strategies: (a) relentless focus on technological innovations and product iterations to lead global advancement of CIS technology; (b) commitment of further resources to existing and evolving application scenarios and enhancement of our capabilities beyond sensor design; (c) continuous expansion of our high-quality domestic and international customer base; and (d) development into a global hub for CMOS R&D talents.

COMPETITION

The global CMOS image sensor industry in which we operate is highly competitive and concentrated. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. We primarily compete with a number of global and regional CMOS image sensor design companies and manufacturers. With established position in the industry, deep industry experience, strong R&D capabilities, broad product portfolios and large and stable customer base, we believe that we are well positioned to excel in the competition in our industry. According to Frost & Sullivan, in terms of industrial imaging revenue in 2024, we ranked third among global CIS companies, accounting for 15.2% of the global market share. In terms of scientific imaging revenue in 2024, we ranked third among global CIS companies, accounting for 16.3% of the global market share. The industrial imaging and scientific imaging CIS markets are dominated by a few international and regional leaders. In terms of revenue in 2024, industrial imaging and scientific imaging CIS markets accounted for approximately 2.1% and 0.8% of the global CIS market, respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this prospectus. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this prospectus, including the related notes. Our consolidated financial information was prepared in accordance with HKFRS.

Consolidated Statements of Profit or Loss

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Revenue	604,835	100.0	673,048	100.0	856,513	100.0
Cost of sales	(220,881)	(36.5)	(276,186)	(41.0)	(283,232)	(33.1)
Gross profit	383,954	63.5	396,862	59.0	573,281	66.9
Other income and gains	29,542	4.9	55,161	8.2	58,150	6.8
Selling expenses	(22,653)	(3.7)	(27,858)	(4.1)	(29,446)	(3.4)
Administrative expenses	(62,196)	(10.3)	(64,721)	(9.6)	(84,060)	(9.8)
Research and development expenses	(131,546)	(21.7)	(130,215)	(19.3)	(186,168)	(21.7)
Impairment losses on trade receivables, net	(1,948)	(0.3)	(2,128)	(0.3)	(6,276)	(0.7)
Other expenses	(919)	(0.2)	(3,154)	(0.5)	(9)	(0.0)
Finance costs	(1,372)	(0.2)	(868)	(0.1)	(790)	(0.1)
Share of losses of associates	(2,371)	(0.4)	(2,243)	(0.3)	(561)	(0.1)
Profit before tax	190,491	31.5	220,836	32.8	324,121	37.8
Income tax expense	(20,644)	(3.4)	(23,854)	(3.5)	(30,975)	(3.6)
Profit and total comprehensive income attributable to the:						
Profit for the year	169,847	28.1	196,982	29.3	293,146	34.2
Owners of the parent	174,199	28.8	198,675	29.5	294,182	34.3
Non-controlling interests	(4,352)	(0.7)	(1,693)	(0.3)	(1,036)	(0.1)

NON-HKFRS MEASURE

To supplement our consolidated financial statements presented in accordance with HKFRS, we also use a non-HKFRS measure, namely adjusted net profit (non-HKFRS measure), as an additional financial measure, which is not required by or presented in accordance with HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under HKFRS.

We define adjusted net profit (non-HKFRS measure) as profit excluding the effects of share-based payments expense and listing expenses. Share-based payments expense are non-cash in nature and are employee related expenses arising from grant of shares under our employee incentive scheme. The adjustments have been consistently made during the Track Record Period. The following table sets forth the reconciliation of net profit to adjusted net profit (non-HKFRS measure) for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	169,847	196,982	293,146
Add:			
Share-based payments expense	52,877	52,252	60,310
Listing expenses	—	—	15,815
Adjusted net profit (non-HKFRS measure)	**222,724**	**249,234**	**369,271**

For a detailed discussion of our non-HKFRS measure, see "Financial Information — Non-HKFRS Measure" in this prospectus.

Our net profit increased from RMB169.8 million in 2023 to RMB197.0 million in 2024, and further to RMB293.1 million in 2025, primarily due to the increase in our revenue and gross profit margin.

Summary of Consolidated Statements of Financial Position

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this prospectus.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	176,056	182,210	249,233
Current assets	1,137,832	1,308,870	1,837,825
Non-current liabilities	150,501	135,706	111,949
Current liabilities	200,239	143,364	403,359
Net current assets	937,593	1,165,506	1,434,466
Net assets	963,148	1,212,010	1,571,750

Our net assets increased from RMB1,212.0 million as of December 31, 2024 to RMB1,571.8 million as of December 31, 2025, mainly reflecting the change in equity, including (i) the profit for the year of RMB293.1 million in 2025 and (ii) the equity-settled share-based payments arrangement of RMB60.3 million.

Our net assets increased from RMB963.1 million as of December 31, 2023 to RMB1,212.0 million as of December 31, 2024, mainly reflecting the change in equity, including (i) the profit for the year of RMB197.0 million in 2024 and (ii) the equity-settled share-based payments arrangement of RMB52.3 million.

Our net assets increased from RMB740.4 million as of January 1, 2023 to RMB963.1 million as of December 31, 2023, mainly reflecting the change in equity, including (i) the profit for the year of RMB169.8 million in 2023 and (ii) the equity-settled share-based payments arrangement of RMB52.9 million.

For a detailed discussion of our current assets and current liabilities during the Track Record Period, please see "Financial Information — Discussion of Certain Key Consolidated Statements of Financial Position Items" in this prospectus.

Summary of Consolidated Statements of Cash Flows

The table below sets forth the selected cash flow data from the consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from operating activities	208,258	224,841	466,346
Net cash flows (used in)/from investing activities	(407,940)	92,134	(603,726)
Net cash flows (used in) financing activities	(7,729)	(4,745)	(27,423)

For a detailed discussion of the change in cash flows during the Track Record Period, see "Financial Information — Liquidity and Capital Resources" in this prospectus.

KEY FINANCIAL RATIOS

The following table sets forth a summary of our key financial ratios for the periods indicated.

	As of and for the year ended December 31,		
	2023	2024	2025
Gross profit margin	63.5%	59.0%	66.9%
Adjusted net profit margin (non-HKFRS measure)	36.8%	37.0%	43.1%
Return on equity	19.9%	18.1%	21.1%
Return on total assets	14.4%	14.0%	16.4%
Current ratio	5.7	9.1	4.6
Quick ratio	3.7	7.0	3.6
Gearing ratio	1.8%	1.2%	0.4%

For formula of the key financial ratios, see "Financial Information — Key Financial Ratios" in this prospectus.

RULE 13.46(2) OF THE LISTING RULES

Rule 13.46(2) of the Listing Rules requires a PRC issuer to send an annual report or a summary financial report to its shareholders within four months after the end of the financial year to which the report relates. Since (a) this prospectus already includes the financial information of the Company for the year ended December 31, 2025 as required under Appendix D2 to the Listing Rules in relation to annual reports; (b) we will not be in breach of the Articles of Association, laws and regulations of the PRC or other regulatory requirements as a result of not distributing such annual reports and accounts; and (c) we have complied with the applicable code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, we will not separately prepare and publish and send an annual report to our Shareholders for the year ended December 31, 2025. In addition, we will issue an announcement by April 30, 2026 stating that we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2025 as the relevant financial information has been included in this prospectus. We will still comply with the requirements under Rule 13.91(5) of the Listing Rules.

RISK FACTORS

Our business and the Global Offering involve certain risks, which are set out in the section headed "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: (a) the markets for our products are highly and increasingly competitive. If we are not able to compete successfully, our business, results of operations and future prospects will be harmed; (b) if we are unable to design or deliver high quality and innovative products that address the evolving customer preferences, or if our expansion into various application areas falls short of expectations, our business may be materially and adversely affected; (c) we rely on a limited number of third party suppliers for wafer fabrication and packaging and testing services. We may have limited control over the availability and costs of such services; (d) disruptions, damages or destructions to our packaging facility may materially and adversely affect our business, results of operations and financial condition; and (e) our business depends substantially on the efforts of our management and skilled personnel, including R&D personnel. Our operations may be severely disrupted if we lost their service.

OUR CONTROLLING SHAREHOLDERS

Dr. Wang is the spouse of Dr. Zhang. Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen are limited partnerships established in the PRC. The general partner of each of Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen is Hangzhou Qixin, a limited liability company wholly owned by Dr. Wang. The voting rights attaching to the Shares directly or indirectly held by Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen in our Company are exercised by Dr. Wang through Hangzhou Qixin.

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and without taking into account any H Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme), Dr. Wang, Dr. Zhang, Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen, Zhuhai Xingchen and Hangzhou Qixin, as a group of Controlling Shareholders, will collectively be entitled to exercise the voting rights of approximately 42.10% of the total issued share capital of our Company. Accordingly, Dr. Wang, Dr. Zhang, Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen, Zhuhai Xingchen and Hangzhou Qixin will remain as a group of our Controlling Shareholders upon the Listing. For details, see "Relationship with Our Controlling Shareholders".

PRE-IPO INVESTMENTS

We completed our Pre-IPO Investments in July 2022. For further details of the identity and background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see "History, Development and Corporate Structure — Investment from the Pre-IPO Investors".

DIVIDEND

We may distribute dividends by way of cash or by other means that we consider appropriate. In June 2025, we declared a dividend of RMB18.5 million, which was paid in August 2025. Currently, we do not have a formal dividend policy or a pre-determined dividend distribution ratio. For details, see "Financial Information — Dividend" in this prospectus.

OFFERING STATISTICS

	Based on an Offer Price of HK$39.88 per H Share
Market capitalization of our H Shares(1)	HK$11,610.60 million
Market capitalization of our Shares(2)	HK$17,359.53 million
Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share(3)	HK$9.79

Notes:

1. The calculation of market capitalization is based on 65,294,200 H Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme) and the conversion of Unlisted Shares into 225,844,300 H Shares.
2. The calculation of market capitalization is based on 435,294,200 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme).
3. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are calculated based on 435,294,200 Shares in issue immediately following the completion of the Global Offering without taking into account any Shares which may be issued upon exercise of the Over-allotment Option.
   No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to December 31, 2025. For details of the subsequent event, please see Appendix II to this prospectus.

LISTING EXPENSES

The total listing expenses borne or to be borne by us are estimated to be approximately RMB88.7 million (equivalent to approximately HK$100.4 million), accounting for approximately 3.9% of the gross proceeds of the Global Offering, based on the Offer Price of HK$39.88 per Share and assuming that the Over-allotment Option is not exercised. We expect that (i) approximately RMB24.2 million (equivalent to approximately HK$27.4 million) will be charged to our statements of profit or loss as listing expenses of which approximately RMB15.8 million (equivalent to approximately HK$17.9 million) had been expensed during the Track Record Period and the remaining amount of RMB8.4 million (equivalent to approximately HK$9.5 million) is expected to be expensed prior to the Listing; and (ii) approximately RMB64.5 million (equivalent to approximately HK$73.0 million) will be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such listing expenses to have a material adverse impact on our results of operation for the year ending December 31, 2026. For details, see "Financial Information — Listing Expenses" in this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$2,503.6 million from the Global Offering, after deducting the estimated underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, based on the Offer Price of HK$39.88 per Share and assuming that the Over-allotment Option is not exercised. We intend to use (a) approximately 55.0%, or HK$1,377.0 million, for increasing our R&D investments to drive continuous innovation and support product iterations across our major application scenarios, namely, industrial imaging, scientific imaging, professional photography and video, and medical imaging; (b) approximately 21.0%, or HK$525.8 million, for establishing an advanced CMOS image sensor R&D center; (c) approximately 4.0%, or HK$100.1 million, for expanding our packaging and testing production lines; (d) approximately 10.0%, or HK$250.4 million, for enhancing our overseas operations through strategic geographic expansion; and (e) approximately 10.0%, or HK$250.4 million, for working capital and general corporate purposes.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there was no litigation, arbitration or administrative proceeding pending or threatened against our Company or any of our Directors which had caused or could cause a material and adverse effect on our financial condition or results of operations. As advised by each of our PRC legal advisor (with respect to PRC law only), Japanese legal advisor (with respect to Japanese law only) and Belgium legal advisor (with respect to Belgium law only), during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in China, Japan and Belgium (as the case may be).

POTENTIAL IMPACT OF THE LATEST TRADE RESTRICTIONS INCLUDING EXPORT CONTROLS, ECONOMIC SANCTIONS, U.S. OUTBOUND INVESTMENT REVIEW REGULATION AND TARIFF POLICIES

Impact of Export Controls

The United States has imposed export controls measures that directly or indirectly affect China-based technology companies materially. Since October 2022, the U.S. Department of Commerce issued various interim final rules aimed at limiting China's access to advanced computing integrated circuits, supercomputers, and advanced semiconductor manufacturing. In addition to the restrictions introduced above, the BIS also maintains lists of individuals and entities subject to enhanced export control restrictions.

Having considered our International Sanctions Counsel's view, our Directors are of the view that the export controls measures imposed by the United States on our operation and financial performance is immaterial. Specifically, our International Sanctions Counsel is of the view that, during the Track Record Period and as of the Latest Practicable Date, our products are not items subject to the U.S. export controls. Further, also as advised by our International Sanctions Counsel, raw materials procured by us are not controlled by the U.S. export controls. This is supported by the following: (i) our primary procurement items, including photomasks, wafers, ceramic packages, and cover glass, are generally non-sensitive and standardized items used for common industrial applications, rather than products specifically designed for restricted or sensitive uses; and (ii) in the course of our business dealings, we are not aware of any licensing requirements as no such information has ever been communicated to us by our suppliers, who have technical knowledge to determine whether export licenses are required and bear the primary legal responsibility for export classification. However, as our products become more technologically advanced, there is a greater likelihood of export controls regulations restricting our ability to obtain the components or technologies necessary to produce them or otherwise to export or transfer our products.

Impact of Economic Sanctions

In addition to export control measures, U.S. sanctions targeting China-based technology companies, including economic restrictions, may directly or indirectly affect our business. The Department of Treasury of the United States administers U.S. sanctions programs against targeted countries, entities and individuals, which prohibits U.S. companies or U.S. persons from engaging in any transaction with or providing any goods or services for the benefit of the targeted country, entity or individual.

During the Track Record Period, we entered into certain transactions with an entity, which was added to the SDN List in December 2023 (the "**SDN Customer**"). As advised by our International Sanctions Counsel, our business dealings with the SDN Customer do not represent a Primary

Sanctioned Activity because there was no U.S. nexus involved. In addition, the secondary sanction risks on our Group and Relevant Persons in connection with our business dealings with the SDN Customer is low because (i) we are not a Sanctioned Trader as the revenue derived from the Sanctioned Targets and Sanctioned Country entities or persons only accounted for 1.1% and nil of our revenue generated for the two years ended year ended December 31, 2024 and 2025; (ii) items sold to the SDN Customer were for civil-use purposes only and not for military or aerospace uses; (iii) transactions with the SDN Customer have no Russian nexus which will not deter the U.S.'s statutory objectives against Russia under the Executive Order 14024, under which the SDN Customer was designated due to its purported Russian-related activities; and (iv) our last transaction with the SDN Customer was completed in December 2024, and since then, we have ceased all transactions with the SDN Customer. For details, please see "Risk Factors — Our business, financial condition and results of operations may be materially and adversely affected by international policies, export controls and economic sanctions" and "Business — Business activities subject to International Sanctions" in this prospectus.

Impact of U.S. Outbound Investment Review Regulation

On October 28, 2024, the U.S. Department of the Treasury released a final rule to implement the Executive Order 14105, which became effective on January 2, 2025. This final rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving Chinese Mainland, Hong Kong SAR and Macau SAR. Specifically, the regulation focuses on certain "covered activities" related to three key technology sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence. These requirements may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities for China-based issuers including us."

Pursuant to this rule, as advised by our International Sanctions Counsel, we will be deemed to be a "covered foreign person" because we engage in the notifiable "covered activities". Nonetheless, as advised by our International Sanctions Counsel, given that our business is limited to integrated circuit design, and that the integrated circuits we design neither fall within the parameters of ECCN 3A090.a nor are they designed for operation at or below 4.5 Kelvin, such business activities do not meet the criteria of "prohibited transactions" as defined under the Outbound Investment Review Regulation. Consequently, our activities will be deemed as notifiable "covered activities" rather than prohibited "covered activities". Therefore, the U.S. persons would not be prohibited from participating in the Global Offering. Nonetheless U.S. persons engaged in a notifiable "covered transaction" that involves the acquisition of our equity interests may need to make a notification to the Department of Treasury of the United States, which could limit our ability to raise capital or contingent equity capital. It should be noted that the obligation to file such notifications vests with the relevant U.S. persons, rather than with our Company. Nevertheless, as advised by our International Sanctions Counsel, once shares are issued and become publicly traded, subsequent purchasers (including U.S. persons) are exempted under the publicly traded securities exception regardless of whether we engage in covered activities. However, there is no assurance that the Department of Treasury of the United States will take the same view as ours. In addition, the application and implication of the outbound investment review rules and any related policies, laws and regulations are complex, which may be changed and updated from time to time. As such, our Directors are of the view that the Outbound Investment Review Regulation has no material adverse impact to our business operations, financial performance and the Global Offering.

Impact of Tariff Policies

Since February, 2025, a baseline 30% tariff had been imposed under the International Emergency Economic Powers Act ("**IEEPA**") on all imports from China which include a 10% tariff related to reciprocal tariff according to the Joint Statement on U.S.-China Economic and Trade Meeting in Geneva issued on May 12, 2025. As of the Latest Practicable Date, following the U.S. Supreme Court's ruling that tariffs imposed under the IEEPA are invalid, the U.S. tariff rates on all products from China are subject to a 10% tariff under Section 122 of the Trade Act of 1974 with exemptions for certain categories of products, including certain critical minerals, metals, electronics and semiconductor articles. Based on the nature of goods, other tariffs such as tariff under Section 301 of the Trade Act of 1974 or antidumping and countervailing tariff might apply.

In each year during the Track Record Period, our sales to the U.S. market accounted for approximately 3.2%, 2.5% and 2.7% of our total revenue. The major products of our Group are CMOS image sensors. According to the international semiconductor conventions which consider the place of wafer fabrication as the country of origin based on the widely adopted "substantial transformation standard", and as advised by the International Sanctions Counsel, the country of origin should be the place of fabrication. As of the Latest Practicable Date, if the country of origin for our CMOS image sensor products is China, a 50% tariff will apply according to section 301 of the Trade Act of 1974. During the Track Record Period, the country of origin for our CMOS image sensor was mainly Japan, Korea and Israel, instead of China, and enjoy the most-favored-nation tariff rate of nil according to the U.S. tariff policies. In addition, during the Track Record Period, we did not bear any import tariff in terms of our overseas sales as export orders in the ordinary course of our business are mainly fulfilled on an EXW (Ex Works) and FCA (Free Carrier) term, under which the responsibility for tariffs lies with the purchaser. In addition, we have not experienced any material loss of downstream customers as a result of tariff policies and their recent development. Therefore, the U.S. tariff policies and their recent development do not have material direct or indirect impact our business and downstream customers. However, 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 may increase our U.S. customers' purchase costs of our products and hence lower our competitiveness.

Our Directors are of the view that the impact of the latest trade restrictions and tariff policies on our operations and financial performance is immaterial based on that (i) our direct sales to the U.S. market accounted for approximately 3% of our total revenue in each of the years during the Track Record Period; (ii) during the Track Record Period, we did not bear any import tariff in terms of our overseas sales as export orders in the ordinary course of our business are mainly fulfilled on an EXW (Ex Works) and FCA (Free Carrier) term; (iii) there was no material order cancellation due to tariff; and (iv) during the Track Record Period, the country of original of our CMOS image sensor products is not China as discussed above.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business operation remained stable. On February 28, 2026, Gpixel Hangzhou entered into an asset acquisition agreement with Hangzhou High-tech Industrial Development Zone Asset Management Co., Ltd.* (杭州高新技術產業開發區資產經營有限公司) (the "**Vendor**"), pursuant to which Gpixel Hangzhou agreed to acquire and the Vendor agreed to sell, among others, an office building with gross floor area of approximately 3,856 sq.m. in Hangzhou (the "**Property**") at a consideration of RMB48.7 million. The Property will be used for establishing an advanced CMOS image sensor R&D center and part of the proceeds from the Global Offering will be used to settle the consideration of the said acquisition. For details, see section headed "Future Plans and Use of Proceeds" in this prospectus. Our Directors have confirmed that as of the date of this prospectus, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus. Furthermore, although we primarily outsource our wafer fabrication to Supplier Group A based in Israel, the ongoing regional conflicts have had no material impact on our business operations or financial performance, including but not limited to any supply chain disruptions, delivery issues or fluctuations in cost. Over the Track Record Period, we continued to procure from both the Israel and Japan wafer fabrication plants of Supplier Group A, with approximately 81.7% of the total number of dies purchased from Supplier Group A during the Track Record Period from its Japan plant. In addition, to further mitigate the risks of reliance on a single supplier or geographic location, we have commenced cooperation with other wafer fabrication partners.

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this document.

"Accountants' Report"	the accountants' report prepared by Ernst & Young, the text of which is set out in Appendix I to this document
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of the Company adopted by the Shareholders on March 26, 2026 and with effect from the Listing Date, as amended from time to time, a summary of which is set out in Appendix V to this prospectus
"associate"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of Directors of our Company
"Capital Market Intermediaries"	the capital market intermediaries as named in "Directors and Parties involved in the Global Offering" in this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Changguang Precision"	Changchun Changguang Precision Instrument Group Co., Ltd.* (長春長光精密儀器集團有限公司), a company established in the PRC on May 14, 2013, a wholly-owned subsidiary of CIOMP
"Changguang Shiyuan"	Changchun Changguang Shiyuan Investment Co., Ltd.* (長春長光視園投資有限公司), a company established in the PRC on December 2, 2019, which is owned as to 16.67% equity interest by our Company and has no other shareholding relationship with CIOMP as of the Latest Practicable Date
"Changguang Yuanxin"	Changchun Changguang Yuanxin Integrated Circuit Co., Ltd.* (長春長光圓芯集成電路有限公司), a company established in the PRC on October 30, 2020, which is owned as to 50.98% by our Company as of the Latest Practicable Date and a subsidiary of our Company
"Changzhou Fangguang"	Changzhou Fangguang Phase III Equity Investment Partnership (Limited Partnership)* (常州方廣三期股權投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on October 29, 2020 and one of our Pre-IPO Investors
"China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"CIOMP"	Changchun Institute of Optics, Fine Mechanics and Physics, Chinese Academy of Sciences (中國科學院長春光學精密機械與物理研究所), a public research institution of the Chinese Academy of Sciences, which focuses on the study of luminescence, applied optics, optical engineering, and precision mechanics and instrumentation, and is the de facto controller of UP OPTOTECH
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company" or "the Company"	Gpixel Changchun Microelectronics Inc. (長春長光辰芯微電子股份有限公司), a limited liability company established in the PRC on September 3, 2012 and was further converted into a joint stock limited company on December 26, 2022, formerly known as Gpixel Changchun Optotech Inc. (長春長光辰芯光電技術有限公司)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed in the Listing Rules and unless the context otherwise requires, refers to Dr. Wang, Dr. Zhang, Hangzhou Qixin, Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen. See "Relationship with Our Controlling Shareholders" for further details
"core connected person"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"DB HiTek"	DB HiTek CO., LTD., a company established in South Korea on April 28, 1953 with its shares listed on Korea Exchange with stock code: 000990 and an Independent Third Party
"Director(s)"	the director(s) of our Company, including all executive, non-executive and independent non-executive directors
"Donghu Guolong"	Wuhan Donghu Guolong Shibei No. 2 Equity Investment Fund Partnership (Limited Partnership)* (武漢東湖國隆拾貝貳號股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC on April 1, 2022 and one of our Pre-IPO Investors
"Dr. Ma"	Dr. MA Cheng (馬成), Deputy General Manager and the director of R&D of our Company

"Dr. Wang"	Dr. WANG Xinyang (王欣洋), our founder, chairman of the Board, executive Director, Chief Executive Officer, General Manager and one of our Controlling Shareholders
"Dr. Zhang"	Dr. ZHANG Yanxia (張艷霞), our executive Director, Deputy General Manager, Board Secretary, Joint Company Secretary and one of our Controlling Shareholders
"Exchange Participant(s)"	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"EXW"	Ex Works, a pre-defined commercial shipping arrangement meaning that the seller makes a product available at a designated location, and the buyer of the product must cover the transport costs
"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 new listings in Hong Kong
"General Rules of HKSCC"	General Rules of HKSCC published by the Hong Kong Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Gpixel Belgium"	GPIXEL NV (長光辰芯比利時有限責任公司), a public limited company incorporated on August 9, 2018 under the laws of Belgium, which is owned as to 68.36% by our Company as of the Latest Practicable Date and a subsidiary of our Company
"Gpixel Dalian"	Gpixel Dalian Microelectronics Inc.* (大連長光辰芯微電子有限公司), a company established in the PRC on December 1, 2021 and a wholly-owned subsidiary of our Company
"Gpixel Hangzhou"	Gpixel Hangzhou Microelectronics Inc.* (杭州長光辰芯微電子有限公司), a company established in the PRC on July 20, 2020, which is owned as to 91.67% by our Company as of the Latest Practicable Date and a subsidiary of our Company
"Gpixel HK"	Gpixel Microelectronics (HK) Limited (香港長光辰芯微電子技術有限公司), a company established in Hong Kong on December 30, 2025 and a wholly-owned subsidiary of our Company
"Gpixel Japan"	Gpixel Japan株式會社 (長光辰芯光電技術(日本)有限公司), a share company incorporated on January 7, 2016 under the laws of Japan and a wholly-owned subsidiary of our Company

"Group", "we" or "us"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"Guoce Xiangchi"	Shanghai Guoce Xiangchi Venture Capital Partnership (Limited Partnership)* (上海國策驤馳創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 2, 2021 and one of our Pre-IPO Investors
"Hangzhou Qixin"	Hangzhou Qixin Management Consulting Co., Ltd.* (杭州祺芯管理諮詢有限責任公司), a company established in the PRC on February 1, 2021 and one of our Controlling Shareholders
"H Share Registrar"	Tricor Investor Services Limited
"H Share(s)"	overseas listed foreign share(s) in our ordinary share capital, with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars, and for which an application has been made for listing and permission to trade on the Stock Exchange
"Hikrobot"	Hangzhou Hikrobot Co., Ltd.* (杭州海康機器人股份有限公司), a company incorporated in the PRC on April 20, 2016 and an Independent Third Party
"Gaoling Yurun"	Beijing Gaoling Yurun Equity Investment Fund, L.P.* (北京高瓴裕潤股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC on October 16, 2020 and one of our Pre-IPO Investors
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form Service Provider**"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HK$" or "HKD" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"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 or a 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 in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 6,529,500 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares to 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%), subject to and in accordance with the terms and conditions set out in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated April 8, 2026 relating to the Hong Kong Public Offering entered into by our Company, our Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Commissions and Expenses"
"Huashun Guangzhou"	Huashun (Guangzhou) Enterprise Management Partnership (Limited Partnership)* (華舜(廣州)企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on June 18, 2021 and one of our Pre-IPO Investors
"I-TEK Optoelectronics"	Hefei I-TEK Optoelectronics Co., Ltd. (合肥埃科光電科技股份有限公司), a company incorporated in the PRC on March 24, 2011 with its shares listed on the Shanghai Stock Exchange (Stock code: 688610.SH), and an Independent Third Party
"Independent Third Party(ies)"	an individual or a company which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
"International Offer Shares"	the 58,764,700 new H Shares initially offered for subscription under the International Offering, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"International Offering"	the offer of the International Offer Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and subject to the terms and conditions of the International Underwriting Agreement, as further described in "Structure of the Global Offering" in this prospectus

"International Sanctions Counsel"	King & Wood, our legal advisor as to International Sanctions Laws in connection with the Listing
"International Sanctions Laws"	all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S., U.K., EU and its member states, UN or Australia
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering to be entered into by our Company, our Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the International Underwriters on or around April 15, 2026
"Jilin Yuanheng"	Jilin Yuanheng Equity Investment Partnership (Limited Partnership)* (吉林省元亨股權投資合夥企業(有限合夥))*, a limited liability partnership established in the PRC on June 29, 2021 and one of our Pre-IPO Investors
"Joint Bookrunners" or "Joint Global Coordinators" or "Joint Lead Managers"	the joint bookrunners, the joint global coordinators and joint lead managers as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Juyuan Xincheng"	Juyuan Xincheng (Jiaxing) Venture Capital Partnership (Limited Partnership)* (聚源信誠(嘉興)創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on September 5, 2020 and one of our Pre-IPO Investors
"Kyocera" or "KYOCERA"	KYOCERA Corporation, a company incorporated in Japan on April 1, 1959 with its shares listed on Tokyo Stock Exchange with stock code: 6971 and an Independent Third Party
"Latest Practicable Date"	March 30, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing Date"	the date, expected to be on or about Friday, April 17, 2026, on which the Shares are listed and dealings in the Shares are first permitted to commence on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Luster"	LUSTER LightTech Co., Ltd. (凌雲光技術股份有限公司), a company established in the PRC on August 13, 2002 with its shares listed on the Shanghai Stock Exchange (stock code: 688400.SH), an associate of Ms. YANG Yi, one of our non-executive Directors

"Ningbo Yuxi"	Ningbo Yuxi Venture Capital Partnership (Limited Partnership)* (寧波雨熙創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 19, 2015 and one of our Pre-IPO Investors
"Offer Price"	HK$39.88 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), 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
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to issue up to an additional 9,794,100 H Shares (representing not more than 15% of the number of Offer Shares initially being offered under the Global Offering) at the Offer Price, to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering" in this prospectus
"Overall Coordinators"	the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Pingyang Yuanxin"	Pingyang Yuanxin No. 6 Venture Capital Partnership (Limited Partnership)* (平陽源新六號創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on September 24, 2019 and one of our Pre-IPO Investors
"PRC Company Law"	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"	Jia Yuan Law Offices, PRC legal advisor to our Company
"Pre-IPO Investment(s)"	the pre-IPO investments in our Company undertaken by the Pre-IPO Investors, details of which are set out in the section headed "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus

"Pre-IPO Investor(s)"	the investors of Pre-IPO Investments, including Zhuhai Qixin (珠海祈欣), Gaoling Yurun (高瓴裕潤), Xianjin Zhizao (先進製造), Guoce Xiangchi (國策驤馳), Xiamen Yuanfeng (廈門源峰), Huashun Guangzhou (華舜廣州), Shenzhen Jiusi (深圳九思), Juyuan Xincheng (聚源信誠), QIN Hao (覃浩), Wuhu Tuochen (蕪湖拓辰), Suzhou Fangguang (蘇州方廣), Yibin Chendao (宜賓晨道), Shengyu Huatian (盛宇華天), Zhongke Chuangxing (中科創星), Changzhou Fangguang (常州方廣), Pingyang Yuanxin (平陽源新), Zhongke Xiandao (中科先導), Donghu Guolong (東湖國隆), Ningbo Yuxi (寧波雨熙), Zhongke Ketou (中科科投), Thriving Capital (寧波超興) and Jilin Yuanheng (吉林元亨)
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme approved and adopted by our Company on June 20, 2023 (as amended and approved on June 5, 2025), a summary of the principal terms of which is set forth in the paragraph headed "D. Pre-IPO Share Option Scheme" in Appendix VI to this prospectus
"Primary Sanctioned Activity"	means any activity in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by a listing applicant incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation
"Regulation S"	Regulation S under the US Securities Act
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Relevant Jurisdiction"	means any jurisdiction that is relevant to the listing applicant and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets of certain countries, governments, persons or entities targeted by such law or regulation
"Relevant Persons"	means a listing applicant, together with its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the listing, trading, clearing and settlement of its shares
"Semiconductor Front-end Processes"	the manufacturing steps performed on silicon wafers to form integrated circuits, mainly including lithography, etching, ion implantation, deposition, and oxidation
"Semiconductor Back-end Processes"	the manufacturing steps after front-end processes, mainly including wafer testing, dicing, packaging, and final testing to produce finished semiconductor devices
"Sanctioned Country"	means any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction

"Sanctioned Target"	means any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
"Sanctioned Trader"	means any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons
"Secondary Sanctionable Activity"	means certain activity by a listing applicant that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the listing applicant is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of RMB1.00 each
"Shareholder(s)"	holder(s) of Shares
"Shengyu Huatian"	Jiangsu Shengyu Huatian Venture Capital Partnership (Limited Partnership)* (江蘇盛宇華天創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 17, 2021 and one of our Pre-IPO Investors
"Shenzhen Jiusi"	Shenzhen Jiusi Investment Management Co., Ltd.* (深圳市九思投資管理有限公司), a limited liability company established in the PRC on March 13, 2001 and one of our Pre-IPO Investors
"South Korea"	the Republic of Korea
"Sponsor-Overall Coordinators"	the sponsor-overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Stabilizing Manager"	CLSA Limited
"State Council"	the State Council of the People's Republic of China (中華人民共和國國務院)
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules

"Suzhou Fangguang"	Suzhou Fangguang Phase III Venture Capital Partnership (Limited Partnership)* (蘇州方廣三期創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 24, 2020 and one of our Pre-IPO Investors
"Thriving Capital"	Ningbo Meishan Bonded Port Area Thriving Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區超興創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on October 9, 2017 and one of our Pre-IPO Investors
"Tower"	Tower Semiconductor Ltd., a company incorporated in Israel in 1993 and listed on NASDAQ stock exchange with stock code "TSEM" and an Independent Third Party
"Track Record Period"	the period comprising the years ended December 31, 2023, 2024 and 2025
"Tucsen"	Tucsen Photonics Co., Ltd. (福州鑫圖光電有限公司), a company incorporated in the PRC on April 7, 2011 and an Independent Third Party
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"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
"Unlisted Share(s)"	unlisted ordinary Share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"UP OPTOTECH"	Changchun UP Optotech Co., Ltd. (長春奧普光電技術股份有限公司), a company established in the PRC on June 26, 2001 with its shares listed on the Shenzhen Stock Exchange (Stock code: 002338.SZ), a substantial shareholder of our Company
"Wuhu Tuochen"	Wuhu Tuochen Private Equity Investment Center (Limited Partnership)* (蕪湖拓辰私募股權投資中心(有限合夥)), a limited liability partnership established in the PRC on April 13, 2022 and one of our Pre-IPO Investors
"Xiamen Yuanfeng"	Xiamen Yuanfeng Xinguang Enterprise Management Partnership (Limited Partnership)* (廈門源峰芯光企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on January 14, 2022 and one of our Pre-IPO Investors

"Xianjin Zhizao"	Xianjin Zhizao Industry Investment Fund II (Limited Partnership)* (先進製造產業投資基金二期(有限合夥)), a limited liability partnership established in the PRC on June 18, 2019 and one of our Pre-IPO Investors
"Yibin Chendao"	Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership)* (宜賓晨道新能源產業股權投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on April 12, 2021 and one of our Pre-IPO Investors
"Zhongke Chuangxing"	Beijing Phase II Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership)* (北京二期中科創星硬科技創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on April 14, 2020 and one of our Pre-IPO Investors
"Zhongke Ketou"	Jilin Zhongke Technology Achievement Transfer Venture Capital Partnership Enterprise (Limited Partnership)* (吉林中科科技成果轉化創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on September 10, 2018 and one of our Pre-IPO Investors
"Zhongke Xiandao"	Jilin Zhongke Xiandao Investment Partnership (Limited Partnership)* (吉林中科先導投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on January 13, 2022 and one of our Pre-IPO Investors
"Zhuhai Pengchen"	Zhuhai Pengchen Qixin Investment Partnership (Limited Partnership)* (珠海鵬辰祺芯投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on July 22, 2021, an employee shareholding platform of our Company and one of our Controlling Shareholders
"Zhuhai Qixin"	Zhuhai Qixin Investment Center, L.P* (珠海祈欣投資中心(有限合夥)), a limited liability partnership established in the PRC on August 2, 2021 and one of our Pre-IPO Investors
"Zhuhai Xichen"	Zhuhai Xichen Qixin Investment Partnership (Limited Partnership)* (珠海曦辰祺芯投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on September 30, 2022, an employee shareholding platform of our Company and one of our Controlling Shareholders
"Zhuhai Xingchen"	Zhuhai Xingchen Qixin Investment Partnership (Limited Partnership)* (珠海星辰祺芯投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on April 2, 2021, an employee shareholding platform of our Company and one of our Controlling Shareholders
"Zhuhai Xuchen"	Zhuhai Xuchen Qixin Investment Partnership (Limited Partnership)* (珠海旭辰祺芯投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on July 21, 2022, an employee shareholding platform of our Company and one of our Controlling Shareholders

"Zhuhai Yunchen"	Zhuhai Yunchen Qixin Investment Partnership (Limited Partnership)* (珠海雲辰祺芯投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on February 7, 2021, an employee shareholding platform of our Company and one of our Controlling Shareholders

* *For identification only*

This glossary of technical terms contains explanations of certain technical terms used in this prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"ADC"	analog-to-digital converter, a converter that changes analog signals into digital data
"APS-C"	advanced photo system type-C, also known as advanced photo system-classic type, a specification for measuring the optical size of CMOS image sensors, which is generally 29.3mm when referring to the optical size of CMOS image sensors
"AR"	augmented reality
"area array" or "area array sensor"	a form of CMOS image sensors featuring pixels arranged in a two-dimensional matrix, which allows them to capture a complete 2D image in a single exposure
"BSI"	back-side illuminated, a CMOS image sensor design where light goes straight into the part that captures it, without wires getting in the way, which allows the sensor to catch more light
"CAGR"	compound annual growth rate
"CCD"	charge coupled device
"CFA"	color filter array
"CIS"	CMOS image sensor
"CMOS"	complementary metal-oxide semiconductor, a fabrication process for sensors. "CMOS image sensor" is an image sensor using the CMOS technology
"DSC"	digital still camera
"DSLR"	digital single-lens reflex camera
"Direct Time-of-Flight"	a distance measurement method that calculates depth by directly measuring the travel time of a light pulse from the emitter to the object and back to the sensor
"ECCN"	Export Control Classification Number, a five-character alphanumeric code used to categorize items for U.S. export control purposes
"EDA"	electronic design automation
"FPD"	flat panel display
"FPGA"	field programmable gate array, a type of semiconductor sensor that can be programmed and reconfigured after manufacturing to perform different digital logic functions
"fps"	frame per second

"FSI"	front-side illuminated, the traditional CMOS image sensor design in which light enters from the circuit side of the photodiode. As part of the light is blocked by the wiring, the sensor captures less light
"Gbps"	gigabits per second
"GDS"	graphic database system, a file format for integrated circuit layouts
"Gpix/s"	giga pixels per second
"HDR"	high dynamic range, a way of capturing, processing and reproducing a video content or an image which increases detail in both the shadows and highlights of a scene
"IC" or "integrated circuit"	integrated circuit, a type of miniature electronic device or component, manufactured using semiconductor techniques, integrating all the necessary transistors, resistors, capacitors, inductors and their connecting wires for a circuit onto a semiconductor wafer (such as a silicon chip or substrate), which is then soldered and encapsulated within a casing to form an electronic device with the desired circuit functions
"IDM"	integrated device manufacturer, a semiconductor company which designs, manufactures and sells integrated circuit (IC) products
"IR"	infrared, a type of electromagnetic radiation with wavelength just greater than that of the red end of the visible light spectrum but less than that of microwaves
"ISO"	the International Organization for Standardization, an independent, non-governmental organization that develops and publishes international standards
"Indirect Time-of-Flight"	a distance measurement method that estimates depth by analyzing the phase shift between emitted modulated light and received reflected light
"ISP"	image signal processor, a hardware component or subsystem in digital imaging devices responsible for capturing, processing and enhancing images from a camera sensor
"LED"	light-emitting diode, a semiconductor diode that emits light when voltage is applied
"linear array" or "linear array sensor"	a form of CMOS image sensors featuring pixels arranged in lines and capturing 2D images by scanning objects moving at a constant speed perpendicular to the sensor's orientation
"MHz"	megahertz, a unit of alternating current or electromagnetic wave frequency equal to one million hertz
"MP"	mega pixel, 1 million pixels, a measurement used to describe the resolution of digital cameras and image sensors

"MWh"	megawatt-hour, a unit of measure of electric energy
"OEM"	original equipment manufacturer, a company that produces parts or equipment that are then marketed and sold by another company
"OLED"	organic light-emitting diode, an LED technology used for flat panel displays, in which the emissive electroluminescent layer is a film of organic compounds which emit light in response to an electric current
"optical format"	the size of an image sensor and is measured by the diagonal length of the area of the CMOS image sensor that actually receives light
"OSAT"	outsourced semiconductor assembly and test
"PCB"	printed circuit board, a mechanical base used to hold and connect the components of an electric circuit
"photomask"	an opaque plate used to replicate circuit layouts onto the wafer during the wafer manufacturing process
"Prosumer"	it refers to a user segment between professional and consumer markets, such as advanced photography enthusiasts, semi-professional content creators, or small studios, who require higher imaging performance than ordinary consumers but at lower cost and complexity than professional-grade solutions
"R&D"	research and development
"Readout Speed"	the rate at which pixel data is extracted from an image sensor, affecting image capture speed and motion distortion
"sCMOS"	scientific CMOS, a new sensor technology primarily aimed at enhancing imaging in scientific and industrial applications
"sq.m."	square meters
"TDI"	time-delay integration, an advanced imaging technology used in line scan cameras to capture high-quality images of fast-moving objects, especially in low-light conditions
"ToF"	time-of-flight, a method for measuring the distance between a sensor and an object, based on the time or phase difference between the emission of a signal and its return to the sensor, after being reflected by an object. ToF can be further categorized as direct time-of-flight ("**dToF**") and indirect time-of-flight ("**iToF**")
"ultra-HD"	ultra-high-definition, which includes 4K and 8K digital video formats
"VR"	virtual reality
"WLCSP"	wafer-level chip scale package, a type of semiconductor package where the chip is packaged directly at the wafer level

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following: (a) general political and economic conditions, including those related to the jurisdictions where we operate; (b) our business prospects and our ability to successfully implement our business plans and strategies; (c) future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand; (d) our capital expenditure plans; (e) the actions and developments of our competitors; (f) our financial condition and performance; (g) our dividend policy; (h) any changes in the laws, rules and regulations of the central and local governments in the jurisdictions where we operate and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans; (i) changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the jurisdictions, the industry and markets in which we operate; (j) various business opportunities that we may pursue; and (k) capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this prospectus. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

You should carefully read all of the information in this prospectus including the risks and uncertainties described below before making an investment in our H Shares. Our business, financial position or results of operations could be materially and adversely affected by any of the risks mentioned in this section. The trading price of our H Shares could decline due to any of these risks, and you may lose all or part of your investment. You should pay particular attention to the fact that we are a company incorporated in the PRC, our business is primarily located in the PRC, Belgium and Japan and we are governed by a legal and regulatory environment that may differ from that prevails in other countries and jurisdictions. For more information concerning the market in which we operate and certain related matters discussed below, please see "Regulatory Overview" and "Appendix V — Summary of Articles of Association" for further details.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The markets for our products are highly and increasingly competitive. If we are not able to compete successfully, our business, results of operations and future prospects will be harmed.

The industry in which we operate is highly competitive worldwide and increasingly characterized by rapid product iteration, quick response to customers' preference and increasing demand for quality products and price sensitivity. In particular, in 2024, the top five market players, together accounted for 84.2% of the global industrial CIS market by revenue, indicating a highly concentrated landscape dominated by a few international and regional leaders. The combined market share of the top five market players in the global scientific CIS market reached 71.4%, indicating a strong presence of specialized suppliers in this high-precision segment. Overall, there are approximately 20 notable CIS industry participants worldwide, indicating that the number of players is relatively limited. Nevertheless, competition remains intense, with the market predominantly led by international enterprises and leading companies in each application segment capturing substantial shares. Some of our competitors may have longer track records and greater financial and other resources to invest in research, development and marketing of their products to increase their competitiveness. The selling price of our products and revenues generated by our products may also be driven down due to intense competition. There can be no assurance that we can continue to compete successfully in the future or sustain our market share. If we are not able to design or introduce to the market CMOS image sensors with the design and specifications which are compatible with end-market applications as quickly as other market players, or if we fail to expand our product portfolio and maintain competitive prices, or if the number of competitors increases substantially, or if the service quality of other market players improves significantly, or the commercial terms that our competitors could offer are more competitive, we may lose our competitive position, and our operating results, financial condition, profitability and prospects will be materially and adversely affected.

If we are unable to design or deliver high quality and innovative products that address the evolving customer preferences, or if our expansion into various application areas falls short of expectations, our business may be materially and adversely affected.

Our products are primarily based on the design of CMOS image sensors, and our future success depends on the successful expansion of our CMOS image sensors product portfolio and customer base. Our customers are constantly seeking new products with more features and functionality at lower cost, and our success relies heavily on our ability to continue to develop and provide our customers with new and innovative products and improvements of existing products at favorable prices. In order to gain market share and remain at the forefront of the CIS industry, we must constantly introduce new and innovative products and respond to new and evolving customer demands.

The success of a new product depends on a variety of specific implementation factors, including: (a) timely development of new technologies and adaption to changes in existing technologies; (b) Successful tape-out and validate of new designs to ensure performance, functionality, and manufacturability before mass production; (c) timely and cost-effective processing and mass production to accommodate new product designs, while ensuring functionality, performance and reliability; (d) effective marketing, sales and services to gain market share; and (e) strong and sustainable market demand.

Product design, development, innovation, and iteration is often a complex, time-consuming and costly process involving significant investment in R&D with no assurance of return on investment. In 2023, 2024 and 2025, we incurred R&D expenses of RMB131.5 million, RMB130.2 million and RMB186.2 million, respectively, accounting for 21.7%, 19.3% and 21.7%, respectively, of our revenue for the corresponding periods. Meanwhile, the market in which we operate is highly competitive, characterized by rapidly changing technologies. There can be no assurance that we will be able to develop and introduce new and enhanced products in a timely or efficient manner. Failure to develop new technologies in a timely manner or to react quickly to changes in existing technologies could materially delay our development of new and enhanced products.

The development of new and more complex products can increase our cost of revenue and adversely affect our gross margins.

A key component of our future success is the continued development of new and innovative products and technologies, which include new generations of CMOS image sensors incorporating enhancements such as high shutter efficiency, high frame rates, high-speed and low-noise readout circuitry, back-illuminated and high-sensitivity pixel designs, wide dynamic range and high-full-well-capacity pixel structures, as well as 3D-stacked sensor technologies. These new products and technologies are often very complex and may require additional equipment and resources to develop and manufacture. In addition, for these new products, we may initially experience lower production yields than our other more established products. These new products and technologies also often have a higher cost structure than our existing products and technologies because we must devote more time and effort to developing the products and technologies and our suppliers and manufacturers may incur additional costs by acquiring new equipment or components in order to meet our design specification and capacity requirements. As our product mix shifts to include a higher volume of these new products and technologies, our gross margins may be lower than in comparable historical periods. We have incurred loss in developing new and more complex products. Taking into account the share-based payments expenses, for each year during the Track Record Period, we recorded seven, six and four loss-making projects, incurring a total loss of approximately RMB2.9 million, RMB16.4 million and RMB6.3 million for the corresponding year. For details, see "— we had loss-making projects during the Track Record Period" in this section and "Business — Loss-making project during the Track Record Period" in this prospectus.

The average selling price of our products may face downward pressure, which may adversely affect our profit margins, result of operations and financial condition.

The average selling price of our products is influenced by a variety of factors beyond our control, including but not limited to raw material costs, competitor pricing, market trends and labor costs. The average selling price of our CMOS image sensors has experienced a decrease during the Track Record Period, primarily due to the variations of product mix. For instance, we expanded into mainstream product markets during the Track Record Period, which generally have lower selling prices. For each year during the Track Record Period, the sales volume of mainstream products were 83,911 units, 231,025 units and 392,691 units, and revenue generated from sales of mainstream products amounted to RMB20.6 million, RMB43.1 million and RMB89.7 million, representing approximately 3.4%, 6.4% and 10.5% of our total revenue for the respective periods. The rationale for expanding into the mainstream market was to increase our sales volume, and thereby boost our revenue and support financial growth. To this end, we are upgrading our packaging and testing capabilities through automation, expanding its engineering team, and increasing procurement from key suppliers to enhance supply chain relationships, quality and operational efficiency for future market expansion. We cannot predict the future trend of the average selling price of our products, nor can we guarantee that the fluctuation of average selling price will not continue. Any decline in the average selling price may result in reduced gross profit, which may adversely affect our results of operations and financial condition.

The use of our image sensors in end-user products in the medical industry could result in us being named as a defendant in product liability claims, which could adversely affect our business and reputation.

Our image sensors have been incorporated into certain end-user products in the medical industry, and we expect that they will continue to increase as a percentage of our overall business. The use of the medical industry products into which our image sensors are designed could result in an unsafe condition, injury, or even death as a result of, among other factors, component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or product-related information. These factors could result in product liability claims seeking damages for personal injury, and we could be named as a defendant in such claims. We only began generating revenue from our medical imaging application in 2024, recording RMB20.2 million from customized sensor solutions and RMB0.5 million from standard products for the two years ended December 31, 2025. However, because the outcome of product liability claims is not predictable and is difficult to assess or quantify, we cannot provide assurance that such claims will not materially adversely affect our business or damage the reputation of our products or our Group.

Problems with wafer manufacturing and/or back-end processing yields could result in higher product costs and could impair our ability to meet customer demand for our products.

If the foundries manufacturing the wafers used in our products cannot achieve the yields we expect, we could incur higher unit costs and reduced product availability. Foundries that supply wafers have experienced problems in the past achieving acceptable wafer manufacturing yields. Wafer yields are a function of both our design technology and the particular foundry's manufacturing process technology. During the Track Record Period, our overall wafer yields ranged from approximately 60% to 75%. The risks of low or unstable wafer yields increase with our introduction of more advanced and novel products and technology, as well as with increased customer demand that requires these new products to be produced more quickly and in greater quantities than our historical volume. Certain risks are inherent in the introduction of new products and technology. Low yields may result from design errors or manufacturing failures in new or existing products. During the early stages of production, production yields for new products are typically lower than those of established products. Unlike many other semiconductor products, optical products can be effectively tested only when they are complete. Accordingly, we perform final testing of our products only after they are assembled. As a result, yield problems may not be identified until our products are well into the production process. The risks associated with low yields could be increased because we rely on third party foundries for our wafers, which can increase the effort and time required to identify, communicate and resolve manufacturing yield problems. In addition to wafer manufacturing yields, our products are subject to yield loss in subsequent manufacturing steps, often referred to as back-end processing, such as the application of color filters and micro-lenses, dicing and packaging. Any of these potential problems with wafer manufacturing and/or back-end processing yields could result in a reduction in our gross margins and/or our ability to timely deliver products to customers, which could adversely affect our customer relations and make it more difficult to sustain and grow our business.

Our lengthy manufacturing, packaging and assembly cycle, in addition to our customers' design cycle, may result in uncertainty and delays in generating revenues.

The production of our image sensors requires a lengthy manufacturing, packaging and assembly process, typically lasting approximately four to 12 months. Additional time may pass before a customer commences taking volume shipments of products that incorporate our image sensors. Even when a manufacturer decides to design our image sensors into its products, the manufacturer may never ship final products incorporating our image sensors. Given this lengthy cycle, we experience a delay between the time we incur expenditures for research and development and sales and marketing efforts and the time we generate revenue, if any, from these expenditures. This delay makes it more difficult to forecast customer demand, which adds uncertainty to the manufacturing planning process and could adversely affect our operating results. In addition, the product life cycle for certain of our image-sensor products designed for use in certain applications can be relatively short. If we fail to appropriately manage the manufacturing, packaging and assembly process, our products may become obsolete before they can be incorporated into our customers' products and we may never realize a return on investment for the expenditures we incur in developing and producing these products.

Our ability to deliver products that meet customer demand is dependent upon our ability to meet new and changing requirements for color filter application and image-sensor packaging.

We expect that as we develop new products to meet technological advances and new and changing industry and customer demands, our color filter application and ceramic, glass and chip scale packaging requirements will also evolve. Our ability to continue to profitably deliver products that meet customer demand is dependent upon our ability to obtain third party services that meet these new requirements on a cost-effective basis. For each year during the Track Record Period, we incurred costs from such third-party service providers of RMB28.3 million, RMB16.8 million and RMB24.8 million, respectively. There can be no assurances that any of these parties will be able to develop enhancements to the services they provide to us to meet these new and changing industry and customer requirements. Furthermore, even if these service providers are able to develop their services to meet new and evolving requirements, these services may not be available at a cost that enables us to sustain our profitability.

The high level of complexity and integration of our products increases the risk of latent defects, which could damage customer relationships and increase our costs.

Our products are based upon evolving technology, and because we integrate many functions on a single chip, are highly complex. The integration of additional functions into already complex products could result in a greater risk that customers or end-users could discover latent defects or subtle faults after we have already shipped significant quantities of a product. Although we test our products, we have in the past and may in the future encounter defects or errors. Delivery of products with defects or reliability, quality or compatibility problems may damage our reputation and ability to retain existing customers and attract new customers. In addition, product defects and errors could result in additional development costs, diversion of technical resources, delayed product shipments, increased product returns, product warranty costs for recall and replacement and product liability claims against us which may not be fully covered by insurance.

Backlog is subject to unexpected adjustments and cancelations and, therefore, may not be indicative of our future results of operations.

Project backlog represents an estimate of the remaining aggregate contract sum of our customized sensor solution projects as at a certain date. The contract sum of a project represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. Backlog is not a measure defined by generally accepted accounting principles and may not be indicative of future results of operations. For details, please refer to the section headed "Business — Our Customers — Project Backlog" in this prospectus. As at February 28, 2026, the aggregate contract sum of backlog of our customized sensor solutions was approximately RMB299.9 million. However, this figure is based on the assumption that our relevant contracts will be performed in full in accordance with their terms. The termination or modification of any one or more major contracts may have a substantial and immediate effect on our backlog. However, we cannot guarantee that the amount estimated in our backlog will be realised in full, in a timely manner, or at all, or that, even if it is realised, such backlog will result in profits as expected. As a result, you should not rely on our backlog information as an indicator of our future earnings.

We rely on a limited number of third party suppliers for wafer fabrication and packaging and testing services. We may have limited control over the availability and costs of such services.

As a fabless company, we do not own any wafer fabrication facilities. During the Track Record Period, Tower and DB HiTek have been our major third-party foundry suppliers. For each year during the Track Record Period, the purchases from our top five suppliers in each period, which mainly include our major foundry suppliers and outsourced packaging service providers, accounted for 74.7%, 63.7% and 70.5% of our total purchase amount for the respective periods.

We depend on our foundry suppliers to allocate an appropriate portion of their production capacity to meet our needs, to produce products of acceptable quality at acceptable final test yields, so that we can deliver the final sensor products to our customers on a timely basis at acceptable prices. If our foundry suppliers raises their prices or are unable to provide us with the required capacity for any reason, such as shortages, or delays in the shipment of semiconductor equipment or raw materials, or if our business relationships with our foundry suppliers deteriorate, we may not be able to obtain the required capacity and would have to seek alternative foundries, which may not be immediately available commercially on reasonable terms, or available technically without large investment in process-related R&D and investment in new photomask sets. In addition, if our foundry supplier suffers any damage to its facilities, experiences power outages, encounters financial difficulties, or suffers any other disruption or reduction in efficiency, we may encounter supply delays or disruptions. See "— Our operations and those of our production partners are vulnerable to natural disasters and other events beyond our control, the occurrence of which may have an adverse effect on the supply chain of our suppliers and on our facilities, personnel and results of operations" in this section.

Furthermore, the engagement of outsourced packaging service providers may expose us to risks associated with non-performance, delayed performance or substandard performance. In such case, we will have to replace service providers and additional costs will be incurred. We may also incur additional costs or be subject to liability due to delays in schedule or defects in the works of packaging companies. See "— The complexity of our products may lead to undetected defects, failures or reliability issues in our products, which could materially and adversely affect our business, results of operations and financial condition" in this section. If we are unable to engage qualified packaging companies, or if we are unable to monitor the performance of these companies, our business and results of operations may be materially and adversely affected.

Disruptions, damages or destructions to our packaging facility may materially and adversely affect our business, results of operations and financial condition.

We operate one packaging facility in the PRC and our sales are partially dependent on the continued operation of such packaging facility. Our packaging facility is subject to inspection, maintenance and replacement of our machinery during which production capacity may be affected. Our packaging facility is also subject to operation risks and disruptions such as interruptions of utilities supplies including water and electricity, labor disputes and industrial accidents. A power surge or outage could disrupt or even result in the halt of our production process. There is no assurance that our machinery will not be damaged or lost as a result of, among others, improper operation, fire, adverse weather conditions, theft, robbery or natural disasters. See "— Our operations and those of our production partners are vulnerable to natural disasters and other events beyond our control, the occurrence of which may have an adverse effect on the supply chain of our suppliers and on our facilities, personnel and results of operations" in this section. We may also need to incur additional cost to repair or replace any damaged machinery or equipment. Machinery may also break down or fail to function normally due to wear and tear or mechanical or other issues. If any failed or damaged machinery cannot be repaired or replaced, or if any lost machinery cannot be replaced in a timely manner, our operations and financial performance could be adversely affected.

Our business depends substantially on the efforts of our management and skilled personnel, including R&D personnel. Our operations may be severely disrupted if we lost their service.

Our future performance depends on the service and contribution of our management to oversee and execute our business plans, identify and pursue new opportunities and product innovations. Any loss of service of our management can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results. From time to time, there may be changes in our management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them into our existing teams also require a significant amount of time, training and resources, and may impact our existing corporate culture.

Additionally, our future success depends, to a significant extent, on our ability to attract, recruit and train qualified employees and retain existing key personnel in our R&D team. Competition for skilled personnel is often intense, and we may incur significant costs to attract and retain skilled personnel in our R&D team. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We have experienced, and we expect to continue to experience, difficulty in hiring and retaining skilled employees with appropriate qualifications in competition with other companies, particularly in the areas of design and product development. Job candidates and existing employees often consider the value of the share-based incentives they receive in connection with their employment. If the estimated value of our Share or share-based incentives declines, it may adversely affect our ability to retain skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and prospects could be adversely affected.

Any material inaccurate cost estimation or cost overruns may adversely affect our financial results.

When determining our quotations for our customized sensor solutions, we would estimate the time and costs involved in a project taking into account project scope, workload, design complexity, process standards, customer budget, expected future orders and the level of competition in market.

There is no assurance that the actual amount of time and costs incurred during the performance of our projects would not exceed our estimation. The actual amount of time and costs incurred in completing a project may be adversely affected by many factors, including accidents, unexpected increase in the amount of rectification works requested by our customers, and other unforeseen problems and circumstances. Any material inaccurate estimation in the time and costs involved in a project may give rise to delays in completion of works and/or cost overruns, which in turn may materially and adversely affect our Group's financial condition, profitability and liquidity.

Taking into account the share-based payments expenses, for each year during the Track Record Period, we recorded seven, six and four loss-making projects, incurring a total loss of approximately RMB2.9 million, RMB16.4 million and RMB6.3 million for the corresponding year. Such losses were primarily attributable to underestimation of project costs. The impact of these projects on our Group's overall performance was relatively minor. For further details of the loss-making project, please refer to the paragraph headed "Financial Information — Description of Major Components of our Results of Operations — Gross Profit and Gross Profit Margin" in this prospectus.

During the Track Record Period, our customized sensor solutions service contracts are generally based on installment payments. In the event that we underestimated our R&D expenses, we are unable to pass on the risk of increased R&D expenses to our customers and our profitability may be adversely affected.

Our operations may be subject to transfer pricing adjustment.

During the Track Record Period, there were intra-group transactions among our Company and its subsidiaries. For each year during the Track Record Period, the intra-group transactions with Gpixel Belgium and Gpixel Japan amounted to RMB105.0 million, RMB93.4 million and RMB79.2 million, for the respective periods. We cannot assure you that the relevant tax authorities would not challenge the transfer pricing arrangement of our Group. If any regulatory tax authority determines that our transfer pricing arrangements do not comply with the relevant transfer pricing laws and regulations, we may face adverse tax consequences, such as the payment of outstanding tax, statutory interest or tax penalty. Tax authorities may require us to adjust income and expenses for local tax purposes by requiring a transfer pricing adjustment. Our Directors are of the view that our intra-group transactions during the Track Record Period were consistent with the arm's length principle. We cannot assure you that the transfer pricing laws will not be modified, or the taxation authorities will not challenge our tax filings in the past, which, as a result, may require changes to our transfer pricing arrangements or operating procedures. A transfer pricing adjustment could adversely affect us by increasing our tax liabilities, which could further result in late payment fees and other penalties or limit our ability to obtain preferential tax treatments and other financial incentives. Please see the section headed "Business — Intra-group Transactions" in this prospectus for more details of our intra-group transactions.

The loss of, or a significant reduction in sales to our major customers would adversely affect our business, results of operations and financial condition.

Our business, results of operations and financial condition for the foreseeable future may be adversely affected by the loss of, or a significant reduction in sales to our major customers. For each year during the Track Record Period, the revenue from our top five customers in each period accounted for 45.8%, 33.5% and 40.7% of our total revenue for the respective periods. In the future, our current major customers may decide not to purchase our products or solutions, may purchase fewer of our products or solutions than they did in the past, or may alter their purchasing patterns. Additionally, revenue from any single major customer — or our overall customer concentration — may vary from period to period. If we fail to meet our major customers' expectations regarding product quality, availability, or user experience, our relationships with them could suffer. In the meantime, we may fail to increase sales or expand our customer base. If our major customers scale back or terminate their business relationship with us, or if we are unable to negotiate favorable contractual terms with them, or we are unable to secure new customers at all or on favorable or comparable terms, our business, financial condition and results of operations may be materially and adversely affected.

If we fail to maintain adequate inventory, or if we mismanage our inventory, we could lose sales or incur high inventory-related expenses, which could negatively affect our financial condition and results of operations.

Our inventories mainly include finished goods held for sale in the ordinary course of business, work-in-progress, components and raw materials and supplies to be consumed in production or provision of services. As of December 31, 2023, 2024 and 2025, we had inventories of RMB373.1 million, RMB286.7 million and RMB353.0 million, respectively. The inventory turnover days for the years ended December 31, 2023, 2024 and 2025 were 559 days, 436 days and 412 days, respectively. Our business model requires us to manage our inventories efficiently.

We depend on our demand forecasts to make purchase decisions for wafers, components and raw materials and to pace the production progress of our products, while manage our inventories to a reasonable level. Such demand, however, can change significantly from time to time and we may not always be able to accurately make predictions. Demand may be affected by general market conditions, end market conditions, new product launches, pricing and discounts, and not all of them are within our control. In addition, as we develop and market a new product, we may not be successful in establishing stable and favorable supplier relationships or accurately forecasting demand. The acquisition of certain types of wafers, components, and raw materials may require significant lead time and prepayment and they may not be returnable. Furthermore, as we plan to continue expanding our product offerings, we expect the inventory will expand accordingly, which will make it more challenging for us to manage our inventory and logistics effectively.

We assess impairment to inventories at each period during the Track Record Period and may make provision to write down our inventories to the net realizable value if they become obsolete, damaged or their prices decrease, and their net realizable value is lower than the costs. As of December 31, 2023, 2024 and 2025, we recognized inventory provision of RMB29.5 million, RMB32.8 million and RMB46.3 million, respectively. If we continue to experience inventory write-down, our profitability, financial results and prospects will be negatively affected.

We cannot guarantee accurate demand forecasting or determine appropriate inventory levels to maintain. Any change in end customer demand for our products or the occurrences of catastrophic events may have an adverse impact on our product sales, which may in turn lead to decline in inventory value or inventory write-off. Any of the above may materially and adversely affect our results of operations and financial condition. On one hand, if we overestimate customer demand, we may accumulate excess inventory, leading to potential obsolescence and the need for write-off. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which may result unfulfilled orders and revenue loss, any of which could harm our business, financial condition and results of operations.

The complexity of our products may lead to undetected defects, failures or reliability issues in our products, which could materially and adversely affect our business, results of operations and financial condition.

Our customers generally have stringent requirements for quality, performance and reliability. Due to the complex product design, our products may contain undetected defects, failures or reliability issues when first introduced or after commencement of operation, which might require product replacement or recall. Further, changes of raw material used in the production processes may cause our products to fail. If defects and failures occur in our products, we could experience lost revenue, increased costs, including warranty expenses and costs associated with after-sales services, cancellations or rescheduling of orders or shipments, and product returns or discounts, any of which would harm our operating results. Additionally, such incidents could disrupt the development, production, and launch of new products, leading to further financial and operational setbacks.

In addition, the risk of product recalls and product liability claims, and associated adverse publicity, is inherent in the development and sales of our products. Our products and the products of third parties in which our products are integrated are becoming increasingly sophisticated and complicated as technologies continue to advance. In particular, although our CIS designed for medical imaging serve only as components of third parties' product and are not directly subject to strict product liabilities, as these products are intended for use in medical devices, any actual or perceived defects or non-compliance with applicable quality or regulatory requirements could result in product recalls, litigation, regulatory inquiries or reputational harm.

We cannot assure you that the measures we have taken to ensure the quality of products could prevent any of the above incidents from occurring. 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 third-party suppliers. If we engage in legal proceedings against our third-party suppliers, such proceedings may be time consuming and costly regardless of the outcomes. Any such issues may materially and adversely affect our business, results of operations and financial condition.

The markets for our major raw materials have historically been subject to fluctuation. An increase in prices of raw materials or shortage in supply may disrupt our supply chain, increase our production costs and delay deliveries of our products to customers.

We depend on third party wafer foundries, suppliers of other components such as ceramic packages and cover glass, and packaging factories for the production of our products, whom in turn depend on suppliers upstream to provide a variety basic materials and supplies for their own manufacturing and packaging processes. The raw materials sourced for the manufacturing and packaging processes of our products are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation and governmental regulations and policies. During the Track Record Period, our cost of raw material included in cost of sales amounted to RMB137.5 million, RMB169.7 million and RMB202.8 million. We typically negotiate prices with our suppliers based on the prevailing market rates and the quantities that we purchase. We cannot assure that we can timely obtain the raw materials in a reasonable price and to avoid delaying delivery of our products to customers in the future, and our operation and financial position may be adversely affected should there be increase in prices of raw materials or shortage in supply.

We may be exposed to credit risk arising from our trade receivables. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our trade and notes receivables primarily include amounts due from our customers for products or services in the ordinary course of business. As of December 31, 2023, 2024 and 2025, our trade and notes receivables amounted to RMB114.7 million, RMB184.7 million and RMB235.3 million, respectively. The turnover days of our trade and notes receivables for the years ended December 31, 2023, 2024 and 2025 were 69 days, 81 days and 90 days, respectively. The credit periods granted to our customers vary based on the transaction amount and our relationship with the customer. See "Financial Information — Discussion of Certain Key Consolidated Statements of Financial Position Items — Trade and Notes Receivables" in this prospectus. We may not be able to receive such customers' payment of uncollected debts in full, or at all, and may be exposed to credit risk. The occurrence of such event would adversely affect our financial condition and results of operations.

We have limited control over the operations of our distributors. Our business may be negatively affected due to risks relating to the acts of our distributors and their potential breach of distribution agreements.

During the Track Record Period, we engaged third-party distributors for the sales of our products. During the Track Record Period, revenue from distributors amounted to RMB34.1 million, RMB25.4 million and RMB28.7 million, representing 5.6%, 3.8% and 3.3% of our total revenue for the respective periods. The performance of our distributors may have direct impacts on our revenue and profitability. There can be no assurance that we will be successful in effectively managing our distributors or detecting any non-compliance of our distributors with the provisions of their distribution agreements. Non-compliance by our distributors could negatively affect our brand reputation and disrupt our sales.

In particular, during the Track Record Period, some of our distributors were trading companies, with whom we did not enter into distribution agreements. We have limited control over these trading companies. In addition, we do not monitor the trading companies' activities and inventory level. As we sold our products to trading companies, which in turn resell our products to customers in various markets, including international markets, we may be subject to various risks and uncertainties associated with conducting business in the international markets, such as compliance with foreign laws or competition from foreign players. See "— Risks Relating to Doing Business in the Markets in which

We Operate — Changes in China's and the global economic, political or social conditions in the countries and regions where we operate could have a material and adverse effect on our business and operations."

We have granted, and may continue to grant, various types of share-based incentives, which may result in increased share-based payments expense, affect our financial condition and results of operations, and potentially dilute the shareholding of our existing shareholders.

We have granted, and may continue to grant, various types of share-based incentives, which may result in increased share-based payments expense. In the years ended December 31, 2023, 2024 and 2025, we incurred share-based payments expense of RMB52.9 million, RMB52.3 million and RMB60.3 million, respectively. We believe the granting of share-based payment is of significant importance to our ability to attract and retain key personnel and employees. Nevertheless, share-based payments expense would potentially dilute the shareholding of our existing Shareholders. We may continue to grant various types of share-based payment incentives to eligible persons in the future. As a result, our expenses associated with share-based payment may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, lock-up period, or other key terms applicable to the grants under the share incentive schemes from time to time. If we choose to do so, we may experience a substantial change in our share-based payments expense in the reporting periods following this offering.

Successful implementation of our business strategies and future plans are subject to uncertainties. Acquisition, strategic alliances and investments could be difficult to integrate, disrupt our business and affect our result of operations and the value of your investment.

We pursue certain strategies to further grow our business. For more details, please refer to the sections headed "Business — Our Development Strategies" and "Future Plans and Use of Proceeds" in this prospectus. There is no guarantee that we will be able to implement our business strategies and future plans successfully, as they are subject to uncertainties and changing market conditions. Our plans for development and business expansion are formulated based on the prevailing market conditions and industry development which may change over time. If we are unable to implement our business strategies and expansion plans successfully or effectively, our business, profitability and financial conditions in the future may be materially and adversely affected. Further, there is also no assurance that any of our business strategies will yield the benefits or achieve the level of profitability we anticipate. The profit from our implemented plans may not be sufficient to justify the start-up expenses and the increased operating costs incurred for our business strategies and future plans.

As part of our business strategy, we will evaluate and enter into strategic alliances and strategic acquisitions that are complementary to our business and operations. Acquisitions, alliances and investments involve a number of risks, including non-performance or default by counterparties and sharing of proprietary information. Strategic acquisitions and subsequent integrations of newly acquired businesses would require significant managerial and financial resources and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our growth and business operations. Furthermore, we may fail to identify or secure suitable acquisition and business partnership opportunities, or our competitors may capitalize on such opportunities before we do, which could impair our ability to compete with our competitors and adversely affect our growth prospects and results of operations. Further, if we fail to properly evaluate and execute acquisitions or investments, our business and prospects may be adversely affected, and the value of your investment may decline.

We may face risks associated with our investments, including but not limited to exposure to fair value changes.

We may from time to time invest in financial products, such as structured deposits and unlisted equity investments. We recorded financial assets at fair value through profit or loss of RMB105.8 million, RMB119.6 million and RMB291.5 million as of December 31, 2023, 2024 and 2025. We may continue to make such investment as part of our cash management and treasury measures, and therefore may be exposed to credit risk, market risk and the fair value change of our investments may fluctuate significantly. We cannot assure you that we can recognize comparable fair value gains in the future, and we may, on the contrary, recognize fair value losses, which would affect the results of our operations for future periods. In addition, the valuation of fair value changes of financial assets at fair value through profit or loss is subject to uncertainties in estimations. Such estimated changes in fair values involve the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the financial assets at fair value through profit or loss valuation has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in significant fluctuations in profit or loss from period to period.

We are subject to risks relating to litigations and disputes with employees, competitors, business partners or other parties, which could adversely affect our business, financial condition, results of operations and prospects.

We may be subject to disputes or claims of various types brought by various external or internal parties. In particular, we could be subject to future labor disputes and adverse employee relations under the new Interpretation II issued by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labour Dispute Cases which comes into effect on 1 September 2025, which provides updated guidance on the trial of labor dispute cases. Such disputes and any future labor disputes and adverse employee relations could result in legal proceedings and lead to reputational harm, monetary damages, interruptions of our operation or diversion of managerial attention.

We may also be subject to disputes with our competitors, suppliers, business partners or governmental entities relating to contractual disputes, IP right infringements or legal compliance. Such claims and disputes may evolve into litigations or law enforcement actions. We cannot guarantee that we will not be subject to legal proceedings in the ordinary course of business. Legal proceedings are distractive and expensive as it may cause us to incur defense costs, utilize a significant portion of our resources and divert managerial attention from our day-to-day operations, any of which could harm our business. In the case of an adverse verdict, we may be required to pay significant monetary damages, assume significant liabilities or suspend or terminate parts of our operations. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business may be adversely affected by inadequate protection of intellectual property rights and/or claims by third parties for possible infringement of their rights.

We believe that our intellectual property rights are crucial to our success. We depend, to a significant extent, on intellectual property laws of the countries and regions where we operate to protect our trademarks, patents or other intellectual property rights. There is no assurance that third parties will not infringe our intellectual property rights such as through the production and sale of counterfeit products. There is no assurance that we will always be able to identify cases of infringement or potential infringement of our intellectual property rights. If there are counterfeits of our branded products on the market, the image of our brands and our reputation as to quality may be adversely affected. Further, our efforts in enforcing or defending our intellectual property rights may not be adequate, and enforcing or defending such rights may require significant attention from our management team and may be costly. The outcome of any legal action to protect or safeguard our intellectual property rights may adversely affect our business, financial condition, results of operations and prospects.

Third parties, including our competitors, may believe that our products have infringed their intellectual property rights and initiate legal proceedings against us. If any legal proceeding against us for infringement of intellectual property rights is successful, we may be ordered to cease carrying on such infringing behavior. Intellectual property litigation against us may have a material adverse impact on our business and results of operations. Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable judgment in all legal cases, in which case we may need to pay damages or be forced to cease using certain technologies or content that are critical to our products. Any resulting liabilities or expenses or any changes to our products that we have to make to limit future liabilities may have a material adverse effect on our business, results of operations and prospects.

We may not have sufficient insurance coverage to cover our potential liability or losses, and as a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise.

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had not maintained product liability insurance, and do not carry any business interruption or litigation insurance. See "Business — Insurance" in this prospectus. We cannot guarantee that a product liability claim or other litigation will not be brought against us in the future, or that we will be able to purchase product liability insurance or other related insurance on acceptable terms. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure, packaging facilities or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business, financial conditions, results of operations and prospects may be materially and adversely affected.

Our operations and those of our production partners are vulnerable to natural disasters and other events beyond our control, the occurrence of which may have an adverse effect on the supply chain of our suppliers and on our facilities, personnel and results of operations.

Our business operations are faced with numerous risks and dangers, including capacity constraints, labor strikes, fire, natural disasters (e.g. earthquakes, typhoons), environmental or occupational disasters. Any of these events could have a material adverse effect on our business.

We have owned and leased properties in the PRC, Japan and Belgium which could suffer significant business disruption due to earthquakes or other natural disasters. We are currently not covered by insurance against such business disruption. In the event of a natural disaster, we could face substantial costs related to repairs, operational downtime, and potential loss of revenue. Additionally, disruptions at our packaging facility in the PRC could have cascading effects on our supply chain and ability to meet customer demands, which may adversely affect our financial condition and results of operations. Similarly, the manufacturing facilities of some of our suppliers are principally located in regions susceptible to risks of war, earthquake and typhoon, and their production capacity may be reduced or eliminated due to such disasters. In addition, an outbreak of epidemic in the human population, or another similar health crisis, could adversely affect the economies and financial markets of entire regions, particularly in Asia. Moreover, any related disruptions to transportation or the free movement of persons could hamper our operations and force us to close our offices temporarily.

The occurrence of any of the foregoing or other natural or man-made disasters could cause damage or disruption to us, our employees, operations, markets, and customers, which could result in significant delays in deliveries or substantial shortages of our products and could adversely affect our business, financial condition, results of operations or prospects.

RISKS RELATING TO DOING BUSINESS IN THE MARKETS IN WHICH WE OPERATE

Our business, financial condition and results of operations may be materially and adversely affected by international policies, export controls and economic sanctions.

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries.

In particular, U.S. sanctions targeting China-based technology companies, including economic restrictions, may directly or indirectly affect our business. The Office of Foreign Assets Control ("**OFAC**") of the Department of Treasury of the United States administers U.S. sanctions programs against targeted countries, entities and individuals, which prohibits U.S. companies or U.S. persons from engaging in any transaction with or providing any goods or services for the benefit of the targeted country, entity or individual.

In addition to sanctions measures, the United States has imposed export controls measures that directly or indirectly affect China-based technology companies. Since October 2022, the Bureau of Industry and Security ("**BIS**") of the U.S. Department of Commerce issued various interim final rules aimed at limiting China's access to advanced computing integrated circuits, supercomputers, and advanced semiconductor manufacturing.

In addition to the restrictions introduced above, the BIS also maintains lists of individuals and entities subject to enhanced export control restrictions. One such list, the Entity List, includes foreign persons on whom specific trade restrictions are imposed, such as businesses, research institutions, government and private organizations, individuals, and other legal entities. In recent years, the United States has added an increasing number of entities, including several in China, to the Entity List and other restricted or prohibited parties' lists. Due to the sudden and unpredictable nature of these decisions, it is challenging to foresee developments in this area. The United States has recently strengthened export control and economic sanctions on China, including adding certain PRC entities or individuals onto Entity List and other sanctions lists that limit their access to certain U.S.-origin goods, software, and technologies, items that contain certain portions of U.S.-origin controlled goods, software or technologies, and foreign direct products of certain U.S.-origin software, technologies or equipment. Moreover, as our products become more technologically advanced, there is a greater likelihood of sanctions and export controls regulations restricting our ability to obtain the components or technologies necessary to produce them or otherwise to export or transfer our products. Even if our products are not directly targeted by these types of sanctions and export controls, and our raw material procurement has not been subject to U.S. export controls, we may nonetheless face higher costs and expenses in our supply chain due to new sanctions and export controls measures as our customers and business partners may be negatively affected by sanctions and export controls measures directed at China.

Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Targets. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the European Union, the United Kingdom, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of our Group. During the Track Record Period, we entered into certain transactions with the SDN Customer, which was added to the SDN List in December 2023. According to the publicly available information, as of the Latest Practicable Date, CIOMP holds 11.16% of the shares of the SDN Customer. Our sales to the SDN Customer amounted to RMB3.7 million, RMB7.5 million and nil, respectively, for each year during the Track Record Period. Our last transaction with the SDN Customer was completed in December 2024, and since then, we have ceased all transactions with the SDN Customer. For details on our business operations in the Regions subject to International Sanctions, please see "Business — Business activities subject to International Sanctions" in this prospectus.

Furthermore, the Department of Treasury of the United States released a final rule imposing restrictions on U.S. outbound investment in Chinese companies active in developing certain national security technologies (the "**Final Rule**") on October 28, 2024, which has taken effect on January 2, 2025. It imposes additional diligence responsibilities, record-keeping and notification requirements and restrictions on U.S. person and their controlled foreign entities engaging in certain transactions with entities or persons associated with Chinese Mainland, Hong Kong and Macau that performing defined activities relating to semiconductors and microelectronics, quantum information technologies or artificial intelligence, such entities and persons are collectively referred to as "covered foreign persons" in the Final Rule. Such transactions with a covered foreign person are referred to as "covered transactions" in the Final Rule, which include acquisition of an equity interest in, provision of certain debt financing to, and entrance into a joint venture with a covered foreign person, as well as make certain investments as a limited partner in a non-U.S. person pooled investment fund that likely will invest in a covered foreign person. Depending on the covered foreign person's specific activities relating to the aforementioned three sectors, U.S. persons subject to the Final Rule are either prohibited from making a covered transaction, which is referred to as "prohibited transaction" in the Final Rule, or required to report a covered transaction, which is referred to as "notifiable transaction" in the Final Rule.

Further, in light of the additional frequently asked questions ("**FAQs**") released by the Department of Treasury of the United States on December 23, 2025, specifically FAQ X.4, our International Sanctions Counsel has advised that the acquisition of equity interests in a "covered foreign person" may qualify as an "excepted transaction" under 31 C.F.R. § 850.501(a)(1)(i) if such interests are publicly traded at the time of acquisition. Based on this FAQ, we believe that U.S. persons acquiring our H Shares through this Global Offering should generally fall within the "publicly traded security" exception, provided they do not obtain rights beyond standard minority shareholder protections. While the Final Rule remains silent on the precise definition of the "time of acquisition," our International Sanctions Counsel considers it reasonable to interpret this as the point of settlement. Consequently, as long as settlement occurs after the commencement of public trading on the Listing Date, such H Shares should be treated as publicly traded securities. However, potential U.S. investors should note that the applicability of this exception remains subject to uncertainty if settlement is finalized prior to the official commencement of trading (for instance, in the context of certain Hong Kong Offer Shares).

Recent increases in U.S. tariffs and heightened global trade tensions may adversely affect our international expansion and business performance.

In light of our strategic efforts to expand into international markets, we are increasingly exposed to global trade policy developments and geopolitical tensions. Recently, the United States government announced a series of tariff increases on imports from China. Since February 2025, a baseline 30% IEEPA tariff had been imposed on all imports from China which included a 10% tariff related to reciprocal tariff according to the Joint Statement on U.S.-China Economic and Trade Meeting in Geneva issued on May 12, 2025. As of April 11, 2025, the IEEPA 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 additional tariffs on U.S. goods to as high as 125%. On May 12, 2025, the U.S. and China governments jointly announced a significant reduction in tariffs, with U.S. IEEPA tariff rate on imports from China falling from 145% to 30%, and Chinese tariff rate on imports from U.S. falling from 125% to 10%. Other planned tariff increases have been temporarily suspended. On August 12, 2025, the President of the United States signed an executive order extending the suspension of heightened tariffs on China for another 90 days until November 10, 2025. Following the U.S.-China leaders' trade negotiations in South Korea on October 30, 2025, the United States and China announced steps to pause certain tariff escalations. On November 4, 2025, the President of the United States issued executive orders that, among other things, continue the suspension of heightened China-specific reciprocal tariff rates through November 10, 2026, thereby maintaining the 10% reciprocal tariff on imports from China during that period. More recently, on February 20, 2026, the U.S. Supreme Court ruled that the IEEPA does not authorize the U.S. President to impose ad valorem tariffs, thereby invalidating the IEEPA-based tariffs and the reciprocal tariffs, including the rates applied to China as modified pursuant to the October 30, 2025 agreement. Following the invalidation of the IEEPA tariffs, the U.S. Administration issued an executive order formally terminating the IEEPA tariffs and imposed a replacement 10% baseline tariff under Section 122 of the Trade Act of 1974. The tariff under Section 122 of the Trade Act of 1974 took effect on February 24, 2026, with exemptions for certain categories of products, including certain critical minerals, metals, electronics and semiconductor articles, and is scheduled to remain in force for a period of 150 days, unless earlier modified or extended. The Section 122 of the Trade Act of 1974 authorizes the U.S. President to impose a temporary import surcharge up to 15% for a period not exceeding 150 days unless otherwise extended. The U.S. President has indicated in public statements that the tariff under Section 122 of the Trade Act of 1974 will be increased to 15% for the effective period. However, as of the Latest Practicable Date, the official proclamation provides for the tariff under Section 122 of the Trade Act of 1974 at a rate of 10%. The United States and China are engaged in ongoing trade discussions, but there is no assurance that the higher tariffs will be suspended further or that a long-term agreement will be reached, and there is no assurance that the tariff policy will remain in its current form. Based on the nature of goods, other tariffs such as Section 301 tariff or antidumping and countervailing tariff might apply.

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, 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 adjust our pricing strategies due to the changes of competition dynamics, our business, financial conditions and results of operation will be adversely affected. In each year during the Track Record Period, our sales to the U.S. market accounted for approximately 3.2%, 2.5% and 2.7% of our total revenue. During the Track Record Period, we did not bear any import tariff in terms of our overseas sales as export orders in the ordinary course of our business are mainly fulfilled on an EXW (Ex Works) and FCA (Free Carrier) term, under which the responsibility for tariffs lies with the purchaser. 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 may increase our U.S. customers' purchase costs of our products and hence lower our competitiveness.

Expiration of, or changes to, certain government incentives, government grants and preferential tax treatments, which we are entitled to, could adversely affect our financial condition and results of operations.

We benefited from preferential tax treatment and government grants during the Track Record Period. The PRC EIT Law and its implementation rules have adopted a statutory enterprise income tax rate of 25%. However, the income tax of an enterprise entitled to preferential tax treatment can be reduced to a rate ranging from 10% to 15%. In addition, under the relevant regulations, additional tax deduction is allowed for qualified R&D costs during the Track Record Period. During the Track Record Period, our entitlement to preferential tax treatments amounted to around RMB15 million to 40 million in each period. See "Financial Information — Description of Major Components of Our Results of Operations — Income Tax Expense" in this prospectus. If we cease to be entitled to preferential tax treatment or if the relevant PRC laws and regulations change, our income tax expenses may increase, which would adversely affect our financial condition and results of operations.

During the Track Record Period, we recorded government grants of RMB15.8 million, RMB33.2 million and RMB34.0 million in 2023, 2024 and 2025, respectively, which mainly consist of specific subsidies and other subsidies. See "Financial Information — Period-to-Period Comparison of Results of Operations — Other Income and Gains" in this prospectus. We cannot assure you that we will continue to receive and benefit from such grants in the future.

Fluctuations in exchange rates could result in foreign currency exchange losses and would have an adverse effect on our business and investors' investments.

The exchange rate of Renminbi against the Hong Kong dollar, U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, changes in international political and economic conditions, as well as supply and demand in the local market. There is no assurance that, under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. It is difficult to predict how market forces or government policies may impact the exchange rates in the future.

Moreover, as we continue to expand our international operations, we will become increasingly exposed to the effects of fluctuations in currency exchange rates. In 2023 and 2024, we recorded net foreign exchange losses of RMB0.9 million and RMB2.6 million, respectively. In 2025 we recorded net foreign exchange gain of RMB1.6 million.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of Renminbi against the U.S. dollar, Hong Kong dollar or any other foreign currency may result in a decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms. Remittances of Renminbi into and out of China are subject to strict restrictions.

We are subject to potential material and adverse effects in respect of defects in our existing properties owned and leased in the countries and regions where we operate.

As of the Latest Practicable Date, we leased five buildings with an aggregate gross floor area of approximately 17,269.0 sq.m as our offices, packaging facility and R&D facility in the PRC. As of the Latest Practicable Date, we had not completed the registration of four lease agreements for these leased buildings with the relevant competent authorities in accordance with applicable laws and regulations in

China. As advised by our PRC Legal Advisor, if we or the landlords fail to register such lease agreements for our leased buildings as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreement. The maximum potential fine for such non-compliance is RMB40,000 based on the number of leased properties that have not been registered as of the Latest Practicable Date. There can be no assurance that the relevant government authorities would not impose administrative penalties on us as a result of the non-registration of these lease agreements.

In addition, the lessor of one of our leased properties with an aggregate gross floor area of 13,307.3 sq.m. was unable to provide a valid title certificate as of the Latest Practicable Date. As advised by our PRC Legal Advisor, it is the lessors' responsibility to obtain the title certificate, we, as the lessee, will not be subject to any administrative penalties for the lessors' failure to obtain relevant title certificate. Moreover, the validity of the lease contract is not affected as land use right certificate (土地使用權證) and construction planning permit (建設工程規劃許可證) were obtained for such leased property. See "Business — Our Properties — Leased Properties — Title Defects" in this prospectus. We may not be able to continue to use such property if the validity of such lease is challenged by third parties. In such a scenario we will have to relocate to other premises, which could result in additional costs. We cannot assure you that in the future, we may not encounter such challenges. In addition, in the event of relocation, the additional costs could adversely affect our daily operation and cause an impact on our financial condition.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and a substantial portion of our business, assets and operations are located in China. In addition, the majority of our Directors and executive officers reside in China, and substantially all of the assets of such Directors and executive officers are located in China. As a result, it may not be possible for you to directly effect service of process upon us or such Directors or executive officers who reside in China, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. In addition, the lack of mutual recognition and enforcement of judicial decisions and rulings across different jurisdictions may also pose difficulties in enforcing the judgments against us. Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and 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》) effective on January 29, 2024, promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court.

China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in China or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between China and the country where the judgment was made.

If the required SAFE registrations for employee share incentive plans are not completed in a timely manner, the PRC plan participants or us may be subject to fines and other legal or administrative sanctions.

Pursuant to the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plan of Overseas Publicly-Listed Company (國家外匯總局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知) promulgated by SAFE on February 15, 2012, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any share incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We, our Directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted share-based payment awards will be subject to these regulations when we become an overseas listed company upon the completion of this offering. If the required SAFE registrations are not completed in a timely manner, we, our Directors, executive officers and employees may be subject to to fines and legal sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our Directors, executive officers and employees under PRC law.

The State Administration of Taxation of the PRC also issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The domestic qualified agent has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

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

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

Foreign individual holders of our H Shares are subject to PRC income tax and there are uncertainties as to the PRC tax obligations of foreign enterprises holding our H Shares.

Under current PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to our dividends paid to them and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate under Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》). Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, a withholding tax rate of 10% shall apply to the dividends paid by a company listed in Hong Kong to foreign individuals according to the treaties. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (b) withhold such foreign individual income tax at the applicable tax rate if the applicable tax rate is between 10% and 20%; or (c) withhold such foreign individual income tax at a rate of 20% if no double taxation treaty is applicable.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those which have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are ordinarily subject to PRC enterprise income tax at a 20% rate. In accordance with 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 SAT, such tax rate has been reduced to 10%, subject to a further reduction under a special arrangement or 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 may be amended from time to time, and all non-PRC resident individual holders may be subject to PRC individual income tax at a flat rate of 20%.

In addition, the PRC's tax authorities may amend the interpretation and application of applicable PRC tax laws and regulations, including the taxation of capital gains by non-PRC resident enterprises, individual income tax on dividends paid to non-PRC resident shareholders holding our H Shares, and on gains realized on the sale or other disposition of our H Shares. The PRC's tax laws and regulations may also change. If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your investment in our H Shares may be materially affected.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares may be volatile.

Prior to the Global Offering, there has been no public market for our H Shares. The Offer Price may differ significantly from the market price of the H Shares following this Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop or, if it does develop, that it will be sustained following the Global Offering or that the market price of our H Shares will not decline following the Global Offering. In addition, the trading price and trading volume of the H Shares may be subject to significant volatility as a result of various factors, including but not limited to: (a) variations in our operating results or differences between our operating results and those anticipated by investors and analysts; (b) changes in securities analysts' estimates of our financial performance; (c) announcements made by us or our competitors; (d) regulatory or market changes in the PRC affecting us or the industries in which we participate; (e) any business interruptions resulting from natural disasters or accidents; (f) investors' perception of us and of the investment environment in Asia, including Hong Kong and the PRC; (g) announcements of or completions of acquisitions, strategic alliances or joint ventures by us or our competitors; (h) additions to, or departure of, our key personnel; (i) release or expiration of lock-up or other transfer restrictions on our Shares or sales or perceived sales of additional Shares by us or other Shareholders; (j) liability claims brought against us; (k) potential litigation or regulatory investigation; and (l) general political, economic, financial, social development and stock market conditions and other factors.

Moreover, the securities market has from time to time experienced significant price and trading volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. These broad market and industry fluctuations may have a material and adverse effect on the market price and trading volume of our H Shares.

The market prices and trading volume of our H Shares may be volatile, which could result in substantial losses to you.

The market prices and trading volume 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 performances of and fluctuations in the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatilities in the price and trading volumes of our H Shares. A number of 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 China-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. These broad market and industry factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of a substantial number of H Shares in the public market could materially and adversely affect the prevailing market price of our H Shares and our ability to raise additional capital in the future.

The future sale of a significant number of our H Shares in the public market after the Global Offering, or the perception or anticipation of such sales, by any one of our Shareholders could materially and adversely affect the market price of our H Shares and could materially impair our future ability to raise capital in the future at a time and price that we deem appropriate. Although our Controlling Shareholders have agreed to a lock-up of its Shares, any major disposal of our Shares by the Controlling Shareholders upon expiry of the relevant lock-up periods or the perception that these disposals may occur may cause the market price of our H Shares to fall which could negatively impact our ability to raise equity capital in the future.

Potential conversion of Unlisted Shares into H Shares may result in an increase in the number of H Shares available in the market, which in turn affects the price of H Shares.

Subject to approval by the CSRC, Unlisted Shares may be listed or traded on an overseas securities exchange. Any listing or trading of the abovementioned Shares on an overseas securities exchange shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities exchange. Unless otherwise required by the overseas securities exchange, there is no requirement for the listing and trading of the above-mentioned Shares to be approved in a class meeting of our Company. For details, see "Share Capital — Conversion of Our Unlisted Shares into H Shares" in this prospectus. Potential conversion of a substantial amount of Unlisted Shares into H Shares could further increase the supply of H Shares in the market and could have a material and adverse impact on the market price of H Shares.

We may not be able to pay any dividends on our H Shares.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our results of operations, cash flows and financial conditions, capital adequacy levels, operating and capital expenditure requirements, distributable profits as determined under the PRC GAAP, the HKFRS, our Articles of Association, the PRC Company Law, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, taxation, regulatory restrictions and any other factors determined by our Board of Directors from time to time to be relevant to the declaration or suspension of dividend payments. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See "Financial Information — Dividend" in this prospectus for details.

If securities or industry analysts do not publish research reports about us, or if they adversely change their recommendations regarding our H Shares, the market price and trading volume of our H Shares may decline.

The trading market of our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume of our H Shares to decline.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters.

The words "aim," "anticipate," "believe," "can," "continue," "could," "expect," "going forward," "intend," "ought to," "may," "might" "plan," "potential," "predict," "project," "seek," "should" "will," "would," and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this prospectus. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

This prospectus include industry data, forecasts and statistics that are derived from various official government publications and may not be accurate, complete or up to date.

This prospectus includes industry fact, forecasts and statistics relating to our industry. Certain facts, forecasts and statistics are derived from various official government publications. The information from official government sources has not been independently verified by us or any other parties involved in the Global Offering, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the Global Offering and no representation is given as to its accuracy.

You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles and other media regarding us and the Global Offering.

Prior to the publication of this prospectus, there has been and there may also be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us, our business, our industries and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. Such press and media coverage may include references to information that do not appear in this prospectus or is inaccurate. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

Our Controlling Shareholders may exert substantial influence over our operation and may not act in the best interests of our public Shareholders.

Immediately following completion of the Global Offering (and assuming that the Over-allotment Option is not exercised at all), our Controlling Shareholders, will control approximately 42.1% of the total share capital of our Company. For details, please see "Relationship with Our Controlling Shareholders" in this prospectus. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions. They will also have veto power with respect to any shareholder action or approval requiring a majority vote except where they are required by relevant rules to abstain from voting. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of the Group that would otherwise benefit our Shareholders. The interests of our Controlling Shareholders may not always align with our Company or the interest of our Shareholders as a whole. If the interests of our Controlling Shareholders conflict with the interests of our Company or our other Shareholders, or if our Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of our Company or other Shareholders, our Company or those other Shareholders, including you, may be disadvantaged as a result.

For the purpose of the Listing, we have sought the following waivers from the Stock Exchange in relation to certain requirements from the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by the Stock Exchange in its discretion. Given that we are headquartered in the PRC with our principal business operation principally located, managed and conducted in the PRC and all of our executive Directors are not ordinarily resident in Hong Kong, it would be practically difficult and commercially unfeasible for us to either relocate two of our executive Directors to Hong Kong or to appoint two additional executive Directors who are ordinarily resident in Hong Kong in order to comply with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules. Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules on the following conditions:

- our Company will appoint two authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules, namely, Dr. Zhang, an executive Director and Ms. PUN Kim Ying, one of our joint company secretaries, who will act as our Company's principal channel of communication with the Stock Exchange. Ms. PUN Kim Ying is ordinarily resident in Hong Kong. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the Authorized Representatives is authorized by our Board to communicate on behalf of our Company with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance, and Ms. PUN Kim Ying has been authorized to accept service of legal process and notice in Hong Kong on behalf of our Company;

- each of the Authorized Representatives has means to contact all members of our Board (including the independent non-executive Directors) and our senior management team promptly at all times as and when the Stock Exchange wishes to contact them or any of them for any matters. To enhance the communication amongst the Stock Exchange, the Authorized Representatives and our Directors, our Company will implement a number of policies whereby (i) each Director shall provide his/her mobile phone number, office phone number and email address to the Authorized Representatives; (ii) in the event that such Director expects to travel and be out of office, he/she shall provide the phone number of the place of his/her accommodation to the Authorized Representatives; and (iii) all our Directors and the Authorized Representatives will provide their respective mobile phone numbers, office phone numbers and email addresses to the Stock Exchange. We shall promptly inform the Stock Exchange of any changes to the contact details of the Authorized Representatives and our Directors;

- Guotai Junan Capital Limited has been appointed as our Company's compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, to provide our Company with professional advice on continuing obligations under the Listing Rules, and to act at all times, in addition to the Authorized Representatives, as our Company's additional channel of communication with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules and publishes its annual report in respect of its first full financial year commencing after the Listing Date. The contact person of the compliance advisor will be fully available to answer enquiries from the Stock Exchange;

- each of our Directors (including independent non-executive Directors) who is not ordinarily resident in Hong Kong has confirmed that he/she possesses or can apply for valid travel documents to visit Hong Kong and would be able to meet with the Stock Exchange in Hong Kong upon reasonable notice; and
- our Company will also appoint other professional advisors (including its legal advisors in Hong Kong) after the Listing to assist our Company in addressing any enquiries which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that 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); and (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that, 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/she played; (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and The Codes on Takeovers and Mergers and Share Buy-backs; (c) relevant training taken and/or to be taken in addition to the minimum requirements under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

We have appointed Dr. Zhang as one of our joint company secretaries. Dr. Zhang is our executive Director and Board Secretary and has been assisting the chairman of our Board in handling various finance and corporate matters for years but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules. Thus, Dr. Zhang may not be able to fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. PUN Kim Ying, an associate of The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries), who fully meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary of our Company. Ms. PUN Kim Ying will provide assistance to Dr. Zhang for an initial period of three years from the Listing Date to enable Dr. Zhang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Further, both the compliance advisor and the Hong Kong legal advisor of our Company will assist Dr. Zhang in relation to Hong Kong corporate governance practices and regulatory compliance, ongoing compliance obligations under the Listing Rules and the applicable laws and regulations as and when required. In addition, Dr. Zhang will endeavor to attend relevant trainings and familiarize herself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Pursuant to Chapter 3.10 of the Guide For New Listing Applicants issued by the Stock Exchange, the waiver has been granted for an initial period of three years from the Listing Date (the "**Waiver Period**"), and has been granted on the conditions that (i) we engage Ms. PUN Kim Ying, who possesses all the requisite qualifications under Rule 3.28 of the Listing Rules, to assist Dr. Zhang in discharging her duties as a joint company secretary and in gaining the "relevant experience" as required under Note 2 to Rule 3.28 of the Listing Rules throughout the Waiver Period; and (ii) the waiver will be revoked immediately if there are material breaches of the Listing Rules by our Company or if Ms. PUN Kim Ying ceases to provide assistance to Dr. Zhang during the Waiver Period.

Before the expiration of the initial three-year period, the qualifications of Dr. Zhang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for on-going assistance will continue. It is expected that Dr. Zhang will be able to fulfill all the requirements stipulated at the end of the initial three-year period.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF OFFER SHARES BY CONNECTED CLIENTS

Paragraph 1C(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 1B of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will ordinarily give its consent for allocation to connected clients if it is satisfied that: (i) the allocation to a connected client represents genuine demand for securities of an applicant; and (ii) the connected client has not taken and will not take advantage of its position to receive an allocation for its own benefit at the expense of other placees or the public (i.e., no actual or perceived preferential treatment has been given to such connected client).

Each of Fullgoal Asset Management (HK) Limited ("**Fullgoal HK**") and Fullgoal Fund Management Co., Ltd. ("**Fullgoal Fund**") has entered into a cornerstone investment agreement with the Company, the Joint Sponsors and the Overall Coordinators to subscribe for the Offer Shares. Fullgoal HK is a wholly owned subsidiary of Fullgoal Fund, which is owned by Guotai Haitong Securities Co., Ltd. (stock code: 2611.HK/601211.SH) ("**Guotai Haitong**") as to 27.775%. Guotai Junan Securities (Hong Kong) Limited ("**GTJA Securities**"), one of the Overall Coordinators and Underwriters of the Global Offering, is a subsidiary of Guotai Haitong. As advised by Fullgoal HK and Fullgoal Fund, each of Fullgoal HK and Fullgoal Fund is considered as a member of the same group of companies as GTJA Securities and therefore is a "connected client" of GTJA Securities for the purpose of paragraph 1B of Appendix F1 to the Listing Rules.

China Asset Management (Hong Kong) Limited ("**ChinaAMC (HK)**") has entered into a cornerstone investment agreement with the Company, the Joint Sponsors, and the Overall Coordinators to subscribe for the Offer Shares. CLSA Limited, one of the Overall Coordinators and Underwriters of the Global Offering, is an indirect wholly-owned subsidiary of CITIC Securities Company Limited. ChinaAMC (HK) is a member of the same group of companies as CLSA Limited and therefore is a "connected client" of CLSA Limited for the purpose of paragraph 1B of Appendix F1 to the Listing Rules.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit each of Fullgoal HK, Fullgoal Fund and ChinaAMC (HK) (collectively, the "**Connected Client Cornerstone Investors**") to participate in the Global Offering as Cornerstone Investor on the following basis and conditions as set out in Paragraph 6 of Chapter 4.15 of the Guide:

(a) any Offer Shares to be allocated to each of the Connected Client Cornerstone Investors will be held on behalf of independent third parties;

(b) each of GTJA Securities and CLSA Limited has not participated, and will not participate, in the decision-making process or relevant discussions among the Company, the Underwriters and the Overall Coordinators as to whether Offer Shares will be allocated to the relevant Connected Client Cornerstone Investors;

(c) the cornerstone investment agreement does not contain any material term which is more favourable to the Connected Client Cornerstone Investors than those in other cornerstone investment agreements;

(d) no preferential treatment has been, nor will be, given to the Connected Client Cornerstone Investors by virtue of its relationship with GTJA Securities or CLSA Limited (as the case may be), other than the assured entitlement under the relevant cornerstone investment agreements;

(e) each of the Connected Client Cornerstone Investors confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with GTJA Securities or CLSA Limited (as the case may be), respectively, other than the assured entitlement under the relevant cornerstone investment agreements;

(f) each of the Company, the Overall Coordinators, the Connected Client Cornerstone Investors, GTJA Securities and CLSA Limited has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

(g) details of the cornerstone investments and details of the allocations will be disclosed in this prospectus and the allotment results announcement of our Company.

For further information about the relevant cornerstone investments, please refer to the section headed "Cornerstone Investors" in this prospectus.

WAIVER IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions with Luster and its subsidiaries which would constitute continuing connected transactions under the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirements pursuant to Rules 14A.105 of the Listing Rules for such continuing connected transactions with Luster Group. Please see "Continuing Connected Transactions" in this prospectus for details.

WAIVER IN RELATION TO SHAREHOLDING ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, our Company shall include in its accountant's report the results and balance sheet of any subsidiaries and/or businesses acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the Company have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to an investment agreement dated February 13, 2026, our Company agreed to acquire 4.17% equity interest in PiliBot (Hangzhou) Robot Technology Co., Ltd. *(霹靂貝(杭州)機器人科技有限公司) (the "**PiliBot Robot Technology**"), for a consideration of RMB2 million (the "**PiliBot Robot Technology Acquisition**"). For further details, please refer to the section headed "History, Development and Corporate Structure – Post-Track Record Period Acquisition" in this prospectus.

Pursuant to note 4 to Rules 4.04(4) of the Listing Rules and based on the following reasons, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the PiliBot Robot Technology Acquisition:

(a) **Immateriality of the PiliBot Robot Technology Acquisition**: PiliBot Robot Technology is an early-stage startup primarily engaging in the intelligence robotics research and development and was established on October 23, 2025 with minimal operating history. The scale of businesses operated by PiliBot Robot Technology as compared to that of our Group are immaterial. Each of the applicable percentage ratios in relation to the PiliBot Robot Technology Acquisition is well below 5% for the financial year ended December 31, 2025. Accordingly, the PiliBot Robot Technology Acquisition will not constitute discloseable transactions of our Company under Chapter 14 of the Listing Rules. Further, the PiliBot Robot Technology Acquisition will not be significant enough to require the preparation of pro-forma accounts under Rule 4.28 of the Listing Rules. As such, we are of the view that the PiliBot Robot Technology Acquisition is immaterial and do not expect it to have any material effect on our financial position.

(b) **Minority interest in PiliBot Robot Technology and Impracticality and unduly burdensome to disclose the financial information**: Upon completion of the PiliBot Robot Technology Acquisition, we held approximately 4.17% equity interest in PiliBot Robot Technology. In addition, we are only passive financial investor, and do not exercise any control over PiliBot Robot Technology at the board or shareholders' level. We are also not involved in the day to day management of PiliBot Robot Technology and only enjoy minority strategic shareholder rights. Our reporting accountants will unlikely gain full access to the financial information of the PiliBot Robot Technology to get fully familiarized with their accounting policies and to gather and compile the necessary financial information and supporting documents for disclosure in this prospectus. In addition, it is only an early-stage startup company with minimal operating history and no historical financial information is available. Therefore, it would be impracticable and unduly burdensome for our Company to disclose the financial information of the PiliBot Robot Technology.

(c) **Alternative disclosure**. With a view of allowing our potential investors to understand in greater details, we have provided information in relation to our investment in PiliBot Robot Technology in this prospectus that is comparable to the information required for a discloseable transaction under Chapter 14 of the Listing Rules, including, among others, (a) a general description of the principal business activities of PiliBot Robot Technology; (b) the consideration of the PiliBot Robot Technology Acquisition, the basis of the consideration and how the consideration were satisfied; and (c) reasons for and benefits of the PiliBot Robot Technology Acquisition. See "History, Development and Corporate Structure – Post-Track Record Period Acquisition" for more details.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors 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 and the Listing Rules for the purpose of giving information to the public with regard to the Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

CSRC FILING

On March 10, 2026, CSRC has issued a notification on our Company's completion of the PRC filing procedures for the listing of Shares on the Stock Exchange and the Global Offering. In issuing this notification, the CSRC does not accept responsibility for the financial soundness of our Company, or for the accuracy of any of the statements made or opinions expressed in this prospectus.

As advised by our PRC Legal Advisor, our Company has completed all necessary filings with CSRC prior to the Global Offering and the Listing.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 6,529,500 Offer Shares and the International Offering of initially 58,764,700 Offer Shares (subject, in each case, reallocation on the basis as set out in the section headed "Structure of the Global Offering" in this prospectus and, in case of the International Offering, any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around April 15, 2026. Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed "Underwriting" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

No action has been taken to permit a Hong Kong Public Offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than 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 and sales 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. Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to confirm, or be deemed by his acquisition of Hong Kong Offer Shares to confirm, that he is aware of the restrictions on offers and sales of the Offer Shares described in this prospectus. In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.

The Offer Shares are offered for subscription solely on the basis of the information contained and representations made in this prospectus, and on the terms and subject to the conditions set out herein and therein. No person is authorized in connection with the Global Offering to give any information, or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorized by the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, agents, affiliates or advisors or any other persons or parties involved in the Global Offering. For further details of the structure of the Global Offering, including its conditions, and the procedures for applying for Hong Kong Offer Shares, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for conversion of Unlisted Shares into H Shares, which involves 225,844,300 Unlisted Shares held by 22 existing Shareholders. See ''History, Development and Corporate Structure'' and ''Share Capital'' for details of our existing Shareholders and their respective interests in our Company and relevant procedures for the conversion of Unlisted Shares into H Shares. Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing. The conversion of Unlisted Shares into H Shares has been approved by the CSRC on March 10, 2026 and is still subject to approval by the Stock Exchange.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for the Hong Kong Offer Shares is set forth in "How to Apply for Hong Kong Offer Shares" in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares to be converted from the Unlisted Shares in issue, the Offer Shares to be issued by us pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme.

Dealing in the Shares on the Stock Exchange is expected to commence on Friday, April 17, 2026. No part of our Shares or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the Hong Kong register of members of the Company in order to enable them to be traded on the Stock Exchange.

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, our 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 the Company by or on behalf of the Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. in Hong Kong on Friday, April 17, 2026, it is expected that the dealings in our H Shares on the Stock Exchange will commence on Friday, April 17, 2026. The H Shares will be traded in board lots of 100 H Shares each, the stock code of the H Shares will be 3277.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed "Structure of the Global Offering" in this prospectus. Assuming that the Over-allotment Option is exercised in full, our Company may be required to issue up to an aggregate of 9,794,100 additional H Shares.

H SHARES THAT WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of subscribing for, purchasing, holding or disposing of, and dealing in, our H Shares or exercise any rights attached to them, you should consult an expert.

We emphasize that none of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, or us, any of our or their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liability of, any person resulting from the subscription for, purchase, holding, disposition of, or dealing in, the H Shares or the exercise of any rights in relation to the H Shares.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed our H Share Registrar, and our H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until such holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

— agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the PRC Company Law and our Articles of Association;

— agrees with us, each of our Shareholders, Directors, managers and officers, and we, acting for ourselves and for each of our Directors, managers and officers agree with each of our Shareholders, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration in accordance with our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive. For further details, see "Appendix IV — Summary of PRC Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association" in this prospectus;

— agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof according to our Articles of Association; and

— authorizes us to enter into a contract on his or her behalf with each of our Directors, managers and officers whereby such Directors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as such term is defined in the Listing Rules) of any of the Directors or Supervisors of the Company or an existing Shareholder of the Company or a nominee of any of the foregoing.

EXCHANGE RATE CONVERSION

Solely for your convenience and reference only, this prospectus contains translations among certain Hong Kong dollars into Renminbi, of US dollars into Renminbi, of U.S. dollars into Hong Kong dollars, and of Singapore dollars to Hong Kong dollars. No representation is made, and no representation should be construed as being made, that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all. Unless indicated otherwise the translation of Hong Kong dollars into Renminbi, of U.S. dollars into Renminbi, of U.S. dollars into Hong Kong dollars, and of Singapore dollars into Hong Kong dollars, and vice versa, in this prospectus was made at the following rates:

HK1.00 to RMB0.8838

US1.00 to RMB6.9223

Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

LANGUAGE

In the event of any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus prevails. Translated English names of Chinese laws and regulations, governmental authorities, departments, entities (including certain of our subsidiaries), institutions, natural persons, facilities, certificates, titles and the like included in this prospectus and for which no official English translation exists are unofficial translation and for reference only.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

Name	Residential address	Nationality
DIRECTORS		
Executive Directors		
Dr. WANG Xinyang (王欣洋)	No. 6, Gutang Road Binjiang District Hangzhou Zhejiang Province PRC	Chinese
Dr. ZHANG Yanxia (張艷霞)	No. 4, Unit 1, Building 1 Area C Ruyi Community, Hubai Road Xincheng District, Hohhot Inner Mongolia Autonomous Region PRC	Chinese
Ms. WU Qinyun (鄔勤耘)	Building 11 Desheng Xincun Gongshu District, Hangzhou Zhejiang Province PRC	Chinese
Non-executive Directors		
Ms. YANG Yi (楊藝)	No. 38, Songshu Street Xicheng District Beijing PRC	Chinese
Dr. CHU Hairong (儲海榮)	Group 19, Guangming Instrument Factory Committee, Mingzhu Street Nanguan District, Changchun Jilin Province PRC	Chinese
Dr. XIONG Jingying (熊晶瑩)	Group 32, Chemical Geology Exploration Institute Committee, Mingzhu Street Nanguan District, Changchun Jilin Province PRC	Chinese

Name	Residential address	Nationality
Independent Non-executive Directors		
Dr. WANG Xinlu (王新路)	No. 104, Tianhe Road Tianhe District, Guangzhou Guangdong Province PRC	Chinese
Dr. XIE Ning (解寧)	Room 802, No. 11 Lane 238, Huoxiang Road Pudong New Area Shanghai PRC	Chinese
Dr. GAO Teng (高騰)	Flat R, 18th Floor Tower 2, The Avenue No. 200 Queen's Road East Wanchai Hong Kong	Belgian

Please see "Directors and Senior Management" in this prospectus for further details.

Joint Sponsors	**CITIC Securities (Hong Kong) Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Capital Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Sponsor-Overall Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Overall Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong

Joint Global Coordinators	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Joint Bookrunners	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Joint Lead Managers	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Capital Market Intermediaries	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Legal Advisors to our Company	*As to Hong Kong law* **Jia Yuan Law Office** Suites 3502–3503, 35/F Tower 1, Exchange Square 8 Connaught Place, Central Hong Kong

As to PRC law
Jia Yuan Law Offices
32 F, Building S1, The Bund Finance Center
No. 600, Zhongshan No. 2 Road (E)
Huangpu District, Shanghai
PRC

As to Japanese law
Oh-Ebashi LPC & Partners
Nakanoshima Festival Tower 27F
2-3-18 Nakanoshima, Kita-ku
Osaka 530-0005
Japan

As to Belgian law
ALTIUS BV
Havenlaan 86C B414 Avenue du Port
1000 Brussels
Belgium

As to International Sanctions Laws
King & Wood
10F, Building B4, Xinchen Lingang Center
Lane 9, North Yunjuan Road, Shengang Street
Pudong New District, Shanghai
PRC

Legal Advisors to the Joint Sponsors and the Underwriters

As to Hong Kong law
Jingtian & Gongcheng LLP
Suites 3203–3207, 32/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Jingtian & Gongcheng
45/F, K. Wah Centre
1010 Huaihai Road (M)
Xuhui District
Shanghai
PRC

Auditor and Reporting Accountants

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

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 West Nanjing Road Shanghai 200040 PRC
Independent Tax Consultant	**Ernst & Young (China) Advisory Limited** 50/F, Shanghai World Financial Center 100 Century Avenue Pudong New Area Shanghai China 200120
Compliance Advisor	**Guotai Junan Capital Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Receiving Bank	**China CITIC Bank International Limited** 79/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Registered Office	Office Buildings 1 and 5 Phase I, Optoelectronic Information Industrial Park No. 7691, Ziyou Road Changchun Economic and Technological Development Zone Jilin Province PRC
Headquarters and Principal Place of Business in the PRC	Office Buildings 1 and 5 Phase I, Optoelectronic Information Industrial Park No. 7691, Ziyou Road Changchun Economic and Technological Development Zone Jilin Province PRC
Principal place of business in Hong Kong	40th Floor Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Company's website	**www.gpixel.com** *(information contained in this website does not form part of this prospectus)*
Joint Company Secretaries	**Dr. ZHANG Yanxia (張艷霞)** Office Buildings 1 and 5 Phase I, Optoelectronic Information Industrial Park No. 7691, Ziyou Road Changchun Economic and Technological Development Zone Jilin Province PRC **Ms. PUN Kim Ying (潘劍瑩)** *(a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 40/F, Dah Sing Financial Centre No. 248 Queen's Road East, Wanchai Hong Kong
Authorized Representatives	**Dr. ZHANG Yanxia (張艷霞)** Office Buildings 1 and 5 Phase I, Optoelectronic Information Industrial Park No. 7691, Ziyou Road Changchun Economic and Technological Development Zone Jilin Province PRC

	Ms. PUN Kim Ying (潘劍瑩) 40/F, Dah Sing Financial Centre No. 248 Queen's Road East, Wanchai Hong Kong
Audit Committee	Dr. WANG Xinlu (王新路) *(Chairman)* Dr. XIE Ning (解寧) Dr. XIONG Jingying (熊晶瑩)
Remuneration and Appraisal Committee	Dr. XIE Ning (解寧) *(Chairwoman)* Dr. WANG Xinlu (王新路) Dr. ZHANG Yanxia (張艷霞)
Nomination Committee	Dr. WANG Xinyang (王欣洋) *(Chairman)* Dr. XIE Ning (解寧) Dr. WANG Xinlu (王新路)
Strategy Committee	Dr. WANG Xinyang (王欣洋) *(Chairman)* Dr. ZHANG Yanxia (張艷霞) Ms. WU Qinyun (鄔勤耘)
H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bank	**China Construction Bank Corporation Changchun Chaoyang Branch** No. 2568, Tongzhi Street Chaoyang District Changchun City Jilin Province PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the industry report commissioned by us and independently prepared by Frost & Sullivan, in connection with the Global Offering. In addition, certain information is based on, derived or extracted from, among other sources, publications of different government authorities and internal organizations, market statistics providers, communications with various the PRC government agencies or other independent third-party sources unless otherwise indicated. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading. The information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Underwriters, or any of their respective directors, advisers and affiliates, or any other person or parties involved in the Global Offering, and no representation is given as to their accuracy.

OVERVIEW OF CMOS IMAGE SENSOR MARKET

Definition of CIS

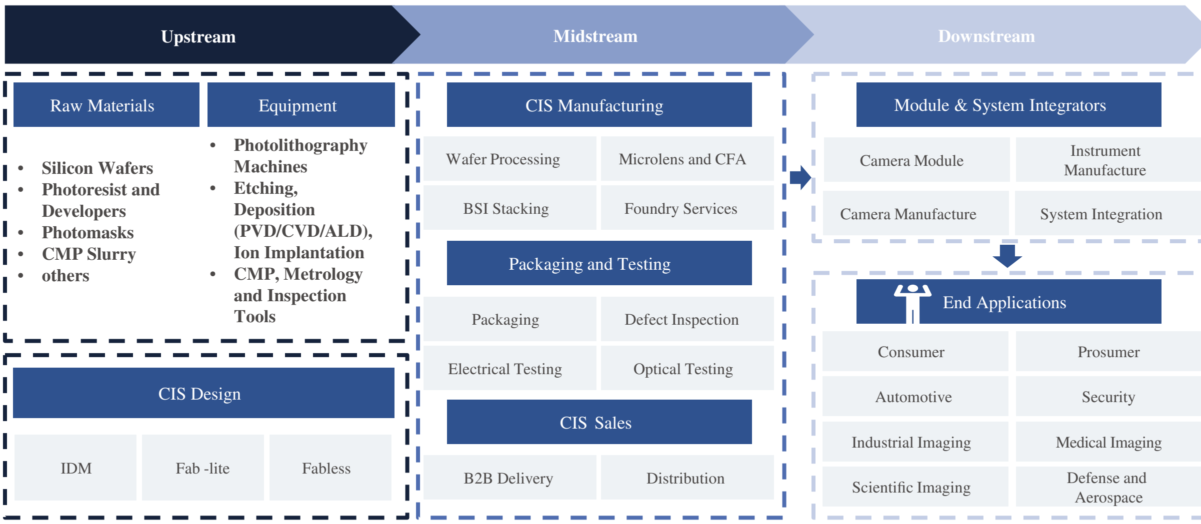
CIS is an optical sensor built using CMOS technology, designed to convert light signals into electrical signals, and subsequently into digital data through integrated readout circuits. As the core component of camera modules, CIS plays a critical role in applications such as consumer, prosumer, automotive, security, industrial imaging, medical imaging, defense and aerospace, and scientific imaging. Compared with traditional CCD sensors, CIS offers advantages like lower power consumption, higher integration, reduced cost, and higher frame rate, making it the dominant technology in current imaging market.

CIS is classified by structure into FSI, BSI and stacked CIS, with stacked CIS improving image quality by enlarging the pixel-layer sensing area, reducing circuit noise and enabling more functions. By exposure, CIS includes rolling shutter and global shutter, with global shutter preferred for industrial and high-speed imaging to avoid motion distortion. Differentiation is typically driven by advanced capabilities such as global shutter, HDR, low-noise design, high sensitivity across visible and non-visible bands (e.g., NIR/SWIR), and high frame rates. Applications span consumer electronics, prosumer cameras, automotive, security surveillance, industrial, medical and scientific imaging, and defense/aerospace. Consumer CIS is high-volume, price-sensitive and short-cycle, competing on cost and scale; non-consumer CIS targets specialized, high-precision use cases with larger optical formats, high-reliability packaging and premium performance, leading to longer cycles, higher customization and higher ASPs.

Value Chain of CIS

The CIS value chain includes upstream materials, equipment and design, midstream manufacturing and sales, and downstream modules, cameras and system integration. Design models include fabless, fab-lite and IDM. Manufacturing covers wafer processing, BSI stacking, microlens/CFA and foundry services, plus packaging and testing. Products are sold to camera manufacturers and OEMs, instrument producers or via distributors, serving industrial, medical, scientific, consumer, prosumer, automotive and defence uses.

The chart below sets forth the value chain of CIS market:



Source: Frost & Sullivan

OVERVIEW OF IDM AND FABLESS MODEL

Definition

IDM Model

The IDM model refers to semiconductor companies that integrate the entire value chain, including design, manufacturing, packaging, and testing, within their own facilities. This model allows for tighter process control, higher supply chain reliability, and strong vertical integration.

Fabless Model

Fabless model is a common operating model, where an enterprise focuses on sensor design, R&D, and sales, without owning or operating wafer fabrication plants (Fab).

Situation of model adoption in the market

In the CIS industry, the market has long been dominated by international IDM players serving applications across consumer, prosumer, security, automotive, industrial, medical, scientific, and defense/aerospace. As downstream use cases diversify, customization requirements rise, and outsourced manufacturing ecosystems mature, asset-light and fabless models are becoming important growth trends alongside IDMs. Fabless players are increasingly driving innovation and specialization, particularly in industrial, scientific, and medical segments where rapid technical response and high customization are critical. By collaborating with specialized foundries and packaging partners, fabless companies can respond more flexibly to market changes, build differentiated competitiveness, and reduce risks tied to heavy fixed-asset investment and capacity fluctuations.

Challenges of the Fabless Model Compared with IDM

Fabless CIS firms depend on external foundries, limiting manufacturing control and increasing exposure to capacity, materials and lead-time volatility. They also face more pressure on scheduling and cost. Multi-partner coordination can raise communication overhead and extend development cycles.

Fabless CIS companies rely on external foundries and therefore have limited control over manufacturing, making them more exposed to upstream capacity shortages, material disruptions, and lead-time volatility. Compared with IDMs that manage the end-to-end chain more autonomously, fabless players face greater pressure on capacity securing, delivery scheduling, and cost control. In addition, because performance optimization requires coordination across multiple external partners rather than an integrated in-house flow, fabless development can incur higher communication overhead, longer cycles, and occasional delays driven by external factors.

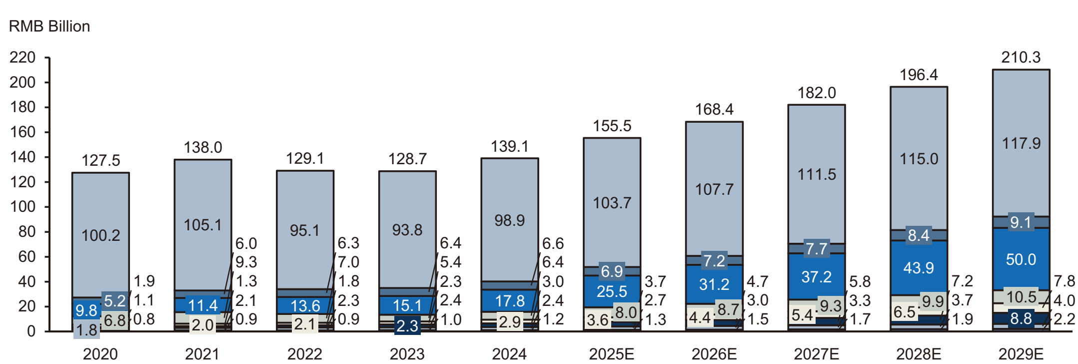
Market Size of Global CIS Market

From 2020 to 2024, global CIS revenue increased from RMB127.5 billion to RMB139.1 billion (CAGR 2.2%), with a 2021–2023 slowdown driven by weaker consumer electronics demand, channel destocking and pricing pressure after pandemic-era ordering. Consumer applications still accounted for over 71% in 2024, but the mix continued shifting toward higher-value segments: industrial imaging (2020–2024 CAGR 12.2%), medical imaging (29.1%) and scientific imaging (10.3%) grew faster than the overall market. Within consumer CIS, the share of high-end smartphones rose from 15.8% in 2020 to 25.6% in 2024, reflecting ongoing premiumization in the consumer market. CIS revenue in the high-end smartphone segment grew at a 2020–2024 CAGR of 12.4%, while the rest of the consumer sector recorded a CAGR of -3.4% over the same period. Looking ahead, revenue is projected to rebound from RMB155.5 billion in 2025 to RMB210.3 billion in 2029 (CAGR 7.8%), supported by demand recovery and rising contributions from automotive, industrial and medical applications. Growth is also driven by more cameras per vehicle, higher resolution and added functions, and ASP uplift from stacked CIS, global shutter, HDR and NIR/ToF adoption. By 2029, prosumer CIS is expected to reach RMB9.1 billion (CAGR 7.3%), medical RMB8.8 billion (24.0%), and industrial RMB7.8 billion (21.0%), while scientific imaging is forecast to accelerate to 12.7% CAGR. Industrial and scientific segments are expected to outperform due to factory automation and machine-vision penetration, specification upgrades and CCD-to-CMOS substitution, alongside more planned procurement cycles and lower exposure to consumer-driven inventory swings.

The chart below sets forth the market size of global CIS market:

Market Size of Global CIS Market, Breakdown by Application, by Sales Revenue 2020-2029E

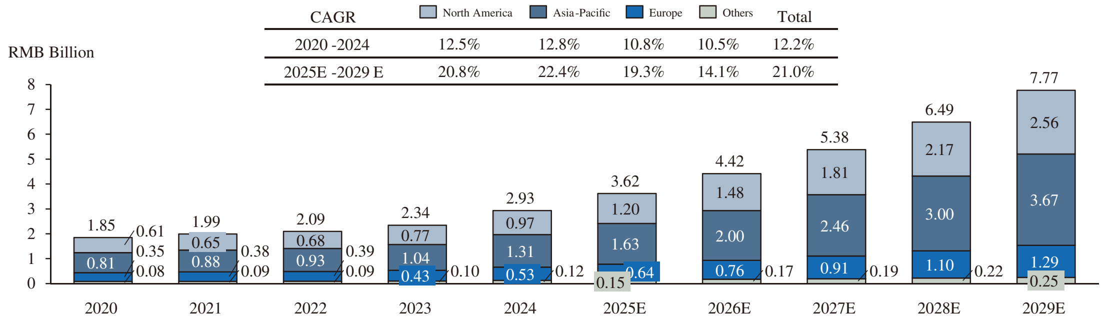
CAGR	Consumer	Prosumer	Automotive	Security	Industrial Imaging	Medical Imaging	Scientific Imaging	Defence & Aerospace	Total
2020-2024	-0.3%	5.9%	16.1%	-1.6%	12.2%	29.1%	10.3%	7.6%	2.2%
2025E-2029E	3.3%	7.3%	18.4%	6.9%	21.0%	24.0%	12.7%	10.0%	7.8%



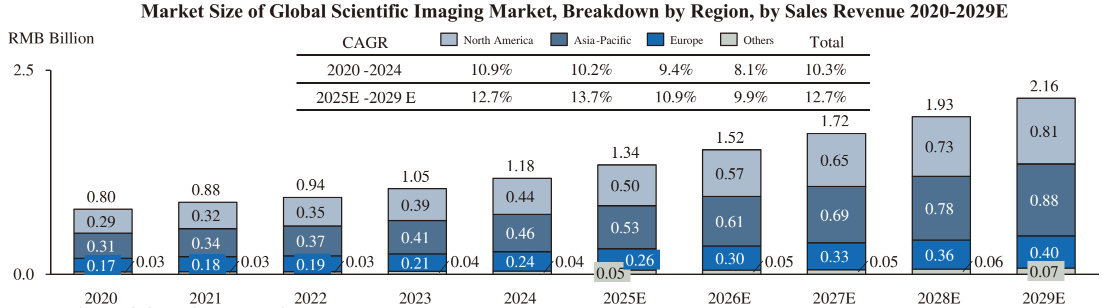
Source: Annual Reports, Frost & Sullivan

The chart below sets forth the market size of global industrial imaging and scientific imaging CIS market:

Market Size of Global Industrial Imaging Market, Breakdown by Region, by Sales Revenue 2020-2029E



Market Size of Global Scientific Imaging Market, Breakdown by Region, by Sales Revenue 2020-2029E

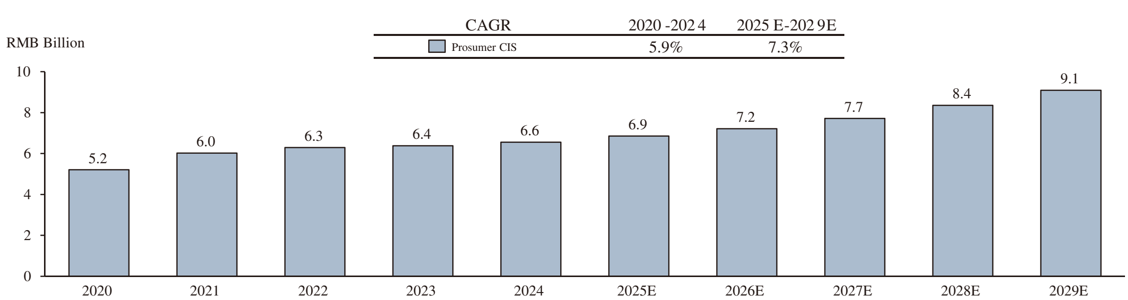


Note: Others include South America, Africa.

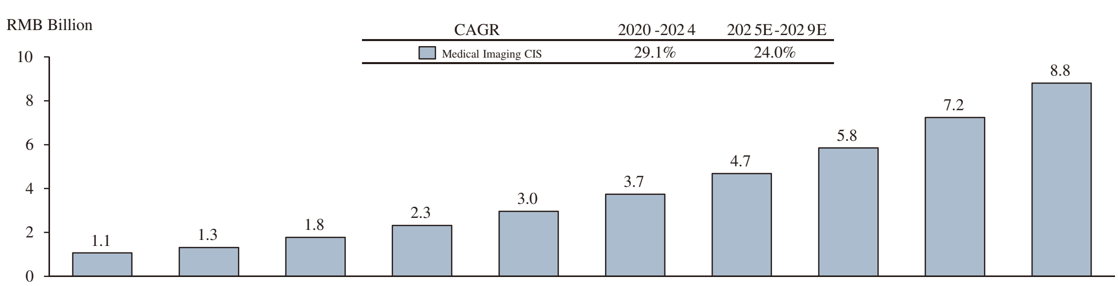
Source: Annual Reports, Frost & Sullivan

The chart below sets forth the market size of global prosumer and medical imaging CIS market:

Market Size of Global Prosumer CIS Market, by Sales Revenue, 2020-2029E



Market Size of Global Medical Imaging CIS Market, by Sales Revenue, 2020-2029E



Source: Annual Reports, Frost & Sullivan

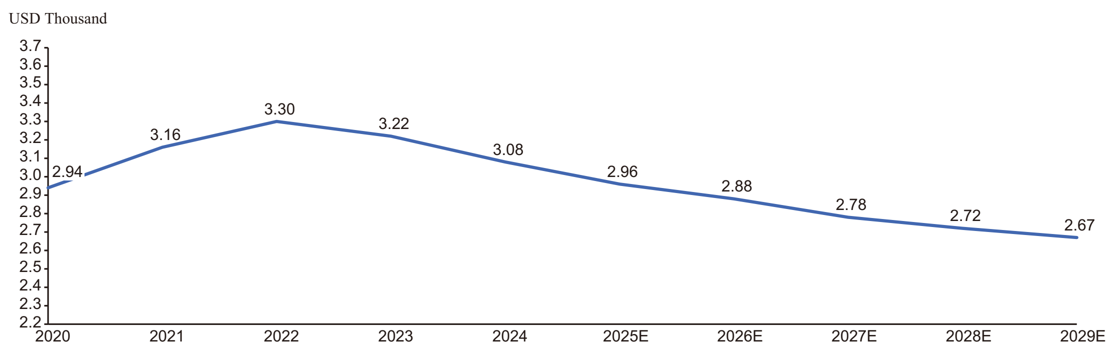
THE TRENDS ANALYSIS OF MAJOR COST COMPONENTS

Wafers and masks are the core raw materials used in the manufacturing of CMOS image sensors. The wafer serves as the device substrate, supporting the formation of photodiodes, pixel structures, readout circuits and metal interconnects, and it directly influences key performance metrics such as noise and dynamic range. Masks are primarily used in the lithography process to accurately transfer pixel and circuit layouts onto the wafer, which determines pixel dimensions, structural configurations and readout circuit characteristics.

Wafer

From 2020 to 2024, mature node prices remained broadly stable or slightly lower with capacity expansion and steady demand.

Foundry Maker's Wafer ASP, 2020-2029E



Note: Excluding prices of customized products.

Source: Annual Reports, Frost & Sullivan

Masks

From 2020 to 2024, mature node costs showed little change. From 2025 to 2029, mature node costs remaining stable.

THE TRENDS ANALYSIS OF MARKET PRICES OF THE INDUSTRIAL AND SCIENTIFIC IMAGING

Industrial Imaging

From 2020 to 2024, ASPs for industrial imaging CIS remained generally stable, with slight increases in high-end models driven by higher resolution, global shutter adoption, and sensitivity improvements. Looking ahead from 2025 to 2029, ASPs are expected to rise moderately, supported by broader adoption of advanced specifications such as global shutter, HDR, as well as increasing customisation needs in machine vision and factory automation. Prices in this segment are expected to remain more resilient and less volatile than consumer CIS.

Price of Industrial Imaging, 2020–2024

	2020	2021	2022	2023	2024
Price of Industrial Imaging (RMB)	80-15,000	90-18,500	85-17,500	80-17,000	75-16,800

Note: Excluding prices of customized products.

Source: Annual Reports, Frost & Sullivan

Scientific Imaging

From 2020 to 2024, ASPs for scientific imaging CIS were largely stable, with slight increases observed in specialised models due to improvements in sensitivity, quantum efficiency, and low-noise performance. From 2025 to 2029, ASPs are projected to grow moderately, driven by the continued substitution of CCD by sCMOS, wider adoption in life-science instruments, digital pathology, microscopy, and astronomy, as well as rising demand for customized high-performance sensors.

Price of Scientific Imaging, 2020-2024

	2020	2021	2022	2023	2024
Price of Scientific Imaging (RMB)	480-800,000	520-950,000	480-880,000	440-840,000	400-760,000

Note: Excluding prices of customized products.

Source: Annual Reports, Frost & Sullivan

Gross margins in industrial and scientific imaging are generally higher because products in these segments emphasize high performance, reliability, and customization rather than cost. End-customers, such as camera manufacturers, research institutions, and scientific device companies, typically require sensors with advanced specifications, long product lifecycles, and stable supply assurance. This leads to lower price sensitivity and stronger willingness to pay premiums for guaranteed quality and long-term support, resulting in higher gross margins compared with consumer applications.

Market Drivers of the Global CIS market

Accelerated Technological Advancement

Pixel shrink continues to lift CIS resolution in compact devices while preserving sensitivity. BSI improves low-light performance, and stacked CIS boosts data throughput and enables advanced on-chip functions such as multi-frame processing and HDR. Rapid progress in HDR, high frame rate, low noise and global shutter is improving imaging accuracy under complex lighting and expanding adoption in automotive, industrial inspection and scientific measurement, while better power efficiency strengthens suitability for mobile and low-light use.

Incremental Demand

Incremental CIS demand is driven by factory and logistics automation and high-end inspection and metrology, where sensors raise throughput, reduce costs and improve quality. Scientific imaging advances in astronomy, materials science, biology and DNA sequencing are increasing needs for higher resolution, sensitivity and faster readout. Prosumer content creation in photography, cinematography and broadcasting drives demand for high resolution, ultra-high frame rates, strong low-light performance and wide dynamic range. Medical imaging growth, including endoscopy and portable diagnostics, requires high-resolution, low-noise sensors for accurate real-time results.

Ecosystem Transformation

Incremental CIS demand is fuelled by rising automation in factory and logistics and by high-end inspection and metrology, where sensors improve throughput, cost efficiency and quality. Scientific imaging advances in astronomy, materials science, biology and DNA sequencing are raising requirements for higher resolution, sensitivity and faster readout. Prosumer content creation drives demand for high resolution, ultra-high frame rates, low-light performance and wide dynamic range. Medical imaging growth, including endoscopy and portable diagnostics, requires high-resolution, low-noise sensors for accurate real-time results.

Policy Support

Chinese "domestic substitution" drive and Made in China 2025 have unlocked substantial policy support: the national Integrated Circuit Industry Investment Fund ("**Big Fund**") has deployed over RMB150 billion into key segments including CIS, while provincial governments offer land, power, and tax incentives to local champions to scale capacity and R&D. 2023 National Key R&D Program "Research on Basic Scientific Research Conditions and Major Scientific Instrument Development" engineering and application development of high-end universal scientific instruments and core components. Together with ongoing initiatives such as "Made in China 2025" 2020 "Opinions on Promoting the High-Quality Development of the Integrated Circuit Industry", these policies continue to support domestic CIS innovation and industrialization.

Future Trends of the Global CIS market

Pursuit of High Performance and Intelligence

The global CIS market is moving toward higher resolution, lower power and better optics, enabled by mature stacked architectures separating pixel and logic layers. "Sensor-level intelligence" is rising as AI, signal processing and embedded algorithms enable real-time edge functions such as object detection and event recognition, especially in automotive, surveillance and smart manufacturing. HDR and high-speed readout are advancing through digital-overlap HDR, regional exposure control and global shutter. Advanced packaging, power management and noise suppression further improve efficiency and compactness for wearables and portable diagnostics.

Application-Oriented Vision Solution Driving Market Growth

Application-oriented vision solutions are driving CIS growth as demand expands beyond consumer electronics. Industrial imaging and machine vision benefit from manufacturing and logistics automation, requiring precise detection, real-time analysis and robotic control, which pushes sensors toward higher frame rates, global shutter and integrated processing. Medical devices increasingly need low-light performance and wider dynamic range. Scientific instruments require high-performance, customisable sensors for low-light and extreme conditions. Smart city projects further boost demand in surveillance, intelligent transport and unmanned retail.

Ecosystem Collaboration and Industry Chain Integration

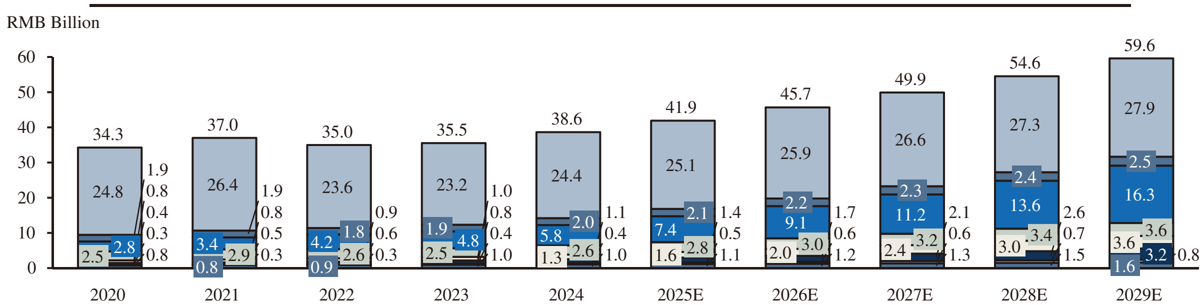
Market Size of CIS Market in the PRC

From 2020 to 2024, the CIS market in the PRC maintained stable growth, with market size expanding from RMB34.3 billion to RMB38.6 billion, representing a CAGR of 3.1%. Consumer remained the largest application segment, although its share showed slight fluctuations over the period. The industrial imaging applications increasing from RMB0.8 billion to RMB1.3 billion at a CAGR of 14.4%. Scientific imaging CIS also demonstrated steady growth, rising from RMB0.3 billion to RMB0.4 billion, reflecting a CAGR of 11.7%.

Looking ahead from 2025 to 2029, the PRC CIS market is expected to sustain its growth trajectory, expanding from RMB41.9 billion to RMB59.6 billion, with a projected CAGR of 9.2%. The industrial imaging applications are expected to expand from RMB1.6 billion to RMB3.6 billion at a CAGR of 22.5%. Scientific imaging applications are anticipated to reach RMB0.8 billion by 2029, with a CAGR of 14.2%, forming part of a rising cluster of high-value, professional-grade use cases.

Market Size of CIS Market in the PRC, Breakdown by Application, by Sales Revenue 2020-2029E

CAGR	Consumer	Prosumer	Automotive	Security	Industrial Imaging	Medical Imaging	Scientific Imaging	Defence & Aerospace	Total
2020 -2024	-0.4%	1.1%	19.6%	0.6%	14.4%	28.1%	11.7%	7.6%	3.1%
2025E -2029 E	2.7%	5.1%	22.1%	6.7%	22.5%	23.6%	14.2%	8.2%	9.2%



Source: Annual Reports, Frost & Sullivan

COMPETITIVE LANDSCAPE

As the Company's core business is concentrated in industrial and scientific imaging, rankings are presented within these two segments. The overall CIS market is dominated by consumer electronics, and rankings across the entire market may not appropriately reflect the Company's positioning, as the scale and competitive dynamics of consumer CIS are fundamentally different from those of industrial and scientific applications. In addition, the industrial and scientific imaging markets are generally dominated by large international enterprises.

1. Ranking of Global CIS Companies, by Industrial Imaging Revenue (2024)

Ranking	Company	Listing Status	Revenue by Global Industrial Imaging CIS, 2024 (RMB Million)	Market Share by Global Industrial Imaging CIS Revenue, 2024
1	Company A[1]	Public	985.0	33.6%
2	Company B[2]	Public	535.1	18.2%
3	**The Company**	**Private**	**446.6**	**15.2%**[5]
4	Company C[3]	Public	318.7	10.9%
5	Company D[4]	Public	183.4	6.3%
		Top 5 Subtotal	2,488.8	84.2%

Source: Annual Reports, Frost & Sullivan

Notes:

(1) Founded in 1946 and headquartered in Japan, the company is listed on the Tokyo Stock Exchange and is a global leader in CMOS image sensors widely used in consumer, automotive imaging, security, and industrial imaging applications, with a revenue of approximately RMB604.5 billion in 2024.

(2) Founded in 1999 and headquartered in the USA, the company is listed on the NASDAQ and provides CMOS image sensors for automotive and industrial imaging applications, with a revenue of approximately RMB50.6 billion in 2024.

(3) Founded in 1960 and headquartered in the USA, the company is listed on the NYSE and offers advanced CMOS and CCD image sensors for scientific, aerospace, and defense markets, with a revenue of approximately RMB40.6 billion in 2024.

(4) Founded in 1995 and headquartered in Shanghai, it is listed on the Shanghai Stock Exchange and specializes in the design and sales of CMOS image sensors for consumer electronics, automotive, and industrial imaging applications, with a revenue of approximately RMB25.7 billion in 2024.

(5) In terms of revenue in 2024, industrial imaging CIS market accounted for approximately 2.1% of the global CIS market.

2. Ranking of Global CIS Companies, by Scientific Imaging Revenue (2024)

Ranking	Company	Listing Status	Revenue by Global Scientific Imaging CIS, 2024 (RMB Million)	Market Share by Global Scientific Imaging CIS Revenue, 2024
1	Company C	Public	335.8	28.4%
2	Company E[1]	Public	207.6	17.6%
3	**The Company**	**Private**	**192.4**	**16.3%**[3]
4	Company B	Public	65.0	5.5%
5	Company F[2]	Public	42.5	3.6%
		Top 5 Subtotal	843.3	71.4%

Source: Annual Reports, Frost & Sullivan

Note:

(1) Founded in 1953 and headquartered in Japan, the company is listed on the Tokyo Stock Exchange and specializes in scientific-grade CMOS sensors for medical imaging, industrial imaging, and scientific imaging applications, with a revenue of approximately RMB9.9 billion in 2024.

(2) Founded in 2001 and headquartered in the United States, It is a CMOS sensor company specializing in medical imaging, industrial, and scientific imaging applications, with a revenue of approximately RMB95.4 million in 2024.

(3) In terms of revenue in 2024, scientific imaging CIS market accounted for approximately 0.8% of the global CIS market.

3. Ranking of CIS Companies, by Industrial Imaging Revenue in the PRC (2024)

Ranking	Company	Listing Status	Revenue by Industrial Imaging CIS in the PRC, 2024 (RMB Million)	Market Share by Industrial Imaging CIS Revenue in the PRC, 2024
1	**The Company**	**Private**	**321.2**	**25.0%**
2	Company A	Public	278.1	21.6%
3	Company D	Public	172.3	13.4%
4	Company B	Public	122.3	9.5%
5	Company C	Public	93.4	7.3%
		Top 5 Subtotal	987.3	76.8%

Source: Annual Reports, Frost & Sullivan

4. Ranking of CIS Companies, by Scientific Imaging Revenue in the PRC (2024)

Ranking	Company	Listing Status	Revenue by Scientific Imaging CIS in the PRC, 2024 (RMB Million)	Market Share by Scientific Imaging CIS Revenue in the PRC, 2024
1	**The Company**	**Private**	**153.0**	**35.7%**
2	Company C	Public	98.7	23.0%
3	Company E	Public	64.5	15.0%
4	Company B	Public	21.7	5.1%
5	Company F	Public	18.4	4.3%
		Top 5 Subtotal	356.3	83.1%

Source: Annual Reports, Frost & Sullivan

Entry Barrier Analysis

Research and Development Innovation Barrier

R&D is a key entry barrier. CIS development needs multi-year cycles for masks, prototypes and reliability tests. Advanced architectures require optics and mixed-signal expertise, plus ISP hardware algorithm co-design.

Talent & Capital Barrier

Entry also requires scarce multidisciplinary talent and heavy capital. Costs include R&D headcount, EDA tools, photomasks and prototype wafers. Fab-lite/IDMs add cleanroom and equipment capex, challenging new entrants.

Supply Chain Integration Barrier

CIS production spans foundries, microlens/CFA processing, and packaging/testing. Coordinating partners needs strong logistics, QC and long-term capacity agreements. New entrants often lack access, terms and traceability.

Downstream Know-How Barrier

Integrating CIS into end systems requires application know-how: optical tuning, ISP optimization, autofocus and system calibration, plus validation toolchains and OEM co-development. New entrants need labs, teams and pilots.

Brand Recognition Barrier

OEMs prefer proven brands to reduce integration risk and secure supply and support ecosystems. Trust is reinforced by partnerships and certifications. New entrants must build credibility via pilots and long-term reliability validation.

SOURCE OF INFORMATION

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare a market research report on the CMOS image sensor. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the U.S. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. The agreed fee paid to Frost & Sullivan for the preparation and use of the Frost & Sullivan Report is RMB350,000. The payment of such amount was not contingent upon our successful Listing or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other market research report in connection with the Global Offering. We have included certain information from the Frost & Sullivan Report in this prospectus because we believe such information facilitates an understanding of the CMOS image sensor market for potential investors. Unless otherwise indicated, market estimates or forecasts in this section represent Frost & Sullivan's view on the future development of the CIS market.

In preparing the Frost & Sullivan Report, Frost & Sullivan has relied on its in-house database, independent third-party reports, and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices, and other relevant information. Frost & Sullivan has exercised due care in collecting and reviewing the information so collected and believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct, and not misleading. Frost & Sullivan has independently analysed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. In compiling and preparing the research, Frost & Sullivan assumed that the social, economic, and political environments in the relevant markets are likely to remain stable in the forecast period, which ensures the stable and healthy development of the CMOS image sensor market. In addition, Frost & Sullivan has developed its forecast on the following bases and assumptions: (i) the economy in the global range is likely to maintain stable growth in the next decade, and (ii) the CMOS image sensor market is expected to grow based on the macroeconomic assumptions of the economy. Frost & Sullivan's research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources. Except as otherwise noted, all data and forecasts in this section come from the Frost & Sullivan Report.

PRC REGULATORY OVERVIEW

This section summarizes the main PRC laws, regulations and policies related to the Company's daily business activities currently conducted in the PRC.

Integrated Circuit Industry Related Policies

In June 2014, the State Council of the PRC (the "**State Council**") promulgated the Outline for Promoting the Development of the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), which stated that the development goal of the integrated circuit industry is to reach an advanced international standard in the major links of the integrated circuit industry chain by 2030, with a number of enterprises entering the international first tier and achieving leapfrog development. The main tasks and development priorities are to focus on the development of integrated circuit design industry by anchoring on the industrial chain of key areas to strengthen the collaborative innovation of integrated circuit design, software development, system integration, content and service, and to drive the development of manufacturing industry with the rapid growth of the design industry.

In December 2020, the Ministry of Finance, the General Administration of Taxation, the Development and Reform Commission (the "**NDRC**"), and the Ministry of Industry and Information Technology (the "**MIIT**") jointly promulgated the Announcement on Enterprise Income Tax Policy for Promoting High Quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》). According to the above provisions, key integrated circuit design enterprises and software enterprises encouraged by the PRC are exempted from enterprise income tax for the first year to the fifth year from the year of profitability and the tax rate is reduced to 10% for the succeeding years.

In December 2021, the State Council issued the Notice of the State Council on Printing and Distributing "14th Five-Year Plan" for the Development of Digital Economy (《國務院關於印發"十四五"數字經濟發展規劃的通知》), which proposed that during the 14th Five-Year Plan period, key technological innovation capabilities shall be enhanced by targeting sensors, quantum information, network communications, integrated circuits, key software, big data, artificial intelligence, block-chain, new materials and other strategic forward-looking fields. Moreover, the Notice proposed to optimize and innovate organizational methods such as "selecting the best candidates via open competition mechanism" by focusing on breakthroughs in key core technologies in the fields of high-end chips, operating systems, industrial software, core algorithms and frameworks, and strengthening the integrated research and development of general-purpose processors, cloud computing systems, and key software technologies. In addition, the competitiveness of key links in the industrial chain shall be improved, and the supply chain systems of key industries such as 5G, integrated circuits, new energy vehicles, artificial intelligence, and industrial Internet shall be improved.

In May 2022, the State Administration of Taxation issued the Guidance of Preferential Tax Policy for Software Enterprises and Integrated Circuit Enterprises (《軟件企業和集成電路企業稅費優惠政策指引》). In order to facilitate the understanding of the applicable preferential tax policies in timely manners, the above guidelines clarify the preferential treatment, enjoyment eligibility conditions and policy basis for integrated circuit enterprises. Enterprises for integrated circuit design, equipment, materials, packaging and testing encouraged by the State, for example, can enjoy regular exemption or reduction of the enterprise income tax; key integrated circuit design enterprises encouraged by the State can enjoy the regular exemption or reduction of enterprise income tax; staff training expenses of integrated circuit design enterprises can be deducted before tax according to the actual amount incurred.

In April 2023, the Ministry of Finance and the SAT jointly promulgated the Notice of the Ministry of Finance and the SAT on the Value-added Tax Credit for Deduction Policy for Integrated Circuit Enterprises (《財政部、稅務總局關於集成電路企業增值稅加計抵減政策的通知》). From January 1, 2023 to December 31, 2027, Enterprises engaged in integrated circuit design, production, packaging and testing, equipment and materials will be allowed to deduct the value-added tax payable by 15% based on the current deductible input tax.

Laws and Regulations relating to Foreign Investment

The establishment, operation and management of Chinese business entities are regulated by the PRC Company Law. Limited liability companies and joint stock limited companies established in China are regulated by the PRC Company Law. Unless otherwise stipulated by foreign investment laws, foreign-invested companies are also regulated by PRC Company Law.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC on March 15, 2019 and implemented on January 1, 2020, specifies the management system for pre-access national treatment and negative list for foreign investment in the PRC. "Pre-access national treatment" means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; "negative list" refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list. In addition, the Implementation Regulations of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations**") promulgated by the State Council on December 26, 2019 and implemented on January 1, 2020 further stipulates that the state, according to the needs of national economic and social development, formulate a catalog of industries that encourage foreign investment, listing specific industries, fields, and regions that encourage and guide foreign investors to invest.

On December 15, 2025, the National Development and Reform Commission and the Ministry of Commerce of the People's Republic of China issued the Catalogue of Encouraged Industries for Foreign Investment (Edition 2025), which designates integrated circuit design as an industry encouraged for foreign investment. The Company's main business falls within the scope of this industry encouraged for foreign investment.

On September 6, 2024, the NDRC and the MOFCOM jointly revised and issued the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which will be implemented from November 1, 2024, replacing the previous Negative List. If a domestic company engaging in business prohibited in the Negative List offers shares and lists in an overseas market, such offering and listing shall be approved by relevant competent PRC authorities. Non-PRC investors must not participate in the operation and management of the company, and their shareholding percentage shall be subject to relevant provisions on the administration of domestic securities investment by Non-PRC investors.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by NDRC and MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of such Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (1) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

Overseas Investment Related Regulations

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

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) which was issued by the NDRC on December 26, 2017 and implemented on March 1, 2018, an enterprise in the territory of the PRC (the "**Investor**") carrying out overseas investments shall undergo formalities including the examination or filing for an overseas investment project (the "**project(s)**"), report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by Investors directly or through overseas enterprises controlled by them shall be subject to confirmation management. Non-sensitive projects conducted by Investors directly.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Management Policies for Direct Investments (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the State Administration of Foreign Exchange ("**SAFE**") on February 13, 2015 and effective from June 1, 2015, the foreign exchange registration approval for direct investments was canceled. Instead, banks directly review and handle foreign exchange registration for overseas direct investment. The SAFE and its branches exercise indirect supervision over the foreign exchange registration of overseas direct investment through banks.

Laws and Regulations relating to Cyber Security and Data Security

The state establishes systems and mechanisms for national security review and supervision, and controls foreign investment that affect or may affect national security, specific items and key technologies, network information technology products and services, construction projects involving national security matters, and other major matters and activities, conduct national security reviews, and effectively prevent and resolve national security risks.

According to the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016, revised on October 28, 2025 and implemented on January 1, 2026, the construction, operation of a network or the provision of services through a network shall, in accordance with the provisions of the laws, administrative regulations and the mandatory requirements of the national standards, adopt technical measures and other necessary measures to safeguard the safe and stable operation of the network, and to effectively respond to network security events, prevent illegal and criminal activities on the network, and maintain the integrity, confidentiality and availability of network data.

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 implemented since September 1, 2021, our country has established a data classification and hierarchical protection system to implement classification and hierarchical protection of data. Data processing activities shall be conducted, in accordance with the provisions of laws and regulations, by establishing and improve a full-process data security management system, organizing data security education and training, and adopting corresponding technical measures and other necessary measures to ensure data security.

Laws and Regulations Relating to Intellectual Property

Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (the "**Patent Law**") promulgated by the SCNPC on March 12, 1984, and latest revised on October 17, 2020 and effective on June 1, 2021, as well as the Implementation Rules 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》) by the State Council promulgated on June 15, 2001, and latest revised on December 11, 2023 and effective on January 20, 2024. Patents are divided into three types: invention, utility model and design. The term of invention patent right is twenty years, ten years for utility model patent, and fifteen years for design patent right, all of which are calculated from the date of application.

Trademark

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, and latest revised on April 23, 2019 and effective on November 1, 2019, and the Implementation Regulations 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》) promulgated by the State Council on August 3, 2002, and latest revised on April 29, 2014 and effective on May 1, 2014, trademarks approved and registered by the trademark office are registered trademarks, and trademark registrants enjoy the exclusive right to use trademarks and are protected by law. A registered trademark is valid for ten years from the date of approval of registration.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, and latest revised on November 11, 2020 and effective June 1, 2021, and the Implementation Regulations of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, and latest revised on January 30, 2013 and effective March 1, 2013, works of Chinese citizens, legal persons or unincorporated organizations, whether published or not, enjoy copyright in accordance with the law.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, and latest revised on January 30, 2013 and effective on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, computer software refers to computer programs and related documents. Software copyright arises from the date of completion of software development. The term of protection for software copyright owned by a legal person or other organization is 50 years, expiring on December 31 of the 50th year following the first publication of the software. However, if the software has not been published within 50 years since its completion, it is no longer protected.

Integrated Circuit Layout Design

According to the Regulations on the Protection of Integrated Circuit Layout Designs (《集成電路布圖設計保護條例》) (the "**Protection Regulations**") promulgated by the State Council on April 2, 2001 and came into effect on October 1, 2001, layout designs created by natural persons, legal persons or other organizations in China enjoy exclusive rights to layout designs in accordance with the "Protection Regulations". The exclusive rights to the layout design arise upon registration with the intellectual property administration department of the State Council, and layout designs that have not been registered are not protected by the Protection Regulations. The protection period for the exclusive rights of a layout design is 10 years, starting from the date of application for registration of the design or from the date of putting it into commercial exploitation somewhere in the world for the first time, whichever is earlier. However, whether or not the design is registered or commercially used, it is no longer protected by the Protection Regulations 15 years after the date of completion of the design.

Domain Name

In accordance with the Measures for the Administration of Internet Domain Names (互聯網域名管理辦法) which was promulgated by the MIIT on 24 August 2017 and came into effect on 1 November 2017, the MIIT is responsible for supervision and administration of domain name services in the PRC. No organization or individual may interfere with the safe and stable operation of the Internet Domain Name System.

Regulations Relating to House Leasing

In addition, according to the Administrative Measures on Commodity Housing Leasing (《商品房屋租賃管理辦法》), promulgated by Ministry of Housing and Urban-Rural Development on 1 December 2010 and became effective on 1 February 2011, Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. If an individual or entity violates the above provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

Laws and Regulations Relating to Production Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures. The counterfeiting or imitation of quality marks such as certification marks is prohibited; falsifying the place of origin of product, and falsifying or imitating the name or address of another factory is prohibited; adulteration of, or mixing of improper elements with products under manufacturing or on sale, passing off the sham as the genuine or passing off the inferior as the superior is prohibited.

Laws and Regulations Relating to Import and Export Trade

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and last amended on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall file for record with the Customs in accordance with the laws.

Pursuant to the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) which was promulgated by the SCNPC on October 17, 2020, and came into effect on December 1, 2020. The State's export control on dual-use items, military products, nuclear and other goods, technologies, services and other items related to the protection of national security and interests or the fulfillment of international obligations, such as nonproliferation. The State's export control authorities shall, together with other related departments, formulate and adjust the list of items subject to export control, pursuant to the provisions of the Export Control Law and other relevant laws and administrative regulations, export control policies and specified procedures, and promptly release the same.

Laws and Regulations Relating to Labor and Social Security

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was last amended by the SCNPC on December 29 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was last amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, a labor contract shall be concluded to establish a labor relationship. Employers shall establish and improve labor rules and regulations according to law to ensure that laborers enjoy labor rights and fulfill labor obligations.

Social Insurance and Housing Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was last amended and implemented by the SCNPC on December 29, 2018, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條 例》) which was last amended and implemented by the State Council on March 24, 2019.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》, Where the employer and the laborer agree, or the laborer promises the employer, that there is no need to pay social insurance premiums, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to pay social insurance premiums in accordance with the law, and the laborer requests to terminate the labor contract and for the employer to pay economic compensation in accordance with item (3), Article 38 of the Labor Contract Law, the people's court shall support such claim in accordance with the law. Where the circumstances in the preceding paragraph exist, and the employer, after making up the social insurance premiums in accordance with the law, requests the laborer to return the social insurance compensation already paid, the people's court shall support such claim in accordance with the law.

Laws and Regulations Relating to Tax

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》) which was promulgated by the SCNPC and last amended and implemented on December 29, 2018, and the Implementation Rules to the EIT Law (《中華人民共和國企業所得稅法實施條例》) which was promulgated by the State Council and last amended on December 6, 2024 and implemented on January 20, 2025, enterprise income tax of 25% is uniformly levied on foreign-invested enterprises and domestic-invested enterprises, and tax incentives are granted to special industries and projects. Eligible small and low-profit enterprises are subject to corporate income tax at a reduced rate of 20%. High-tech enterprises that need to be supported by the Chinese government are subject to corporate income tax at a reduced rate of 15%.

Value Added Tax ("VAT")

According to the Provisional Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》) promulgated by the State Council and lately revised and implemented on November 19, 2017 and the Interim Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the Ministry of Finance and lately revised on October 28, 2011 and came into effect on November 1, 2011, units and individuals who sell goods, provide processing, repair and repair services or import goods in China are taxpayers of VAT and are required to pay VAT.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) ("**Value-added Tax Law**"), which will come into effect on January 1, 2026. The Interim Regulations on Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅暫行條例》) will be abolished at the same time. According to the Value-Added Tax Law, units and individuals (including individual industrial and commercial households) who sell goods, services, intangible assets, real estate, and import goods within the territory of China are taxpayers of VAT and shall pay VAT in accordance with the provisions of the Law. Unless otherwise specified, taxpayers sell goods, processing, repair and repair services, tangible movable property leasing services and import goods, the tax rate is 13%, and in some specific cases, 9%, 6% and 0%.

Laws and Regulations Relating to Foreign Exchange

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) recently revised by the State Council on August 5, 2008, the regulations apply to the foreign exchange receipts and payments or foreign exchange business activities of domestic institutions and domestic individuals, as well as the foreign exchange receipts and payments or foreign exchange business activities of overseas institutions and foreign individuals in China.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the State Administration of Foreign Exchange on December 26, 2014, the State Administration of Foreign Exchange and its branches and the Foreign Exchange Administration Department shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and payments, fund exchange and other activities involved in overseas listing of domestic companies. Domestic companies shall apply for overseas listing registration with the foreign exchange bureau at their place of registration within 15 working days of the completion of the overseas listing and issuance, submitting the relevant materials.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Administrative Policies of Capital Account Foreign Exchange Settlement (《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》) promulgated by the State Administration of Foreign Exchange on June 9, 2016, the relevant policies have clearly implemented the foreign exchange income of capital account (including foreign exchange capital, foreign debt funds and funds transferred back from overseas listing, etc.) that are willing to settle foreign exchange can be handled in banks according to the actual business needs of domestic institutions. If the current laws and regulations have restrictive provisions on the settlement of foreign exchange income from capital account of domestic institutions, such provisions shall prevail.

According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms and Promoting 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》) promulgated by the State Administration of Foreign

Exchange on December 4, 2023, foreign exchange funds raised by overseas listings of domestic enterprises can be directly deposited into capital account settlement accounts, the funds in the capital account settlement accounts can be used independently for foreign exchange settlement.

Laws and Regulations Relating to Overseas Securities Issuance and Listing by Domestic Enterprises

Laws and Regulations on Securities

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**"), which was lately revised by the SCNPC on December 28, 2019 and came into effect on March 1, 2020. The Securities Law stipulates that when domestic enterprises directly or indirectly issue securities overseas or list their securities overseas, they shall comply with the relevant regulations of the State Council. Where domestic company stocks are subscribed and traded in foreign currencies, specific measures shall be stipulated by the State Council, separately. CSRC is a securities regulatory agency established by the State Council, which is responsible for supervising and managing the securities market according to law, maintaining market order and ensuring the legal operation of the market.

Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of 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 Measure**") and related guidelines, which will take effect on March 31, 2023. According to the Trial Measures, if an enterprise in China directly or indirectly issues or lists shares overseas, it shall file with the CSRC within 3 working days upon submitting the application documents for issuance and listing overseas; if any of the following circumstances applies: where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations or relevant state rules; where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; where the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; or where there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) ("**Provisions on Strengthening Confidentiality and Archives Administration**") jointly promulgated by CSRC and other relevant departments on February 24, 2023 and came into effect on March 31, 2023, in the course of domestic enterprises issuing securities and listing overseas, domestic enterprises and securities companies providing corresponding services shall strictly abide by the relevant laws and regulations of the People's Republic of China and the requirements of the Provisions on Strengthening Confidentiality and Archives Administration, to enhance legal awareness of protecting state secrets and strengthening archive management, and to establish and improve confidentiality and archive work systems, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public.

RELEVANT LAW AND REGULATIONS IN JAPAN AND BELGIUM

This section sets forth a summary of the laws and regulations which are applicable to our Group's business in Japan and Belgium. Information contained in this section should not be construed as a comprehensive summary of the laws and regulations applicable to our Group.

A. Japan

In Japan, businesses operating in specific industries, such as telecommunications, railways, food manufacturing and transportation, require administrative permits, approvals, filings and registrations from the competent authorities. However, there are no prohibitions or restrictions on the import and export, wholesale, mold design and technology development of electronic components in the laws and regulations.

Under the *Foreign Exchange and Foreign Trade Act* (Law No. 228 of 1949, the "**Foreign Exchange Act**"), foreign investment is restricted in certain industries, and the export of certain products and technologies from Japan is also regulated. Under the *Customs Act* (Law No. 61 of 1954), the import and export of some products are restricted. If involved, Gpixel Japan must complete corresponding procedures.

Companies Act

The *Companies Act* (Law No. 86 of 2005) stipulates matters related to the establishment, organization, operation, and management of companies. The types of companies to which this law applies include joint-stock companies, partnership companies, limited partnerships and limited liability companies. This law primarily stipulates rules related to corporate organization and governance, including company establishment, organizational structure design, shareholders' meetings, directors, supervisors, boards of directors, supervisory boards, finance, dividends, accounting audits and organizational restructuring.

Foreign Exchange and Foreign Trade Act

(1) Investment Restrictions on Foreign Investors

Under the Foreign Exchange Act (Law No. 228 of 1949), investment activities of foreign investors (including non-resident individuals, foreign corporations, and Japanese subsidiaries in which foreign corporations hold a majority of voting rights) are subject to a regulatory regime, aiming at safeguarding national security and economic stability. The summary is (a) Regulated investment activities include: acquisition of 1% or more of shares in a listed company, acquisition of shares in an unlisted company, consent of a foreign investor or its related party serving a director or auditor, proposals or agreements regarding the transfer or discontinuation of business operations in industries subject to prior review; (b) Prior review: Investment activities in government-designated industries related to public health and order, such as national security, critical infrastructure, key technologies, food, pharmaceuticals, subject to prior review; (c) Post-investment reporting: Investment activities in non-designated industries and investment activities qualifying for reporting exemptions subject to post-investment reporting; and (d) Major regulated industries include: security-related industries such as weapons, aviation and space development; critical infrastructure such as electricity, gas, water supply and communications; advanced technology such as cybersecurity and semiconductors; important material supply-related industries such as pharmaceuticals, vaccines, and agriculture, forestry and fisheries; and information technology services.

(2) Export Controls under the Foreign Exchange Act

The export control system under the Foreign Exchange Act is designed to prevent the proliferation of weapons of mass destruction and conventional weapons, curb the transfer of advanced technologies to terrorist organizations and hostile countries, and safeguard national security. The summary is (a) List-based controls: Strategic goods specified in appendix 1 of the Export Trade Control Order, including weapons, dual-use items and advanced technologies are subject to regulation; (b) Catch-all controls (supplementary export controls): Even for goods or technologies not listed, control is required if there is suspicion of intended use in weapons of mass destruction or weapons development, or the transactions involve countries of concern, organizations of concern, terrorists, etc; (c) Regulated activities include: export of goods, provision of technology, intermediary transactions, re-export, etc.; and (d) Destination-based controls: Comprehensive embargoes may apply to specific countries/regions under UN Security Council resolutions or Japan's unilateral sanctions. Extra scrutiny is required for transactions involving listed entities.

Commercial Code

The *Commercial Code* (Law No. 48 of 1899), as a special law supplementing the *Civil Code*, establishes substantive rules governing commercial transactions. It applies to merchants (including corporations and individuals) concerning business operations, commercial acts and other mercantile matters. Its main contents include: rules on commercial acts, commercial books and accounting obligations, agents, wholesalers, forwarding agents and matters related to maritime commerce, etc.

Civil Code

Under Japan's *Civil Code* (Law No. 89 of 1869), a contract is formed through the expression of "offer" and "acceptance." Contracting parties are generally free to determine their terms, which take precedence over the *Civil Code*'s provisions. However, certain contracts are subject to mandatory rules under the *Consumer Contract Act* (Law No. 61 of 2000) and other laws.

Additionally, the Japan's *Civil Code* stipulates that a person who intentionally or negligently infringes upon another's rights or legally protected interests shall be liable for compensation for damages. It also provides for employer liability, such as when an employee causes damage to a third party in the course of performing their duties, the employer, in principle, shall bear the liability for compensation for damages. However, employers may be exempt if they can prove that they exercised reasonable care in selecting and supervising the employee, or the damage would have occurred even with due diligence.

Subcontract Act

The *Act on Prevention of Unfair Practices in Subcontracting Transactions* (Law No. 120 of 1956) aims to prevent contracting enterprises from imposing unreasonable trading conditions on subcontracting enterprises (small and medium-sized enterprises), delaying or reducing payments, ensuring the fairness and equality of subcontracting transactions. The summary is (a) Applicable parties: contracting enterprises and subcontracting enterprises that meet specific registered capital requirements; (b) Covered transactions: transactions such as manufacturing consignment, repair consignment, information product consignment and labor provision consignment; (c) Obligations of contracting enterprises include: written delivery obligation, subcontract payment obligation, obligation to create and preserve books and prohibition of improper conduct; and (d) Main prohibited conducts include: delayed payment, unilateral price reduction, improper returns, price cuts and refusal to pay, etc.

Labor Laws

The *Labor Law* (Law No. 49 of 1947) was enacted based on basic principles (the protection of right and duty to work, workers' association rights, collective bargaining rights and dispute rights) stipulated in the Constitution to protect workers' interests, ensure fair labor-management relations and promote healthy working environments. Key relevant regulations are (a) Basic law (*Labor Standards Act*) (Law No. 49 of 1947): It stipulates the minimum standards of labor conditions, including working hours, rest, holidays, wages, overtime pay, restrictions on dismissal, principles of labor contracts and the protection of minors and women; (b) Labor relations laws (such as the *Trade Union Act* (Law No. 174 of 1949) and *Labor Relations Adjustment Act* (Law No. 25 of 1946)): They stipulate the rules of labor-management relations and protect collective bargaining and trade union activities; and (c) Labor insurance and welfare-related laws (such as the *Workers' Compensation Insurance Act* (Law No. 50 of 1947), *Employment Insurance Act* (Law No. 116 of 1974) and *Labor Safety and Health Act* (Law No. 57 of 1972)): They aim to ensure the safety, health and livelihood of workers.

Intellectual Property

In Japan, intellectual property refers to the results produced through human creative activities, including inventions, utility models, designs, literary and artistic works and other results derived from the discovery or clarification of natural laws or phenomena with the possibility of industrial application; it also includes trademarks, trade names and other marks used to identify goods or services in commercial activities, as well as trade secrets and other technical or operational information of practical value to commercial activities. Patent rights, utility model rights, plant variety rights (breeder's rights), design rights, copyrights, trademark rights and other intellectual property rights stipulated by law or interests that should be protected by law, are all protected by law.

B. Belgium

Below is a summary of material Belgian laws and regulations applicable to our business operations in Belgium.

Companies and Associations Code

The *Companies and Associations Code of March 23, 2019* stipulates matters related to the establishment, corporate organization, management and restructuring of companies, associations, foundations and other legal entities. The types of companies to which this law applies include public limited liability companies (in Dutch: *naamloze vennootschap*, '*NV'*/in French: *société anonyme*, '*SA*') such as Gpixel Belgium.

This law primarily stipulates rules related to corporate organization and governance, including company establishment, organizational structure design, shareholders' meetings, management body (i.e. board of directors and/or supervisory board), statutory auditor, annual accounts, profit distributions and organizational restructuring. The governance structure of Gpixel Belgium is defined by its articles of association and this law.

FDI Screening Mechanism and EU FDI Regulation

Belgium has implemented a foreign direct investment (FDI) screening mechanism through an *Inter-Federal Collaboration Agreement of November 30, 2022*, effective as of July 1, 2023, which allows the government to review and, if necessary, restrict or prohibit foreign investments in Belgian companies that are active in certain sensitive sectors. The screening regime is designed to protect national security, public order, and strategic interests, and is aligned with the EU FDI Screening Regulation (Regulation (EU) 2019/452).

Gpixel Belgium's activities in the design and manufacture of CMOS image sensors (semiconductors) mean that it will likely fall within the scope of sectors subject to Belgian FDI screening. Any acquisition of a significant stake in Gpixel Belgium by a non-EU investor (typically the acquisition of control, or the acquisition of 25% or more of voting rights, or 10% for ultra-sensitive sectors) would likely trigger a notification and potential review under the Belgian FDI screening regime. Given Gpixel Belgium's upstream corporate ownership, the Belgian FDI screening regime could equally apply in case of an acquisition by Gpixel Belgium of a stake in a Belgian company.

Civil Code

The Belgian *Civil Code* is the principal legislative framework governing private law relationships in Belgium. Recently modernized, it consolidates and updates the rules on persons, family law, property, inheritance, contracts, extra-contractual liability, and evidence. The Code applies to all individuals and legal entities, including companies such as Gpixel Belgium, and provides the legal foundation for matters such as ownership, contractual obligations, liability, and succession. Notably, for certain matters and contracts entered into before the entry into force of the new Books, the provisions of the old Civil Code may still apply, resulting in a period where both the old and new rules coexist. The new Code is being phased in, with several Books already in force and others scheduled for future implementation. For the above reasons, the provisions of the old Civil Code remain relevant.

Code on Economic Law

The *Code on Economic Law of February 28, 2013* is the principal legislative framework governing economic activities in Belgium. It consolidates and modernizes a wide range of commercial, consumer protection, competition, intellectual property, and market practices laws. This law applies to all undertakings operating in Belgium, including companies like Gpixel Belgium, and covers a broad spectrum of topics relevant to their operations.

Product Warranties under the Civil Code

Articles 1602 to 1649nonies of the (old) Civil Code regulate the seller's obligations (including the statutory warranties and liability for hidden defects in good sold in Belgium). All contracts entered into by Gpixel Belgium, including with suppliers, customers, and partners, are governed by Belgian law unless otherwise specified.

Pursuant to Article 1641 of the (old) Civil Code, the seller bears an obligation to deliver a product free from "hidden" defects. The hidden defects warranty and liability apply to both consumers and professional purchasers.

The seller of a product must warrant it and may be held liable — for a hidden defect where such defect is not apparent (i.e. it cannot be detected through a normal, yet prudent examination by the purchaser upon delivery, taking into account the nature of the good sold and the capacity of the buyer), renders the product unfit for the use for which it is intended or diminishes the usefulness of the product to such a point that the purchaser would not have acquired it or would have paid a lower purchase price if he had been aware of the defect. However, according to Article 1642 of the Belgian Civil Code, a seller is not to warrant and is not to be held liable for visible defects, neither for defects that the buyer was aware of or should have been aware of, once the product has been delivered to and accepted by the latter.

Under Belgian law, limitation (or exclusion) of seller's warranty and/or liability for hidden defects may not be upheld in court because of the presumption of bad faith on the part of the professional seller (by which is meant that a professional vendor is deemed to have known of the existence of the defect). Pursuant to Article 1643 of the (old) Belgian Civil Code, such liability and warranty for hidden defect can only be contractually excluded if the seller was acting in good faith, i.e. if he can prove that he could not have had knowledge of such defect. In any case, the seller may specify the terms of the warranty for hidden defects in the contract (e.g. time limits, remedies, etc.).

Articles 1649bis to 1649octies of the *(old) Belgian Civil Code* apply to the sale of consumer goods by a professional vendor to consumers buying for private use and provide for a statutory warranty of two years.

Product Regulations

(1) Product Safety

The EU General Product Safety Directive (2001/95/EC) imposes a general safety obligation on all products placed on the EU market for consumers. Gpixel Belgium, as a manufacturer and distributor of electronic components, must ensure its products are safe. Belgium has implemented the European Directive 2001/95/EC on general product safety in book IX of the above-mentioned Code on Economic Law.

(2) Product Specific CE-Marking Regulations

Gpixel Belgium must perform conformity assessments, maintain technical documentation, and affix the CE-marking before placing products on the EU market. Full compliance of a product with the harmonized EU standards in legislation gives the product the presumption of conformity with the relevant and essential EU safety, health, and environmental protection requirements.

Gpixel Belgium's CMOS image sensors and related products fall within the scope of certain CE-marking EU directives which have been implemented into Belgian law.

(3) Product Liability Act

The regime of liability for defect products in Belgium is a result of the implementation of the EU Defective Product Directive 85/374/EEC, pursuant to which a manufacturer of a defective product must compensate injured persons for damage caused by the defect in the product.

The Product Liability Act of February 25, 1991 established an objective liability regime. This means that the liability can be established without the victim having to prove an error on the part of the manufacturer, provided that the victim proves the existence of a defect, a damage and the causal link between them. Meanwhile, the principles of this law have been integrated Book 6 of the Civil Code.

Intellectual Property

Gpixel Belgium's activities in developing and commercializing CMOS image sensors mean that IP protection is central to its business. The company holds several patents (including Japanese, US, and European patents) and is subject to the provisions of book XI in the above-mentioned Code on Economic Law, which govern the registration, enforcement, and protection of these rights.

The Code on Economic Law also covers software and design rights, which may be relevant to Gpixel Belgium's technology and product development.

Labor and Social Security

All labor relationships in Belgium are governed by the *Labor Act of March 16, 1971* and the *Act on Employment Contracts of July 3, 1978*. Gpixel Belgium must amongst others comply with various other Belgian labor laws such as the *Code on Wellbeing at Work* (as amended from time to time). In addition, in Belgium, commercial and industrial activities are divided into categories ("**sectors**"). Each sector has its own "Joint Committee" in which both the sector's employers and employees are equally represented. The Joint Committee enacts collective bargaining agreements (ranging from pension arrangements over working time arrangements to how to set up representative bodies) that are binding on all employees in that particular sector. Gpixel Belgium is affiliated to the Auxiliary Joint Committee 200 for white-collar employees.

Moreover, employers in Belgium must register with the social security authorities and both employees and employers need to pay social security contributions. These obligations are mostly governed by the *Act of 27 June 1969 revising the Decree-Law of 28 December 1944 on the social security of employees ('**NSSO-Act**')* and administrative instructions by the National Social Security Office.

Customs, Trade and Taxation

As Belgium is an EU Member State, all imports and exports by Gpixel Belgium are in principle subject to the *EU Customs Code (Regulation (EU) No 952/2013)*, which harmonizes customs procedures and duties across the EU. Intra-EU trade is duty-free; imports from outside the EU (e.g., from China) are subject to customs duties and import VAT.

Gpixel Belgium, as a Belgian resident company, is subject to Belgian corporate income tax on its worldwide income, for which the Belgian Income Tax Code applies.

U.S. EXPORT CONTROL

In general, the BIS controls the export, reexport, and transfer (in-country) of commodities, software and technology (collectively, "**Items**") subject to the *Export Administration Regulations* (the "**EAR**"). Items subject to the EAR include the following:

(i) All items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another;

(ii) All U.S. origin items wherever located;

(iii) Non-U.S.-made commodities that incorporate controlled U.S.-origin commodities, non-U.S.-made commodities that are 'bundled' with controlled U.S.-origin software, non-U.S.-made software that is commingled with controlled U.S.-origin software, and non-U.S.-made technology that is commingled with controlled U.S.-origin technology which exceeds a certain threshold ("**De Minimis Rule**"); and

(iv) Certain non-U.S.-produced "direct products" of specified "technology" and "software"; and certain non-U.S.-produced products of a complete plant or any major component of a plant that is a "direct product" of specified "technology" or "software" (Foreign Direct Product Rule, "**FDP rule**")

For items subject to the EAR under different circumstances, the scope of control corresponding to the end-user, end-use, destination, etc., may be different and need to be judged on a case-by-case basis. If certain transactions or actions are controlled under the EAR, a license or license exception will be necessary. The EAR administered by the BIS is frequently revised and updated. We have listed the major developments in recent years below for reference. It should be noted that all the following amendments will be incorporated into the EAR upon their effective date. The core logic of the EAR remains as described above, which involves controlling the export, re-export, or in-country transfer of items subject to the EAR. The following amendments mainly refine and strengthen the relevant control details.

On October 7, 2022, BIS released an interim final rule (the "**2022 IFR**") aimed to restrict the PRC's ability to both purchase and manufacture certain high-end chips used in military applications and build on prior policies, company-specific actions, and less public regulatory, legal, and enforcement actions taken by BIS.

The 2022 IFR addressed U.S. national security and foreign policy concerns in two key areas. First, the rule imposed restrictive export controls on certain advanced computing semiconductor chips, transactions for supercomputer end-uses, and transactions involving certain entities on the Entity List. Second, the 2022 IFR imposed new controls on certain semiconductor manufacturing items and on transactions for certain integrated circuit end uses.

On October 17, 2023, BIS published two interim final rules (the "**2023 IFR**") designed to update export controls on advanced computing semiconductors and semiconductor manufacturing equipment, as well as items that support supercomputing applications and end-uses, to arms embargoed countries, including the PRC, and to place additional related entities in the PRC on the Entity List. The 2023 IFR reinforced the 2022 IFR controls to restrict the PRC's ability to both purchase and manufacture certain high-end chips critical for military advantage.

On December 2, 2024, BIS published a new interim final rule (the "**2024 IFR**") to further impair the PRC's capability to produce advanced-node semiconductors that can be used in the next generation of advanced weapon systems and in artificial intelligence (AI) and advanced computing, which have significant military applications.

In addition to the restrictions introduced by the IFRs, BIS maintains lists of persons or entities that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons or entities on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in the PRC, on the Entity List and other restricted or prohibited parties lists. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations.

SANCTIONS LAWS AND REGULATIONS

Set out below is a summary of the sanctions regimes imposed by the U.S., the European Union, the United Kingdom and its overseas territories, and Australia. This summary does not set out the laws and regulations relating to the U.S., the European Union, the United Kingdom and Australian sanctions in their entirety.

United States

OFAC is the primary agency responsible for administering U.S. sanctions programs against targeted countries, entities, and individuals. Economic sanctions maintained by the U.S. government could be categorized into "primary" sanctions and "secondary" sanctions. "Primary" sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens, regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, Syria, the Crimea, and the so-called Luhansk People's Republic and the Donetsk People's Republic regions. OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. An entity that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) is also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

European Union

Under European Union sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Target and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Targets.

United Kingdom

UK sanctions are in force under the Sanctions and Anti-Money Laundering Act 2018 (the "**UK Sanctions Act**"), which enables the transition of existing EU sanctions programs and the establishment of autonomous UK regimes. The United Kingdom is no longer an EU member state as of January 1, 2021. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs through regulations setting out the specific measures under each UK sanctions regime.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

U.S. OUTBOUND INVESTMENT REVIEW REGULATION

On October 28, 2024, the U.S. Department of the Treasury issued a Final Rule, which has become effective since January 2, 2025, to implement the Executive Order 14105. The Final Rule provides the operative regulations and a detailed explanatory discussion regarding their intent and application. In the Final Rule, the national security program is focused on certain U.S. outbound investments that contribute capital as well as intangible benefits to persons of a country of concern (including China) engaged in activities involving certain sensitive technologies and products that could pose risks to U.S. national security. Depending on the specific activities relating to relevant sectors, U.S. persons subject to the Final Rule are either prohibited from making a covered transaction, which is referred to as "prohibited transaction" in the Final Rule, or required to report a covered transaction, which is referred to as "notifiable transaction" in the Final Rule. Specifically, because the Group's business only fall within the scope of notifiable transactions but not the scope of prohibited transactions, U.S. persons will not be prevented from participating in relevant transactions including Global Offering. On the contrary, the U.S. persons will only need to make a notification to the Department of Treasury of the United States within a certain period after the transaction is completed. Further, once shares are issued and become publicly traded, then subsequent purchasers (including U.S. persons) are exempted under the publicly traded securities exception regardless of whether our Company engages in covered activities.

Specifically, the Final Rule defines key terms and provides detail on various aspects of the program's implementation, including:

Obligations of a U.S. person regarding a covered transaction :

— Categories of covered transactions and excepted transactions;

— Technical specifications for certain technologies and products in the areas of semiconductors and microelectronics, quantum information technologies, and artificial intelligence;

— Information that a U.S. person is required to provide to Treasury as part of a notification;

— The knowledge standard and expectations for a U.S. person to conduct a reasonable and diligent inquiry prior to undertaking a transaction; and

— Conduct that would be treated as a violation of the Final Rule and applicable penalties for such conduct.

OVERVIEW

Our founder, Dr. Wang, has been dedicated to the field of CMOS image sensors development since his postgraduate studies. He has accumulated over 16 years of academic research and work experience in the field through overseas studies and employment at renowned international enterprises. For further details regarding Dr. Wang, please see "Directors and Senior Management" in this prospectus.

Our history dated back to September 2012. In response to market demand of CMOS image sensors, Dr. Wang established the Company in Changchun, China in 2012 with two other Shareholders, namely UP OPTOTECH and Luster, in accordance with the PRC Company Law. Since then, we have made substantial progress and have grown into a provider of CMOS image sensors, focusing on the research and development of CMOS image sensors, offering nine major product series applicable to wide spectrum of advanced technology fields, including industrial imaging, scientific imaging, professional photography and video, and medical imaging solutions. In an effort to recruit high-quality R&D personnel and to further strengthen our international marketing layout, we established subsidiaries in Japan and Belgium in 2016 and 2018, respectively.

Following the capital increase and shareholding change as detailed below, we were converted into a joint stock limited liability company under the PRC law on December 26, 2022.

KEY MILESTONES

The table below sets out the key milestones:

Year	Milestone/Event
2012	The Company was established in September 2012
2015	Launched the world's first backside-illuminated scientific-grade CMOS image sensor at that time, GSENSE400BSI
2016	Established our first overseas wholly-owned subsidiary in Japan
2018	Released the charge-domain global shutter CMOS image sensors in GMAX series, featuring multiple pixel sizes such as 2.5μm, 3.2μm and 4.6μm, based on 65nm process, launched products including the world's smallest global shutter pixel of 2.5μm at that time
	Established our second overseas subsidiary in Belgium
2020	Launched the GSPRINT series, our first global shutter CMOS image sensor for high-speed imaging applications
2021	Launched the global shutter CMOS image sensor GMAX32152 with a resolution of 152 MP, the highest resolution known for global shutter CMOS image sensors in the market at that time
	Obtained the First Prize of the Jilin Provincial Science and Technology Award (吉林省科學技術一等獎) for our project "Advanced Manufacturing and Application of High-Performance CMOS Image Sensors" (高性能CMOS圖像傳感器先進製造及應用)
	Included in the National List of Encouraged Key Integrated Circuit Design Enterprises (國家鼓勵的重點集成電路設計企業清單) for the first time and were reselected for the list in 2022, 2023 and 2024

Year	Milestone/Event
2022	Honored as Jilin Provincial "Specialized, Refined, Unique, and Innovative" SMEs (吉林省省級"專精特新"中小企業)
	Honored as a National-Level Specialized, Refined, Unique, and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業)
2023	Granted the AEO Certification from Changchun Customs
	Honored as an "Outstanding Private Enterprise of Jilin Province" (吉林省優秀民營企業)
	Honored as Zhejiang Provincial "Specialized, Refined, Unique, and Innovative" SMEs (浙江省"專精特新"中小企業)
2024	Named as one of the first batch of provincial-level single-product manufacturing champions in Jilin Province (吉林省首批省級製造業單項冠軍企業)
	Designated as National Key "Little Giant" Enterprise (國家重點"小巨人"企業)
2025	Launched the GXS series products, marking the Company's expansion into the medical imaging field
	Launched the GIR series, which comprised of two products as of the Latest Practicable Date, providing short-wave infrared detection ability

OUR CORPORATE DEVELOPMENT

(1) Establishment of the Company in September 2012

The Company was established in China on September 3, 2012, with an initial registered capital of RMB20 million. Of the RMB20 million, UP OPTOTECH, being only an investor without any intention to obtain controlling interests over or be involved in the daily business operations of the Company, subscribed for RMB10 million in cash; Dr. Wang subscribed for a total of RMB6.00 million, consisting of (i) RMB5.40 million through the contribution of appraised assets relating to a proprietary technology and (ii) RMB0.60 million contributed in cash; and Luster subscribed for a total of RMB4.00 million, consisting of (i) RMB0.40 million through the contribution of appraised assets relating to a patent and (ii) RMB3.60 million contributed in cash. The initial registered capital was fully paid up. Upon establishment, the Company was held by UP OPTOTECH, Dr. Wang and Luster as to 50%, 30% and 20%, respectively. On June 6, 2022, Luster replaced its capital contribution of appraised assets of RMB0.4 million with an equivalent amount in cash.

(2) Shareholding Changes of the Company before Conversion into Joint Stock Limited Company

(a) First capital increase in 2014

On April 22, 2014, the original Shareholders of the Company, UP OPTOTECH, Dr. Wang and Luster, agreed to make a pro-rata registered capital increase in cash, of which, UP OPTOTECH, Dr. Wang and Luster increased their respective subscribed registered capital by RMB1.75 million, RMB1.05 million and RMB0.70 million, respectively. The increased registered capital payments were fully settled in May 2022. After the first capital increase in 2014, the Company was held as to 50%, 30% and 20% by UP OPTOTECH, Dr. Wang and Luster, respectively.

(b) First equity transfer in 2016

In December 2016, to incentivize certain key employees of the Company, UP OPTOTECH and Luster transferred RMB3.21 million of the Company's registered capital for a total consideration of RMB4,429,800 to Dr. Wang, Dr. Zhang, Dr. Ma, LIU Yang (劉洋) and LI Yang (李揚), each a key employee of our Company, based on the then appraisal report prepared by an Independent Third Party. Luster transferred RMB705,000 and RMB212,100 of the Company's registered capital to Dr. Wang and Dr. Ma for a consideration of RMB972,900 and RMB292,700, respectively; UP OPTOTECH transferred RMB705,000, RMB492,900, RMB547,500 and RMB547,500 of the Company's registered capital to Dr. Zhang, Dr. Ma, LIU Yang (劉洋) and LI Yang (李揚) for a consideration of RMB972,900, RMB680,200, RMB755,550 and RMB755,550, respectively. The transfer payments were made in October 2017. The transfer was made because UP OPTOTECH and Luster were highly satisfied with the Company's R&D efforts, products and overall business operation under the management team lead by Dr. Wang and consisted of other key personnels and they were willing to incentive those key personnels. Upon completion, the Company was held as to 40.24% by UP OPTOTECH, 33.00% by Dr. Wang, 16.10% by Luster, 3.00% by Dr. Zhang, 3.00% by Dr. Ma, 2.33% by LIU Yang (劉洋) and 2.33% by LI Yang (李揚), respectively.

(c) Second capital increase in 2017

On July 27, 2017, Dr. Wang subscribed for an additional RMB6.00 million registered capital of the Company, representing approximately 20.34% equity interest of our Company upon completion of such capital increase, for a consideration of RMB36.00 million, based on the then appraisal report prepared by an Independent Third Party. The subscription payment was fully settled in November 2017. Immediately after the completion, the registered capital of the Company was increased to RMB29.50 million.

Substantial part of the consideration paid by Dr. Wang was funded by personal loans from four work acquaintance. Dr. Wang has fully repaid the principal and interest in 2022. Based on the loan agreements, amongst others, (i) the loans were ordinary borrowing arrangements with no connection to any equity interest of the Company; and (ii) the lenders had no rights to dividends, voting rights, or any nominee or trust holding arrangements in respect of the Shares of the Company as the result of the lending.

As advised by the PRC Legal Advisors, there are no hold on trust or nominee arrangement between Dr. Wang and the lenders in respect of the Shares of the Company, and there were no dispute between them as of the Latest Practicable Date. The Shares held by Dr. Wang and the entities controlled by him in the Company have clear and legitimate title and ownership, and not subject to any right claim of any other parties.

(d) Third capital increase in 2021

In order to align the interests of our Company and our key employees, Zhuhai Yunchen and Zhuhai Xuchen, was established as our Company's employee shareholding platform. For further details of Zhuhai Yunchen, Zhuhai Xuchen and the other three entities as our Company's employee shareholding platforms, please see "— Our Employee Shareholding Platforms" in this section below.

On July 21, 2021, Zhuhai Yunchen subscribed for registered capital of the Company in the amount of RMB7.5 million. The subscription, which was for a total consideration of RMB124.05 million based on the then appraisal report prepared by an Independent Third Party, represented approximately 20.27% of the equity interest in our Company upon completion of the capital increase. Of the subscribed RMB7.5 million registered capital, Zhuhai Yunchen (a) had fully paid the corresponding subscription payment for RMB5.28 million registered capital in July 2022, and (b) transferred the remaining

RMB2.22 million registered capital to Zhuhai Xuchen for streamlining the structure of our shareholding platforms. Please see "— (g) Fourth equity transfer in July 2022" in this section below for more details. Immediately after the third capital increase in 2021, the registered capital of the Company was increased to RMB37.00 million.

Between 2017 and 2020, to incentivize key employees, Dr. Wang entered into written agreements with 20 employees to grant them equity interests by transferring a portion of his own capital contribution, totaling RMB360,000 of the Company's registered capital, to them. The relevant employees fully paid the consideration for their respective equity transfers upon completion. Due to absence of an employee shareholding platform of the Company at the relevant time, Dr. Wang temporarily held the equity on behalf of these employees for ease of management ("**First Batch Nominee Arrangement**").

Subsequently, following the departure of one employee, the First Batch Nominee Arrangement with respect to such employee was terminated, and his paid consideration was duly refunded in full. Upon the incorporation of Zhuhai Yunchen, in July 2021, the Company resolved to formally include the remaining 19 employees in Zhuhai Yunchen by registering them as limited partners, thereby the 19 employees became indirect shareholders of the Company through Zhuhai Yunchen. Dr. Wang transferred his own partnership interests in Zhuhai Yunchen (equivalent to RMB345,000 of the Company's registered capital) to these employees at nil consideration. By the end of August 2021, all the First Batch Nominee Arrangement had been fully terminated.

After the completion of the second and third capital increase, the shareholding structure of the Company was as follows:

No.	Name of Shareholder	Registered capital held	Percentage of Shareholding
		(RMB'000)	*(%)*
1	Dr. Wang	13,755.00	37.18
2	UP OPTOTECH	9,457.10	25.56(1)
3	Zhuhai Yunchen	7,500.00	20.27
4	Luster	3,782.90	10.22
5	Dr. Zhang	705.00	1.91
6	Dr. Ma	705.00	1.91
7	LIU Yang (劉洋)	547.50	1.48
8	LI Yang (李揚)	547.50	1.48
Total		**37,000.00**	**100.00**

Note:

(1) UP OPTOTECH's shareholding decreased to 25.56% following capital increases by Dr. Wang in 2017 and Zhuhai Yunchen in 2021. Such capital increases aligned with the business growth of the Company and aimed to empower and retain core management and R&D personnel, strengthen the Company's dynamism, drive continuous innovation, and support the Company's long-term development.

(e) Second equity transfer in 2021

Between 2013 and 2018, Dr. Wang, Dr. Ma, LI Yang (李揚) and LIU Yang (劉洋) agreed to transfer certain registered capital of the Company among themselves and agreed that the transferred registered capital would be held by the respective transferors on behalf of transferees for administrative convenience (the "**Second Batch Nominee Arrangement**"). The consideration for such transfers was settled in December 2021.

In December 2021, Dr. Wang, Dr. Ma, LI Yang (李揚) and LIU Yang (劉洋) entered into an equity transfer agreement for restoring the actual shareholdings under the Second Batch Nominee Arrangement at nil consideration as set forth in below table. Upon completion of such transfers, the Second Batch Nominee Arrangement was terminated, and the transferees were registered as the Shareholders of the Company in respect of their respective transfer on June 7, 2022.

No.	Transferor	Transferee	Registered capital transferred
			(RMB'000)
1	Dr. Wang	Dr. Ma	940.00
2.	Dr. Wang	LI Yang (李揚)	235.00
3.	Dr. Wang	LIU Yang (劉洋)	235.00
4.	LI Yang (李揚)	Dr. Wang	30.00
5.	LI Yang (李揚)	Dr. Ma	222.50
6.	LIU Yang (劉洋)	Dr. Ma	252.50

(f) Third equity transfer in June 2022 and fourth equity transfer in July 2022

On June 10, 2022, certain existing Shareholders transferred a total of RMB4,010,800 registered capital of the Company to 22 investors, representing approximately 10.84% equity interest of the Company upon the completion of such equity transfer, for a total consideration of approximately RMB1,084 million. The total transfer payments were fully settled in July 2022. For details of the third equity transfer, please see "— Investment from the Pre-IPO Investors" below in this section. On July 25, 2022, to facilitate the management of our employee shareholding platforms, Zhuhai Yunchen transferred its subscribed registered capital of RMB2.22 million, representing approximately 6.00% equity interest of the Company upon the completion of such equity transfer, which was not paid up by Zhuhai Yunchen, to Zhuhai Xuchen at nil consideration. After the completion of such transfer, Zhuhai Xuchen paid up such transferred registered capital in July 2022.

Following the third and fourth equity transfers in June and July 2022, the Company's shareholding structure was as follows:

No.	Name of Shareholder	Registered capital held	Percentage of Shareholding
		(RMB'000)	*(%)*
1	Dr. Wang	10,121.70	27.36
2	UP OPTOTECH	9,457.10	25.56
3	Zhuhai Yunchen	5,280.00	14.27
4	Luster	3,782.90	10.22
5	Zhuhai Xuchen	2,220.00	6.00
6	Dr. Ma	973.00	2.63
7	Dr. Zhang	705.00	1.91
8	Zhuhai Qixin (珠海祈欣)	555.00	1.50
9	Gaoling Yurun (高瓴裕潤)	555.00	1.50
10	Xianjin Zhizao (先進製造)	444.00	1.20
11	Guoce Xiangchi (國策驤馳)	407.00	1.10
12	Xiamen Yuanfeng (廈門源峰)	370.00	1.00
13	Huashun Guangzhou (華舜廣州)	370.00	1.00
14	LIU Yang (劉洋)	224.80	0.61
15	LI Yang (李揚)	224.80	0.61
16	Other shareholders(2)	1,309.80	3.54
Total		**37,000.00**	**100.00**

Notes: (1) The total percentages shown in the table may not be the arithmetic sum of the figures shown in the notes as a result of rounding adjustments.

(2) The remaining Shareholders comprise 16 Shareholders, namely, Shenzhen Jiusi (深圳九思), Juyuan Xincheng (聚源信誠), QIN Hao (覃浩), Wuhu Tuochen (蕪湖拓辰), Suzhou Fangguang (蘇州方廣), Yibin Chendao (宜賓晨道), Shengyu Huatian (盛宇華天), Zhongke Chuangxing (中科創星), Changzhou Fangguang (常州方廣), Pingyang Yuanxin (平陽源新), Zhongke Xiandao (中科先導), Donghu Guolong (東湖國隆), Ningbo Yuxi (寧波雨熙), Zhongke Ketou (中科科投), Thriving Capital (寧波超興) and Jilin Yuanheng (吉林元亨), each of whom holds a shareholding in the Company ranging from approximately 0.03% to 0.60% of the registered capital of the Company.

(3) Conversion into a joint stock limited company in 2022

On December 16, 2022, all existing Shareholders of the Company, acting as promoters, jointly signed the promoters' agreement for the establishment of a joint stock company. On the same day, the Company convened the inaugural meeting (創立大會) and the first general meeting, and passed related resolutions approving the conversion into a joint stock company and the relevant procedures. Upon completion of the conversion, the registered capital of our Company was RMB370,000,000 divided into 370,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all of the then existing Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on December 26, 2022 when our Company obtained a new business license.

OUR EMPLOYEE SHAREHOLDING PLATFORMS

As of the Latest Practicable Date, the information of our employee shareholding platforms was as follows:

Zhuhai Yunchen is our direct employee shareholding platform. Its general partner is Hangzhou Qixin, which is solely owned by Dr. Wang and holds 0.0115% partnership interest therein, and is responsible for its management. As at the Latest Practicable Date, Zhuhai Yunchen has 31 limited partners, comprising (1) Dr. Wang, Dr. Ma (a supervisor of Gpixel Hangzhou and Gpixel Dalian), LIU Nan (劉楠) (a director of Changguang Yuanxin) and WANG Jialong (王佳龍) (a director of Changguang Yuanxin) each holding 62.2242%, 5.7008%, 0.5682%, 0.0568% limited partnership interest therein, respectively, (2) three indirect employee shareholding platforms, namely Zhuhai Xingchen, Zhuhai Pengchen and Zhuhai Xichen each holding 11.7244%, 4.8051% and 3.2992% limited partnership interest therein, respectively, and (3) the remaining 24 natural person limited partners, all of whom are employees of our Group and not the Directors, senior management or connected persons of our Company, collectively holding 11.6098% limited partnership interests therein. Zhuhai Xuchen is another direct employee shareholding platform and its general partner is Hangzhou Qixin, holding 0.0045% limited partnership interest therein. As at the Latest Practicable Date, Zhuhai Xuchen (珠海旭辰) has two limited partners, comprising (a) Dr. Wang, holding 95.94% limited partnership interest therein, and (b) Mr. Chang Yuchun (常玉春), a consultant of our Company who is our external expert in advising us on the R&D of CMOS image sensors, assisting in cultivating university talents who subsequently joined the Company after graduation, and providing technical consultancy services to the Group, holding 4.05% limited partnership interest therein. The consultant is an Independent Third Party, and has no other relationship with the Company, nor the Controlling Shareholders or associates of the Group, except for his role as an external expert with the Company since 2012.

Each of Zhuhai Xingchen, Zhuhai Pengchen and Zhuhai Xichen is our indirect employee shareholding platform and their respective general partner is Hangzhou Qixin, which is solely owned by Dr. Wang and holds 0.0977%, 0.2383% and 0.0574% partnership interest therein, and is responsible for its management. As at the Latest Practicable Date, (a) Zhuhai Xingchen has 48 limited partners, comprising (1) Dr. Wang holding 0.8790% limited partnership interest therein, respectively, and (2) the remaining 47 natural person limited partners who are all employees of our Group and not the directors, senior management or connected persons of our Group, collectively holding 99.0234% limited partnership interests therein. Among them, Dr. Assaf Lahav, vice president of our key R&D team, holds 59.7694% of the limited partnership interests, while none of the others holds 30% or more; (b) Zhuhai Pengchen has 49 limited partners, comprising (1) Dr. Wang, Ms. WU Qinyun (a Director of the Company and a director of Gpixel Belgium and Changguang Yuanxin), and LI Yanqing (李彥慶) (a director and general manager of Changguang Yuanxin) each holding 0.2383%, 11.8246% and 35.4737% limited partnership interest therein, respectively, and (2) the remaining 46 natural person limited partners who are all employees of our Group and not the directors, senior management or connected persons of our Group, collectively holding 52.2251% limited partnership interests therein and none of the them holds 30% or more, and (c) Zhuhai Xichen has 38 limited partners, comprising (1) Dr. Wang and WANG Jialong (王佳龍) (a director of Changguang Yuanxin) each holding 0.0574% and 0.5741% limited partnership interest therein, respectively, and (2) the remaining 36 natural person limited partners who are all employees of our Group and not the directors, senior management or connected persons of our Group, collectively holding 99.3111% limited partnership interests therein.

Pre-IPO Share Option Scheme

We have adopted the Pre-IPO Share Option Scheme. For details of the Pre-IPO Share Option Scheme, see "D. Pre-IPO Share Option Scheme" in Appendix VI to this prospectus. Save as disclosed above and in "D. Pre-IPO Share Option Scheme" in Appendix VI to this prospectus, as of the Latest Practicable Date, our Group did not have any outstanding share options, warrants, convertible debt securities or other convertible instruments, or similar rights convertible into our Shares.

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had six subsidiaries, including three wholly-owned subsidiaries and three non-wholly owned subsidiaries. The table below sets forth details of our subsidiaries:

Name of subsidiary	Place of Incorporation	Equity interest held by our Group as of the Latest Practicable Date	Registered Capital/Share Capital *('000)*	Date of Incorporation/Date of Commencement of Business	Principal Business Activities
Gpixel Japan	Japan	100.00%	JYP100	January 7, 2016	Module research and development, as well as the procurement of raw materials and packaging services
Gpixel Belgium	Belgium	68.36% *(Note 1)*	EUR640	August 9, 2018	Research and development, design and sale of CMOS image sensors, as well as related customization services
Gpixel Hangzhou *(Note 2)*	China	91.67% *(Note 3)*	RMB15,000	July 20, 2020	Research and development, design and sale of CMOS image sensors, as well as related customization services
Changguang Yuanxin *(Note 4)*	China	50.98% *(Note 5)*	RMB25,500	October 30, 2020	Packaging of CMOS image sensors
Gpixel Dalian	China	100.00%	RMB5,000	December 1, 2021	Research and development, design and sale of CMOS image sensors, as well as related customization services

Name of subsidiary	Place of Incorporation	Equity interest held by our Group as of the Latest Practicable Date	Registered Capital/Share Capital *('000)*	Date of Incorporation/Date of Commencement of Business	Principal Business Activities
Gpixel HK	Hong Kong	100.00%	USD10,000	December 30, 2025	Research and development, design and sale of CMOS image sensors, as well as related customization services *(Note 6)*

Notes:

1. The remaining 9.29%, 7.29%, 6.29%, 2.92%, 2.92%, and 2.92% are held by Jan Bogaerts, Tim Baeyens, Wim Wuyts, Tim Blanchaert, Bart Ceulemans, and Bram Wolfs, respectively. Apart from each of Jan Bogaerts, Tim Baeyens and Wim Wuyts, each being either the sole or majority shareholder of the corporate directors of Gpixel Belgium, the other three individuals are employees of Gpixel Belgium and Independent Third Parties.
2. On December 15, 2022, Gpixel Hangzhou, the Company, Dr. Wang, and Zhejiang Province Industrial Fund Co., Ltd.* (浙江省產業基金有限公司) ("**Zhejiang Industrial Fund**") entered into a registered capital increase agreement, pursuant to which, the Zhejiang Industrial Fund subscribed for RMB1,250,000 registered capital of Gpixel Hangzhou. On December 2, 2024, there had been a registered capital increase contributed by the Company in an amount of RMB3,750,000 into Gpixel Hangzhou and thus the registered capital of Gpixel Hangzhou increased from RMB11,250,000 to RMB15,000,000.
3. The remaining 8.33% is held by Zhejiang Industrial Fund, an Independent Third Party.
4. Our Company consistently holds 50.98% equity interest in Changguang Yuanxin since its incorporation on October 30, 2020. On 1 June 2022, Changguang Yuanxin adopted amendments to its articles of association and our Company executed a supplementary agreement to the original investment contract with the other shareholders, pursuant to which, our Company appointed four additional individuals to serve as directors of Changguang Yuanxin and thereby was able to control both the general meeting of shareholders and the board of directors of Changguang Yuanxin. As a result, Changguang Yuanxin became a subsidiary of the Group with effect from June 2022.
5. The remaining 29.41%, 11.76%, and 7.84% are held by LI Yanqing (李彥慶) (a director and general manager of Changguang Yuanxin), Changguang Precision (through contribution of appraised assets relating to a patent "Infrared Detector Splicing Method (紅外探測器拼接方法)", which is an patent assigned by CIOMP to Changguang Precision), and Changguang Shiyuan respectively.
6. As of the Latest Practicable Date, Gpixel HK has not carried out any business activities.

PREVIOUS A-SHARE LISTING APPLICATION

In June 2023, our Company submitted an application for the listing of our Shares on the STAR Market of the Shanghai Stock Exchange (the "**Previous A-Share Listing Application**"). In January 2025, after taking into account a number of factors, including prolonged and uncertain listing timetable in light of the overall A share vetting process for the Previous A-Share Listing Application, the general market sentiment and the change in the overall strategic positioning of the Company to gain recognition worldwide, we voluntarily withdrew the Previous A-Share Listing Application.

With regard the Previous A-Share Listing Application, our Company has addressed certain enquiries received from the Shanghai Stock Exchange, which were primarily disclosure-based, requesting further details and clarifications on (a) Dr. Wang and Dr. Zhang's control over the Company; (b) related-party transactions with related parties; (c) the Group's technology, management, business independence from that of one of our substantial shareholder and its associate, (d) certain historical capital contribution and shareholding changes of Shareholders of the Company, (e) the Company's valuation at the time of the Pre-IPO Investments, etc. No major comments or issues were raised or identified in the enquiries from the Shanghai Stock Exchange that would affect the Company's suitability for Listing on the Stock Exchange.

Our Directors consider that the Stock Exchange, as an internationally recognized and reputable stock exchange, shall allow us to access international capital markets and expand our global business footprint, to raise our brand recognition and market awareness and to present us with an opportunity to further expand our investor base.

To their best knowledge and belief, as of the date of this prospectus, our Directors are not aware of (i) any matters or findings from the Previous A-Share Listing Application that pose a material adverse implication on the Global Offering, or (ii) any matters relating to the Previous A-Share Listing Application that might materially and adversely affect our Company's suitability for the Listing, which should be brought to the attention of the Stock Exchange or potential investors. Based on the independent due diligence work performed by the Joint Sponsors and the information and representation given to the Joint Sponsors, nothing material has come to the Joint Sponsors' attention that could reasonably cause the Joint Sponsors to cast doubts on the Directors' views set out above.

INVESTMENT FROM THE PRE-IPO INVESTORS

Overview

On June 10, 2022, through equity transfer agreements entered into by and among between certain existing Shareholders ("**Selling Shareholders**") and 22 Pre-IPO Investors, the Selling Shareholders transferred a portion of their equity interests in the Company to 22 Pre-IPO Investors. The following table summarizes the key terms of the Pre-IPO Investments to our Company made by the Pre-IPO Investors:

	Investors	Registered capital transferred	Equity Interest	Consideration	Timing of settlement of Consideration	Approximate Cost Per Share[1]	Discount to the Offer Price[2]	Post-money valuation
		(RMB'000)	*(%)*	*(RMB'000) (Approximately)*		*(RMB) (Approximately)*	*(%) (Approximately)*	*(RMB)*
1.	Zhuhai Qixin (珠海祈欣)	555.00	1.50	150,000.00	July 2022	27.03	23.41	N/A
2.	Gaoling Yurun (高瓴裕潤)	555.00	1.50	150,000.00	July 2022	27.03	23.41	N/A
3.	Xianjin Zhizao (先進製造)	444.00	1.20	120,000.00	July 2022	27.03	23.41	N/A
4.	Guoce Xiangchi (國策驤馳)	407.00	1.10	110,000.00	July 2022	27.03	23.41	N/A
5.	Xiamen Yuanfeng (廈門源峰)	370.00	1.00	100,000.00	July 2022	27.03	23.41	N/A
6.	Huashun Guangzhou (華舜廣州)	370.00	1.00	100,000.00	July 2022	27.03	23.41	N/A
7.	Shenzhen Jiusi (深圳九思)	222.00	0.60	60,000.00	July 2022	27.03	23.41	N/A
8.	Juyuan Xincheng (聚源信誠)	185.00	0.50	50,000.00	July 2022	27.03	23.41	N/A
9.	QIN Hao (覃浩)	148.00	0.40	40,000.00	July 2022	27.03	23.41	N/A
10.	Wuhu Tuochen (蕪湖拓辰)	148.00	0.40	40,000.00	July 2022	27.03	23.41	N/A
11.	Suzhou Fangguang (蘇州方廣)	132.30	0.36	35,754.99	July 2022	27.03	23.41	N/A
12.	Yibin Chendao (宜賓晨道)	99.90	0.27	27,000.00	July 2022	27.03	23.41	N/A
13.	Shengyu Huatian (盛宇華天)	74.00	0.20	20,000.00	July 2022	27.03	23.41	N/A
14.	Zhongke Chuangxing (中科創星)	74.00	0.20	20,000.00	July 2022	27.03	23.41	N/A
15.	Changzhou Fangguang (常州方廣)	52.70	0.14	14,245.01	July 2022	27.03	23.41	N/A
16.	Pingyang Yuanxin (平陽源新)	37.00	0.10	10,000.00	July 2022	27.03	23.41	N/A
17.	Donghu Guolong (東湖國隆)	37.00	0.10	10,000.00	July 2022	27.03	23.41	N/A
18.	Zhongke Xiandao (中科先導)	37.00	0.10	10,000.00	July 2022	27.03	23.41	N/A
19.	Ningbo Yuxi (寧波雨熙)	22.20	0.06	6,000.00	July 2022	27.03	23.41	N/A
20.	Zhongke Ketou (中科科投)	18.50	0.05	5,000.00	July 2022	27.03	23.41	N/A
21.	Thriving Capital (寧波超興)	11.10	0.03	3,000.00	July 2022	27.03	23.41	N/A
22.	Jilin Yuanheng (吉林元亨)	11.10	0.03	3,000.00	July 2022	27.03	23.41	N/A
Total		4,010.80	10.84	1,084,000.00				

Notes:

(1) Calculated based on the amount of consideration paid divided by the number of Shares as adjusted after the Company's conversion into a joint stock limited company in 2022 and certain percentages figures included in this column have been subject to rounding adjustments.

(2) Calculated based on that the Offer Price is HK$39.88 per Share.

Special Rights granted to our Pre-IPO Investors

The Pre-IPO Investors were granted certain special rights by the Selling Shareholders, including the information rights, repurchase rights, liquidation preference rights and most favorable terms.

All special rights of the Pre-IPO Investors (including the repurchase rights) were terminated in June 2023, except that the information rights of Zhuhai Qixin (珠海祈欣), Gaoling Yurun (高瓴裕潤), Huashun Guangzhou (華舜廣州) and Xiamen Yuanfeng (廈門源峰) were restored in effect in January 2025 after the prior termination in June 2023. These information rights will be terminated again upon Listing.

In respect of repurchase rights granted by the Selling Shareholders to the Pre-IPO Investors (the "**SS Redemption Right**"), (i) the Company is not a party to the relevant equity transfer agreements entered into by and between the Selling Shareholders and the Pre-IPO Investors, (ii) there are no other side arrangements between the Company and the Pre-IPO Investors or between the Company and the Selling Shareholders regarding the SS Redemption Right; and (iii) the Company did not provide any form of guarantee on the SS Redemption Right in case of default or failure by the Selling Shareholders to fulfil their obligations relating to the SS Redemption Right. As confirmed by the Selling Shareholders, there are no other side agreements between the Selling Shareholders and the Pre-IPO Investors regarding the SS Redemption Right. Considering the foregoing and that the Company has no obligation to repurchase the Shares held by the Pre-IPO Investors, no financial liability regarding the SS Redemption Right and no redemption liability was recorded during the Track Record Period. No Pre-IPO Investors had exercised the SS Redemption Right during the Track Record Period. For details, please refer to note 34 of the Accountants' Report.

Information of the Pre-IPO Investors

To the best of our knowledge, information and belief and having made all reasonable enquiries, all of the Pre-IPO Investors and their ultimate beneficial owner are Independent Third Parties. The background information on our Pre-IPO Investors is set out below.

1. Zhuhai Qixin Investment Center, L.P.* (珠海祈欣投資中心(有限合夥))

Zhuhai Qixin is a limited partnership established in China on August 2, 2021. The general partner of Zhuhai Qixin is Shenzhen Gaoling Tiancheng Investment III Co., Ltd. (深圳高瓴天成三期投資有限公司) ("**Shenzhen Gao Ling**"). Among its five limited partners who are all Independent Third Parties private equity funds, two hold 30% or more of the interests, namely Shenzhen Gao Ling Muqi Equity Investment Fund, L.P* (深圳高瓴慕祺股權投資基金合夥企業(有限合夥)) (holding 50.11%) and Xiamen Gao Ling Ruiqi Equity Investment Fund Partnership (Limited Partnership)* (廈門高瓴瑞祺股權投資基金合夥企業(有限合夥)) (holding 36.42%), all of which are Independent Third Parties and are managed by Zhuhai Gao Ling Private Equity Fund Management Co., Ltd.* (珠海高瓴私募基金管理有限公司) ("**Zhuhai Gao Ling**"). Shenzhen Gao Ling is directly owned as to 55% by ZHANG Haiyan (張海燕), 15% by MA Cuifang (馬翠芳) and 10% by each of CAO Wei (曹偉), LI Liang (李良) and ZHU Jia (祝佳), all of which are Independent Third Parties.

2. Beijing Gaoling Yurun Equity Investment Fund, L.P.* (北京高瓴裕潤股權投資基金合夥企業(有限合夥))

Gaoling Yurun is a limited partnership established in China on October 16, 2020. The general partner of Gaoling Yurun is Beijing Gaoling Yuqing Investment Management Co., Ltd.* (北京高瓴裕清投資管理有限公司) ("**Beijing Gao Ling**"). Gaoling Yurun is a private equity fund managed by Zhuhai Gao Ling among its 14 limited partners who are all Independent Third Parties, no single limited partner holds 30% or more of the interests therein. Beijing Gao Ling is indirectly owned as to 55% by ZHU Xiuhua (朱秀花), directly as to 15% by each of MA Cuifang (馬翠芳), CAO Wei (曹偉) and LI Liang (李良), each an Independent Third Party.

Zhuhai Qixin and Gaoling Yurun are affiliated with each other and their interests in the Company should be aggregated accordingly.

3. Xianjin Zhizao Industry Investment Fund Phase II (Limited Partnership)* (先進製造產業投資基金二期(有限合夥))

Xianjin Zhizao is a limited partnership established in China on June 18, 2019, primarily engaged in equity investment and management business. The general partner of Xianjin Zhizao is CS Capital Co., Ltd.* (國投招商投資管理有限公司) ("**CS Capital**"). CS Capital is owned as to 21.05% by China SDIC Gaoxin Industrial Investment Co., Ltd.* (中國國投高新產業投資有限公司) which is controlled by State Assets Supervision and Administration Commission ("**SASAC**") and 21.05% by China Merchants Capital Management Co., Ltd.* (招商局資本管理有限責任公司) which is wholly owned by China Merchants Capital Investment Co., Ltd.* (招商局資本投資有限責任公司) ("**CMCI**"). CMCI is owned as to 50% by China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) which is controlled by SASAC and 50% by GLP Capital Investment 5 (HK) Limited which is controlled by CLH Limited. All are Independent Third Parties. The remaining 57.91% interest of CS Capital are owned by eight different entities each owning interests ranging from 5.23% to 15.80%, who are all Independent Third Parties. Among the 37 limited partners of Xianjin Zhizao, all of them are Independent Third Parties and no single limited partner holds 30% or more of the interests therein.

4. Shanghai Guoce Xiangchi Venture Capital Partnership (Limited Partnership)* (上海國策驤馳創業投資合夥企業(有限合夥))

Guoce Xiangchi is a limited partnership established in China on November 2, 2021, primarily engaged in equity investment business. The general partner of Guoce Xiangchi is Shanghai Shenghe Enterprise Management Center (Limited Partnership)* (上海晟閡企業管理中心(有限合夥)) ("**Shanghai Shenghe**"). Among its four limited partners, Guotai Junan Zhengyu Investment Co., Ltd.* (國泰君安證裕投資有限公司) ("**Zhengyu Investment**") holds 45.21% of the interests and Zhengyu Investment is wholly-owned by Guotai Haitong Securities Co., Ltd (stock code: 2611.HK/601211.SH), which is the indirect holding company of our Joint Sponsor, Guotai Junan Capital Limited, and Wuxi Yuanxuan Equity Investment Partnership (Limited Partnership)* (無錫源軒股權投資合夥企業(有限合夥)), which is ultimately controlled by CAO Yi (曹毅), an Independent Third Party, holds 35.99% of the interests. Shanghai Shenghe is controlled by WANG Shufang (王淑芳), an Independent Third Party.

5. Xiamen Yuanfeng Xinguang Enterprise Management Partnership (Limited Partnership)* (廈門源峰芯光企業管理合夥企業(有限合夥))

Xiamen Yuanfeng is a limited partnership established in China on January 14, 2022, primarily engaged in enterprise management and consulting business. The general partner of Xiamen Yuanfeng is Xiamen Yuanfeng Investment Co., Ltd.* (廈門源峰投資有限公司) and it is ultimately owned as to 35% and 35% by TIAN Yu (田宇) and NIE Lei (聶磊), both Independent Third Parties. The limited partner of Xiamen Yuanfeng is Xiamen Yuanfeng Equity Investment Fund Partnership (Limited Partnership)* (廈門源峰股權投資基金合夥企業(有限合夥)), which is also ultimately controlled by TIAN Yu (田宇) and NIE Lei (聶磊).

6. Huashun (Guangzhou) Enterprise Management Partnership (Limited Partnership)* (華舜(廣州)企業管理合夥企業(有限合夥))

Huashun Guangzhou is a limited partnership established in China on June 18, 2021, primarily engaged in investment and financial consulting business. The general partner of Huashun Guangzhou is Huashun (Zhuhai) Enterprise Management Partnership (Limited Partnership)* (華舜(珠海)企業管理合夥企業(有限合夥)), which is controlled by LIANG Wengen (梁穩根), an Independent Third Party. The limited partner of Huashun Guangzhou is Chongqing Huaxu Private Equity Investment Fund Partnership (Limited Partnership)* (重慶華胥私募股權投資基金合夥企業(有限合夥)), which is also ultimately controlled by LIANG Wengen (梁穩根).

7. Shenzhen Jiusi Investment Management Co., Ltd.* (深圳市九思投資管理有限公司)

Shenzhen Jiusi is a limited liability company established in China on March 13, 2001, primarily engaged in investment and asset management. Shenzhen Jiusi is owned as to 42.14% by QIN Hao (覃浩) and 38.10% by Shenzhen Mingnuo Investment Co., Ltd.* (深圳市明諾投資有限責任公司) ("**Mingnuo Investment**") which is in turn owned as to 50% by ZHENG Xiaoyun (鄭曉雲), 45% by QIN JINGRU and 5% by ZHENG Xiaohang (鄭曉航), all Independent Third Parties.

8. QIN Hao (覃浩)

QIN Hao (覃浩) directly holds 42.14% of interest in Shenzhen Jiusi and is a businessman.

9. Juyuan Xincheng (Jiaxing) Venture Investment Partnership (Limited Partnership)* (聚源信誠(嘉興)創業投資合夥企業(有限合夥))

Juyuan Xincheng is a limited partnership established in China on September 5, 2020, primarily engaged in equity investment business. The general partner of Juyuan Xincheng is Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership)* (蘇州聚源炘芯企業管理諮詢合夥企業(有限合夥)) ("**Suzhou Juyuan**"). Among its limited partners who are all Independent Third Parties, no single limited partner holds 30% or more of the interests therein. The general partner of Suzhou Juyuan is Zhongxin Juyuan Private Fund Management (Shanghai) Co., Ltd* (中芯聚源私募基金管理(上海)有限公司) ("**Zhongxin Juyuan**"). Zhongxin Juyuan is owned as to 35% by Shanghai Xinqi Investment Center (Limited Partnership)* (上海芯齊投資中心(有限合夥)), which is controlled by GAO Yonggang (高永崗), an Independent Third Party, and other shareholders each holding less than 30% of interest therein.

10. Wuhu Tuochen Private Equity Investment Center (Limited Partnership)* (蕪湖拓辰私募股權投資中心(有限合夥))

Wuhu Tuochen is a limited partnership established in China on April 13, 2022, primarily engaged in venture capital investment business. The general partner of Wuhu Tuochen is Wuhu Yuanguan Enterprise Management Consulting Center (Limited Partnership)* (蕪湖原管企業管理諮詢中心(有限合夥)) ("**Wuhu Yuanguan**"). Among its six limited partners who are all Independent Third Parties, LIU Xuemei (劉雪梅) holds 51.26% of the interests, while no other single limited partner holds 30% or more of the interests. Wuhu Yuanguan is controlled by FENG Yiming (馮一名), the partner of Atom Ventures* (原子創投) and an Independent Third Party.

11. Suzhou Fangguang Phase III Venture Capital Partnership (Limited Partnership)* (蘇州方廣三期創業投資合夥企業(有限合夥))

Suzhou Fangguang is a limited partnership established in China on August 24, 2020, primarily engaged in equity investment and management business. The general partner of Suzhou Fangguang is Suzhou Fangguang Phase III Venture Capital Management Partnership (Limited Partnership)* (蘇州方廣三期創業投資管理合夥企業(有限合夥)) ("**Suzhou Fangguang Management**"). Among its 42 limited partners who are all Independent Third Parties, no single limited partner holds 30% or more of the interests. Suzhou Fangguang Management is controlled by HONG Tianfeng (洪天峰), the managing partner of FG Venture* (方廣資本) and an Independent Third Party.

12. Changzhou Fangguang Phase III Equity Investment Partnership (Limited Partnership) (常州方廣三期股權投資合夥企業(有限合夥))*

Changzhou Fangguang is a limited partnership established in China on October 29, 2020, primarily engaged in equity investment and management business. The general partner of Changzhou Fangguang is Suzhou Fangguang Management. Among its remaining nine limited partners who are all Independent Third Parties, Taikang Life Insurance Co., Ltd.* (泰康人壽保險有限責任公司), which is ultimately controlled by Chen Yilun (陳奕倫), Lu Ang (陸昂) and Chen Dongxin (陳東升), holds 40% of the interests therein, while no single limited partner holds 30% or more of the interests.

13. Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership) (宜賓晨道新能源產業股權投資合夥企業(有限合夥))*

Yibin Chendao is a limited partnership established in China on April 12, 2021, primarily engaged in equity investment and management business. The general partner of Yibin Chendao is Ningbo Meishan Free Trade Port Zone Chendao Investment Partnership (Limited Partnership)* (寧波梅山保稅港區晨道投資合夥企業(有限合夥)) ("**Ningbo Meishan**"). Among its four limited partners who are all Independent Third Parties, Yibin Emerging Industry Investment Group Co., Ltd.* (宜賓市新興產業投資集團有限公司), which is ultimately controlled by the State-owned Assets Supervision & Administration Committee of Yibin People's Government, holds 44.10% of the interests therein, while no other single limited partner holds 30% or more of the interests. Ningbo Meishan is controlled by GUAN Chaoyu (關朝余) an Independent Third Party.

14. Jiangsu Shengyu Huatian Venture Investment Fund (Limited Partnership) (江蘇盛宇華天創業投資合夥企業(有限合夥))*

Shengyu Huatian is a limited partnership established in China on November 17, 2021, primarily engaged in equity investment business. The general partner of Shengyu Huatian is Nanjing Huayu Management Consulting Partnership (Limited Partnership)* (南京華宇管理諮詢合夥企業(有限合夥)) ("**Nanjing Huayu**"). Among its remaining 27 limited partners who are all Independent Third Parties, no single limited partner holds 30% or more of the interests. Nanjing Huayu is controlled by ZHU Jiangsheng (朱江聲), an Independent Third Party.

15. Beijing Phase II Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership) (北京二期中科創星硬科技創業投資合夥企業(有限合夥))*

Zhongke Chuangxing is a limited partnership established in China on April 14, 2020, primarily engaged in venture capital business. The general partner of Zhongke Chuangxing is Beijing Zhongke Chuangxing Technology Co., Ltd.* (北京中科創星科技有限公司) ("**Beijing Zhongke Chuangxing**"). Among its remaining 27 limited partners which are all Independent Third Parties, no single limited partner holds 30% or more of the interests. Beijing Zhongke Chuangxing is wholly owned by Zhongke Chuangxing Technology Investment Co., Ltd* (中科創星科技投資有限公司) which is owned as to 49.93% by Xi'an Huike Enterprise Management Consulting Co., Ltd.* (西安慧科企業管理咨詢股份有限公司) which is in turn owned as to 47.99% by MI Lei (米磊), the founding partner of CASSTAR* (中科創星) and an Independent Third Party.

16. Pingyang Yuanxin No.6 Venture Capital Partnership (Limited Partnership) (平陽源新六號創業投資合夥企業(有限合夥))*

Pingyang Yuanxin is a limited partnership established in China on September 24, 2019, primarily engaged in equity investment and management business. The general partner of Pingyang Yuanxin is Minghe Private Fund Management (Hangzhou) Co., Ltd.* (名禾私募基金管理(杭州)有限公司) ("**Minghe Private Fund**"). Among its remaining three limited partners, ZHOU Ping (周萍) and ZHENG

Jun (鄭駿), each hold 44.55% of the interests, respectively. Both individuals and the remaining limited partner holding less than 10% interest therein are Independent Third Parties. Minghe Private Fund is owned as to 35%, 35% and 30% by CHENG Gang (成鋼), Hangzhou Minghezhong Enterprise Management Partnership (Limited Partnership)* (杭州名禾眾企業管理合夥企業(有限合夥)) whose general partner is LI Li (李麗), and ZHOU Ping (周萍), respectively, all Independent Third Parties.

17. Jilin Zhongke Xiandao Investment Partnership (Limited Partnership) (吉林中科先導投資合夥企業(有限合夥))*

Zhongke Xiandao is a limited partnership established in China on January 13, 2022, primarily engaged in investment business. The general partner of Zhongke Xiandao is Jilin Zhongke Venture Capital Management Co., Ltd.* (吉林省中科創業投資管理有限公司) ("**Jilin Zhongke Management**"). Jilin Zhongke Management is owned as to 38.00% by Changchun Boyang Technology Consulting Co., Ltd* (長春市伯陽科技咨詢有限責任公司) which is in turn controlled by LI Bing (李冰), an Independent Third Party, and 34% by Chinese Academy of Sciences Venture Capital Management Co., Ltd.* (國科創業投資管理有限公司) ("**CAS Venture Capital**") which is in turn owned as to 35% by Chinese Academy Of Sciences Holdings Co., Ltd.* (中國科學院控股有限公司) which is in turn wholly owned by Chinese Academy of Sciences, and 35% by Gongqingcheng Junhe Venture Capital Management Partnership (Limited Partnership)* (共青城君　和創業投資管理合夥企業(有限合夥)) which is in turn controlled by WU Lebin (吳樂斌), an Independent Third Party. Among its remaining five limited partners who are all Independent Third Parties, no single limited partner holds 30% or more of the interests therein.

18. Jilin Zhongke Technology Achievement Transformation Venture Capital Partnership (Limited Partnership) (吉林中科科技成果轉化創業投資合夥企業(有限合夥))*

Zhongke Ketou is a limited partnership established in China on September 10, 2018, primarily engaged in venture capital and equity investment business. The general partner of Zhongke Ketou is Jilin Zhongke Management. Among its six limited partners which are all Independent Third Parties, only one single limited partner holds 30% or more of the interests, i.e. Guoke Technology Achievement Transformation Venture Capital Fund (Wuhan) Partnership (Limited Partnership)* (國科科技成果轉化創業投資基金(武漢)合夥企業(有限合夥)), which is controlled by CAS Venture Capital and holds 34.69% of the interests in Zhongke Ketou.

19. Wuhan Donghu Guolong Shibei No.2 Equity Investment Fund Partnership (Limited Partnership) (武漢東湖國隆拾貝貳號股權投資基金合夥企業(有限合夥))*

Donghu Guolong is a limited partnership established in China on April 1, 2022, primarily engaged in equity investment and management business. The general partner of Donghu Guolong is Wuhan Donghu Guolong Equity Investment Fund Management Co., Ltd.* (武漢東湖國隆股權投資基金管理有限公司) ("**Donghu Management**"). Donghu Management is owned as to 35% by China State-owned Enterprise Structural Adjustment Fund Co., Ltd.* (中國國有企業結構調整基金股份有限公司) ("**Structural Adjustment Fund**") which is in turn owned as to 30.36% by China Chengtong Group Go., Ltd.* (中國誠通控股集團有限公司) which is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council. The remaining 65% interest in Donghu Management are owned by three different corporations each owning less than 30% of interest therein and are Independent Third Parties. Among the remaining nine limited partners of Donghu Guolong, XIE Guangchun (謝光春), an Independent Third Party, holds 50% of the interests, while no other single limited partner holds 30% or more of the interests and all are Independent Third Parties.

20. Ningbo Yuxi Venture Capital Partnership (Limited Partnership) (寧波雨熙創業投資合夥企業(有限合夥))

Ningbo Yuxi is a limited partnership established in China on August 19, 2015, primarily engaged in venture capital investment and consulting business. The general partner of Ningbo Yuxi is WANG Yixiang (王逸翔), with PAN Yugen (潘玉根) being its sole limited partner. Both are Independent Third Parties.

21. Ningbo Meishan Bonded Port Area Thriving Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區超興創業投資合夥企業(有限合夥))

Thriving Capital is a limited partnership established in China on October 9, 2017, primarily engaged in venture capital business. The general partner of Thriving Capital is HUANG Kun (黃錕), with WU Cen (吳岑) being its sole limited partner. Both are Independent Third Parties.

22. Jilin Yuanheng Equity Investment Partnership (Limited Partnership)* (吉林省元亨股權投資合夥企業(有限合夥))

Jilin Yuanheng is a limited partnership established in China on June 29, 2021, primarily engaged in equity investment business. The general partner of Jilin Yuanheng is Jilin Changbaishan Private Equity Management Co., Ltd.* (吉林長白山私募基金管理有限公司) ("**Jilin Changbaishan PE Management**"). Among its four limited partners, Jilin Zhisheng Investment Management Co., Ltd.* (吉林省致晟投資管理有限公司) ("**Jilin Zhisheng Investment**") holds 62.5% of the interests therein, while no other single limited partner holds 30% or more of the interests and all are Independent Third Parties. Both of Jilin Changbaishan PE Management and Jilin Zhisheng Investment are controlled by State-owned Assets Supervision & Administration Committee of Jilin People's Government* (吉林省人民政府國有資產監督管理委員會).

OTHER INFORMATION ON PRE-IPO INVESTMENTS

Basis of determination of the consideration

As the Pre-IPO Investments constituted existing equity transfers between Selling Shareholders and Pre-IPO Investors, the consideration for such transfers was determined through arm's length negotiations between the parties involved after taking into consideration of the timing of the investments, the status of our business operations and the prospects of the Company. The Company did not receive any proceeds of such investments.

Strategic Benefits from Pre-IPO Investments

The Directors believe that the Pre-IPO Investments are beneficial to the Group as it broadens the Shareholder base prior to Listing. Furthermore, the Company benefits from the commitment demonstrated by the Pre-IPO Investors, as their investments reflect confidence in the Group's business and operations and may be regarded as an endorsement of our performance, strength and prospects.

Lock-up Period

There are no lock-up undertakings in the equity transfer agreements under the Pre-IPO Investments. Pursuant to PRC Company Law, within 12 months following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) shall not transfer any of the Shares held by them.

Joint Sponsors' Confirmation

On the basis that (i) the consideration for the Pre-IPO Investments have been settled more than 28 clear days before the date of first submission of the listing application to the Stock Exchange, and (ii) the special rights granted to the Pre-IPO Investors have been terminated or will be terminated upon Listing, the Joint Sponsors are of the view that the Pre-IPO Investments are in compliance with the guidance on Pre-IPO investments (Chapter 4.2 of the Guide) for New Listing Applicants.

MAJOR ACQUISITIONS, MERGERS AND DISPOSALS

As of the Latest Practicable Date, we had not made any major acquisitions, mergers or disposals.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, the establishment of the Company, equity transfers and changes in registered capital (where applicable) had been duly and lawfully completed in compliance with the applicable laws and regulations in all material aspect. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, the Company had obtained relevant approvals or confirmations for its establishment and subsequent equity transfers (including the aforementioned Pre-IPO Investments) as well as changes in registered capital (where applicable), and has completed all registrations or filings with the relevant authorities in accordance with the relevant laws and regulations (where applicable). Furthermore, as of the Latest Practicable Date, the establishment of the Company, subsequent equity transfers and changes in registered capital (where applicable) remained valid and legally binding.

POST-TRACK RECORD PERIOD ACQUISITION

On February 13, 2026, our Company entered into an investment agreement with the shareholders of PiliBot Robot Technology and two other investors, pursuant to which our Company acquired 4.17% equity interest of PiliBot Robot Technology at a consideration of RMB2 million. The counterparties and their respective ultimate beneficial owners are independent of our Company and its connected persons. Of the RMB2 million consideration, the first installment of RMB1.2 million was fully paid by us on March 3, 2026, and the registration with the local commerce department was completed on March 30, 2026. The remaining installment of RMB0.8 million is expected to paid by us at end of 2026 upon the satisfaction of certain conditions set out in the investment agreement. Upon completion, the equity interest in PiliBot Robot Technology held by our Company had been accounted for as financial assets at fair value through profit and loss. Such investment amount was determined after arm's length negotiation with reference to the business prospects, results of operation and financial condition of PiliBot Robot Technology and was/will be funded by internal resources of our Company. PiliBot Robot Technology primarily engages in the intelligence robotics research and development. The minority investment in PiliBot Robot Technology reflects our strategies in investing high-tech companies of the image sensor industry chain. We have applied to the Stock Exchange, and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the PiliBot Robot Technology Acquisition. For more details, see "Waivers from Strict Compliance with the Listing Rules — Waiver in Relation to Shareholding Acquired after the Track Record Period."

Conversion of Unlisted Shares to H Shares

The Company has applied for conversion of Unlisted Shares into H shares in accordance with the instructions of relevant Shareholders to convert certain Unlisted Shares into H shares. The conversion of Unlisted Shares into H shares will involve an aggregate of 225,844,300 Unlisted Shares held by 22 existing Shareholders set out in the table below in "— Capitalization of our Company" in this section, representing approximately 51.88% of the total issued share capital upon completion of the conversion of Unlisted Shares into H shares and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme).

Capitalization of our Company

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the Listing Date:

		As of the Latest Practicable Date		As of the Listing Date (assuming no exercise of Over-allotment Option and no Shares are issued under the Pre-IPO Share Option Scheme)					
	Shareholders	Number of Unlisted Shares	Approximate percentage in the total issued share capital	Number of H Shares	Approximate ownership percentage in H Shares	Number of Unlisted Shares	Approximate ownership percentage in Unlisted Shares	Total number of Shares	Approximate ownership percentage in total issued share capital
1	Dr. Wang	101,217,000	27.36%	65,791,050	22.60%	35,425,950	24.57%	101,217,000	23.25%
2	UP OPTOTECH	94,571,000	25.56%	61,471,150	21.11%	33,099,850	22.96%	94,571,000	21.73%
3	Zhuhai Yunchen	52,800,000	14.27%	34,320,000	11.79%	18,480,000	12.82%	52,800,000	12.13%
4	Luster	37,829,000	10.22%	24,588,850	8.45%	13,240,150	9.18%	37,829,000	8.69%
5	Zhuhai Xuchen	22,200,000	6.00%	14,430,000	4.96%	7,770,000	5.39%	22,200,000	5.10%
6	Dr. Ma	9,730,000	2.63%	6,324,500	2.17%	3,405,500	2.36%	9,730,000	2.24%
7	Dr. Zhang	7,050,000	1.91%	4,582,500	1.57%	2,467,500	1.71%	7,050,000	1.62%
8	Zhuhai Qixin (珠海祈欣)	5,550,000	1.50%	—	—	5,550,000	3.85%	5,550,000	1.27%
9	Gaoling Yurun (高瓴裕潤)	5,550,000	1.50%	—	—	5,550,000	3.85%	5,550,000	1.27%
10	Xianjin Zhizao (先進製造)	4,440,000	1.20%	2,886,000	0.99%	1,554,000	1.08%	4,440,000	1.02%
11	Guoce Xiangchi (國策驤馳)	4,070,000	1.10%	—	—	4,070,000	2.82%	4,070,000	0.94%
12	Xiamen Yuanfeng (廈門源峰)	3,700,000	1.00%	1,110,000	0.38%	2,590,000	1.80%	3,700,000	0.85%
13	Huashun Guangzhou (華舜廣州)	3,700,000	1.00%	—	—	3,700,000	2.57%	3,700,000	0.85%
14	LIU Yang (劉洋)	2,247,500	0.61%	1,460,875	0.50%	786,625	0.55%	2,247,500	0.52%
15	LI Yang (李揚)	2,247,500	0.61%	1,460,875	0.50%	786,625	0.55%	2,247,500	0.52%
16	Shenzhen Jiusi (深圳九思)	2,220,000	0.60%	2,220,000	0.76%	—	—	2,220,000	0.51%
17	Juyuan Xincheng (聚源信誠)	1,850,000	0.50%	—	—	1,850,000	1.28%	1,850,000	0.43%
18	QIN Hao (覃浩)	1,480,000	0.40%	1,480,000	0.51%	—	—	1,480,000	0.34%
19	Wuhu Tuochen (蕪湖拓辰)	1,480,000	0.40%	—	—	1,480,000	1.03%	1,480,000	0.34%
20	Suzhou Fangguang (蘇州方廣)	1,322,940	0.36%	859,911	0.30%	463,029	0.32%	1,322,940	0.30%
21	Yibin Chendao (宜賓晨道)	999,000	0.27%	999,000	0.34%	—	—	999,000	0.23%
22	Shengyu Huatian (盛宇華天)	740,000	0.20%	—	—	740,000	0.51%	740,000	0.17%
23	Zhongke Chuangxing (中科創星)	740,000	0.20%	—	—	740,000	0.51%	740,000	0.17%
24	Changzhou Fangguang (常州方廣)	527,060	0.14%	342,589	0.12%	184,471	0.13%	527,060	0.12%
25	Pingyang Yuanxin (平陽源新)	370,000	0.10%	370,000	0.13%	—	—	370,000	0.09%
26	Zhongke Xiandao (中科先導)	370,000	0.10%	370,000	0.13%	—	—	370,000	0.09%
27	Donghu Guolong (東湖國隆)	370,000	0.10%	370,000	0.13%	—	—	370,000	0.09%
28	Ningbo Yuxi (寧波雨熙)	222,000	0.06%	—	—	222,000	0.15%	222,000	0.05%
29	Zhongke Ketou (中科科投)	185,000	0.05%	185,000	0.06%	—	—	185,000	0.04%
30	Thriving Capital (寧波超興)	111,000	0.03%	111,000	0.04%	—	—	111,000	0.03%
31	Jilin Yuanheng (吉林元亨)	111,000	0.03%	111,000	0.04%	—	—	111,000	0.03%
32	Other investors taking part in the Global Offering	—	—	65,294,200	22.43%	—	—	65,294,200	15.00%
	Total	**370,000,000**	**100.00%**	**291,138,500**	**100.00%**	**144,155,700**	**100.00%**	**435,294,200**	**100.00%**

PUBLIC FLOAT

The Company has applied for the conversion of certain Unlisted Shares held by each of Xianjin Zhizao (先進製造), Xiamen Yuanfeng (廈門源峰), LI Yang (李揚), LIU Yang (劉洋), Shenzhen Jiusi (深圳九思), QIN Hao (覃浩), Suzhou Fangguang (蘇州方廣), Yibin Chendao (宜賓晨道), Changzhou Fangguang (常州方廣), Pingyang Yuanxin (平陽源新), Zhongke Xiandao (中科先導), Donghu Guolong (東湖國隆), Zhongke Ketou (中科科投), Thriving Capital (寧波超興), Jilin Yuanheng (吉林元亨) (collectively, the "**Conversion Investor Applicants**") into H Shares per the instructions of the Conversion Investor Applicants. Since (i) none of the Conversion Investor Applicants are core connected person as defined under the Listing Rules; (ii) none of the Conversion Application Investor Applicants fall within any category under Rule 8.24 of the Listing Rules; and (iii) each of the Conversion Investor Applicants is an Independent Third Party, the H Shares to be held by the Conversion Investor Applicants will be counted as part of the public float of our Company upon the completion of the Global Offering.

The aggregate of 325,397,000 Shares (including Unlisted Shares and H Shares to be converted after conversion of certain Unlisted Shares) held by Dr. Wang, UP OPTOTECH, Zhuhai Yunchen, Luster, Zhuhai Xuchen, Dr. Ma and Dr. Zhang will not be counted towards public float upon the completion of the Global Offering as they are held by our core connected persons. In addition, the aggregate of 30,266,750 Unlisted Shares held by 15 existing shareholders, namely Zhuhai Qixin (珠海祈欣), Gaoling Yurun (高瓴裕潤), Xianjin Zhizao (先進製造), Guoce Xiangchi (國策驤馳), Xiamen Yuanfeng (廈門源峰), Huashun Guangzhou (華舜廣州), LIU Yang (劉洋), LI Yang (李揚), Juyuan Xincheng (聚源信誠), Wuhu Tuochen (蕪湖拓辰), Suzhou Fangguang (蘇州方廣), Shengyu Huatian (盛宇華天), Zhongke Chuangxing (中科創星), Changzhou Fangguang (常州方廣) and Ningbo Yuxi (寧波雨熙), will not be considered as part of the public float as such Shares will not be converted into H Shares.

Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of listing of the Company's H Shares exceeds HK$6 billion but not exceeding HK$30 billion, the higher of: (i) the percentage that would result in the expected market value of H shares held by the public to be HK$1,500,000,000 at the time of listing; and (ii) 15% must at the time of the Listing be held by the public. With respect to the Offer Price of HK39.88 per H Share, the expected market capitalization of the Company's H Shares would be HK$11.6 billion (assuming the over-allotment option is not exercised). Accordingly, at least 15% of the total number of issued Shares must be held by the public at the time of Listing. Upon completion of the Global Offering and conversion of Unlisted Shares into H shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme), the total number of H Shares to be counted towards the public float will be 79,630,450 H Shares, representing approximately 18.29% of our total issued shares, which is higher than the prescribed percentage of Shares required to be held in public hands of 15% under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules. Therefore we are in compliance with the requirements of Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

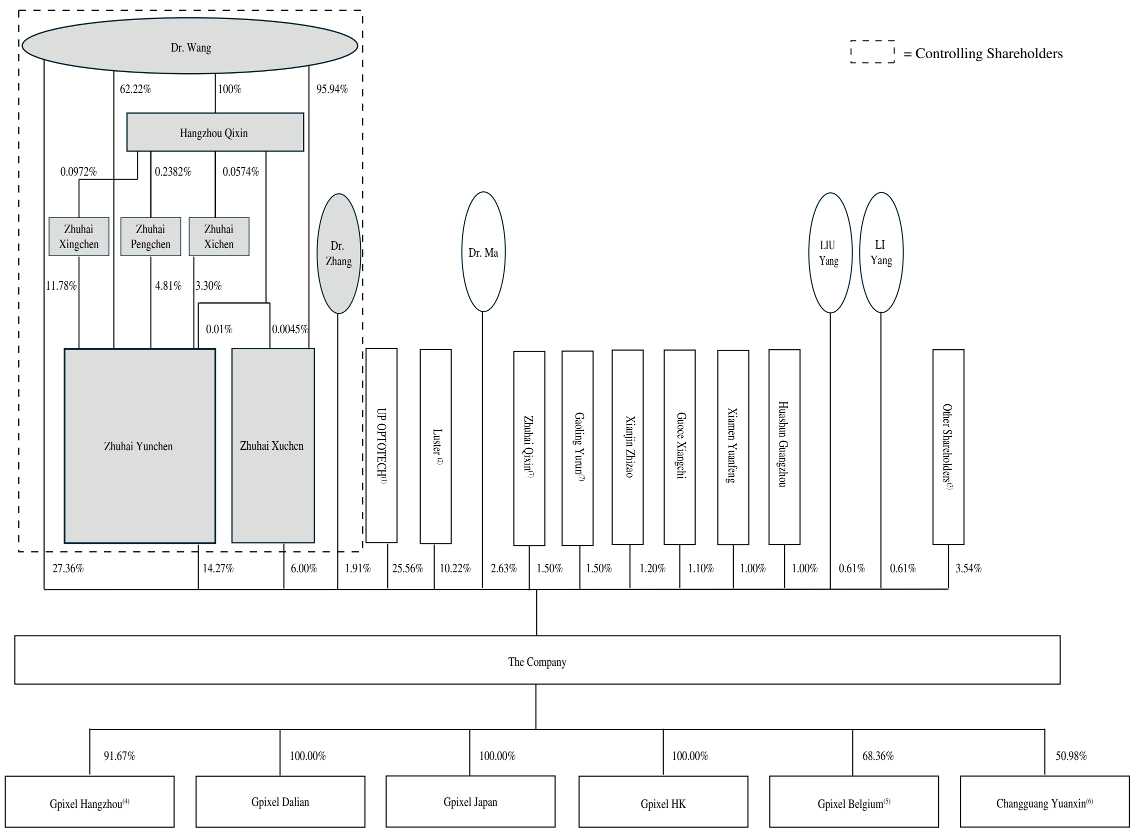
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% 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.

It is expected that immediately following completion of the Listing, a market capitalization of not less than HK$600 million of the H Shares listed on the Stock Exchange will not be subject to such disposal restrictions at the time of the Listing. Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C(1)(b) of the Listing Rules.

OUR CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure and shareholding structure immediately prior to the completion of Global Offering

The table below sets out our shareholding structure immediately before completion of the Global Offering (assuming no Shares are issued under the Pre-IPO Share Option Scheme):



Notes:

(1) UP OPTOTECH is a company established in the PRC on June 26, 2001 with its shares listed on the Shenzhen Stock Exchange (Stock code: 002338.SZ), a substantial shareholder of our Company. According to the publicly available information, it was owned as to 41.40% by CIOMP, being the de facto controller of UP OPTOTECH.

(2) Luster is a company established in the PRC on August 13, 2002 with its shares listed on the Shanghai Stock Exchange (stock code: 688400.SH). According to the publicly available information, it was owned as to 46.69% by Ms. YANG Yi, one of our non-executive Directors, comprising 4.91% equity interest directly held by Ms. YANG YI and 41.78% deemed equity interest held by Ms. YANG Yi through YAO Yi (姚毅) (being the spouse of Ms. YANG Yi).

(3) Comprising a total of 16 Pre-IPO Investors namely, Shenzhen Jiusi (深圳九思), Juyuan Xincheng (聚源信誠), QIN Hao (覃浩), Wuhu Tuochen (蕪湖拓辰), Suzhou Fangguang (蘇州方廣), Yibin Chendao (宜賓晨道), Shengyu Huatian (盛宇華天), Zhongke Chuangxing (中科創星), Changzhou Fangguang (常州方廣), Pingyang Yuanxin (平陽源新), Zhongke Xiandao (中科先導), Donghu Guolong (東湖國隆), Ningbo Yuxi (寧波雨熙), Zhongke Ketou (中科科投), Thriving Capital (寧波超興) and Jilin Yuanheng (吉林元亨), each holding less than 0.60% of the issued share capital of our Company immediately prior to the completion of the Global Offering.

(4) Gpixel Hangzhou was owned as to approximately 91.67% by our Company and 8.33% by Zhejiang Industrial Fund, an Independent Third Party.

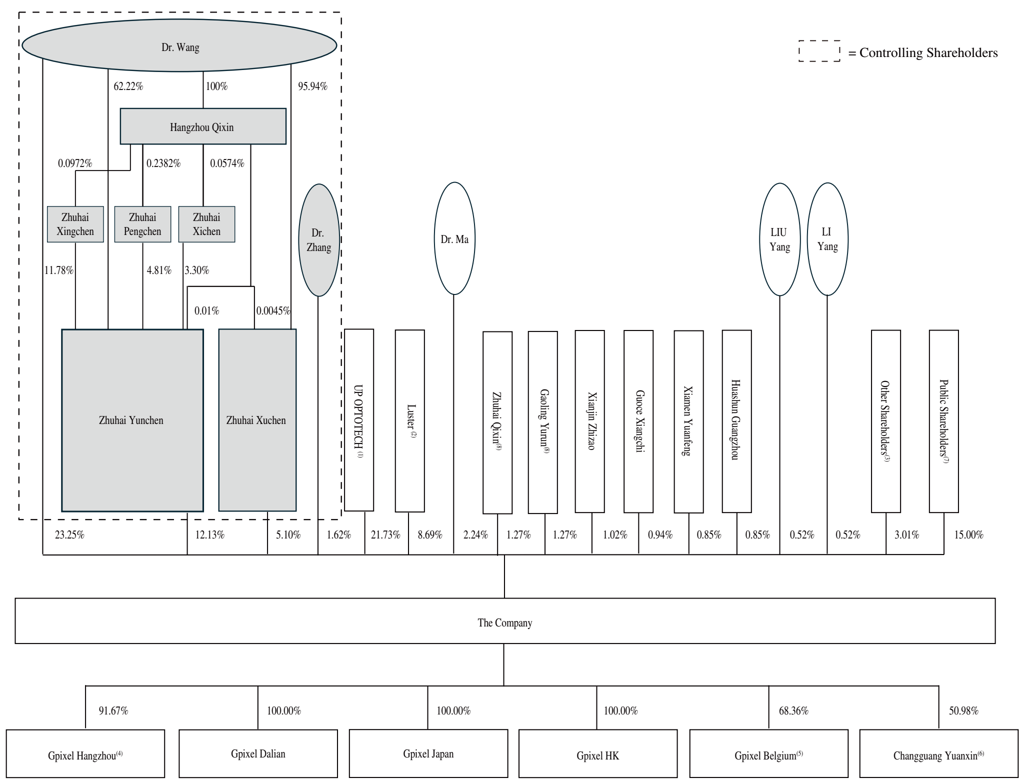
(5) Gpixel Belgium was owned as to approximately 68.36% by our Company, 9.29% by Jan Bogaerts, 7.29% by Tim Baeyens, 6.29% by Wim Wuyts, 2.92% by Bart Ceulemans, 2.92% by Tim Blanchaert and 2.92% by Bram Wolfs. Apart from each of Jan Bogaerts, Tim Baeyens and Wim Wuyts, each being either the sole or majority shareholder of the corporate directors of Gpixel Belgium, the other three individuals are employees of Gpixel Belgium and Independent Third Parties.

(6) Changguang Yuanxin was owned as to approximately 50.98% by our Company, 29.41% by LI Yanqing (李彥慶) (a director and general manager of Changguang Yuanxin), 11.76% by Changguang Precision and 7.84% by Changguang Shiyuan.

(7) Zhuhai Qixin and Gaoling Yurun are affiliated with each other and their interests in the Company should be aggregated accordingly.

Corporate structure and shareholding structure immediately following the completion of Global Offering

The table below sets out our shareholding structure immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme):



Notes:

(1)–(6) See the notes to "— Our Corporate and Shareholding Structure — Corporate structure and shareholding structure immediately prior to the completion of Global Offering

(7) The Shares held by these other public Shareholders are H Shares, which will be counted towards the public float together with 14,336,250 H Shares to be converted from Unlisted Shares. See "Share Capital" for further details of the conversion of Unlisted Shares into H Shares.

(8) Zhuhai Qixin and Gaoling Yurun are affiliated with each other and their interests in the Company should be aggregated accordingly.

OVERVIEW

We are a provider of CMOS image sensors ("**CIS**"). Since our establishment, we have been focusing on the research and development of CIS, offering nine major product series widely applicable to advanced technology fields such as industrial imaging, scientific imaging, professional photography and video, and medical imaging. During the Track Record Period, we primarily design and sell CIS for downstream customers in the industrial imaging and scientific imaging sectors and we operate under a fabless model. Our products play a vital role in enhancing the performance and imaging quality of industrial cameras, scientific cameras, professional cinema cameras and other imaging devices. For example, with respect to industrial imaging applications, our CIS is used in the inspection process of manufacturing such as detection of alignment error in the manufacturing of lithium battery, while our CIS is used in scientific imaging applications including DNA sequence imaging, confocal microscope and fluorescence camera. According to Frost & Sullivan, in terms of industrial imaging revenue in 2024, we ranked third among global CIS companies, accounting for 15.2% of the global market share. In addition, in terms of scientific imaging revenue in 2024, we ranked third among global CIS companies, accounting for 16.3% of the global market share. The industrial imaging and scientific imaging CIS markets are dominated by a few international and regional leaders. In terms of revenue in 2024, industrial imaging and scientific imaging CIS markets accounted for approximately 2.1% and 0.8% of the global CIS market, respectively.

During the Track Record Period, we achieved revenue growth and profitability. Our revenue increased by 11.3% from RMB604.8 million in 2023 to RMB673.0 million in 2024, and further increased by 27.3% to RMB856.5 million in 2025. During the Track Record Period, we recorded a gross profit of RMB384.0 million, RMB396.9 million and RMB573.3 million, respectively, with gross profit margin of 63.5%, 59.0% and 66.9%, respectively. We recorded net profits of RMB169.8 million, RMB197.0 million and RMB293.1 million, for the three years ended December 31, 2025. Our operating cash flow remained consistently positive with steady growth, increasing from RMB208.3 million in 2023 to RMB224.8 million in 2024, and further to RMB466.3 million in 2025.

OUR COMPETITIVE STRENGTHS

Specialization in CMOS Image Sensors

As a pioneer in CMOS image sensors, we focus on developing CMOS image sensors for industrial imaging, scientific imaging, professional photography and video and medical imaging. These application scenarios represent areas of high growth in the CIS industry, in particular:

- *Industrial imaging:* The increasing demand for automation in industries such as manufacturing and logistics is pushing demand for CMOS image sensors. These sensors enable defect detection, quality control, and robotics, contributing to the rise in demand for higher resolution and faster processing speeds in factory automation.

- *Scientific imaging:* The scientific imaging industry has growing demand due to advances in research and the increasing use of imaging in areas like microscopy, spectroscopy, and environmental monitoring. Higher resolution, improved sensitivity, and faster readout speeds are essential for capturing more detailed data, driving the growth of CMOS image sensors in this field.

- *Professional photography and video:* The rise of content creation, including photography, cinematography, and broadcasting, continues to boost CMOS image sensors demand. Professional-grade cameras require sensors with higher resolution, improved low-light performance, and enhanced dynamic range. The increasing use of CMOS image sensors in high-end cameras and filmmaking equipment drives steady demand for more advanced and precise sensors.

- *Medical imaging:* CMOS image sensors adoption is driven by the demand for diagnostic techniques and portable imaging devices. Medical applications such as endoscopy, and diagnostic cameras require high-resolution, low-noise sensors to ensure accurate results. The rising focus on patient care and the growing need for real-time, on-site diagnostics are pushing demand for CMOS image sensors in medical imaging technologies.

The global CMOS image sensor market is experiencing modest growth, benefiting from a combination of growth drivers including (i) accelerated technological advancement, such as pixel size reduction, backside illumination, stacked architecture, HDR advancements, improvement of power efficiency and noise reduction; (ii) intelligent upgrades driven by AI integration enabling features such as automatic scene recognition, intelligent noise reduction and dynamic range optimization; and (iii) shift of strategic focus beyond standalone sensor specifications to encompass cross-disciplinary integration. In China, the CMOS image sensors industry is benefited from additional support by strategic government policies and industry funds for accelerated domestic substitution and strengthened self-reliance. For example, the medical imaging sector reached a global market size of RMB3.0 billion in 2024, and is expected to maintain strong growth, reaching RMB8.8 billion by 2029, with a projected CAGR of 24.4% from 2024 to 2029. The industrial imaging market is also expected to further expand from RMB2.9 billion to RMB7.8 billion with a CAGR of 21.5% in the period from 2024 to 2029. The scientific imaging market is expected to grow from RMB1.2 billion in 2024 to RMB2.2 billion in 2029 with CAGR of 12.8%. According to Frost & Sullivan, in terms of industrial imaging revenue in 2024, we ranked third among global CIS companies, accounting for 15.2% of the global market share. In addition, in terms of scientific imaging revenue in 2024, we ranked third among global CIS companies, accounting for 16.3% of the global market share. The industrial imaging and scientific imaging CIS markets are dominated by a few international and regional leaders. In terms of revenue in 2024, industrial imaging and scientific imaging CIS markets accounted for approximately 2.1% and 0.8% of the global CIS market, respectively.

Leveraging our expertise in CMOS image sensors, our sensors have been exported to over 30 countries and regions worldwide. In 2025, our overseas revenue accounted for 22.9% of our total revenue, demonstrating our strong global competitiveness.

Independent Technology Moat Through 14 Years of Innovation

Since our establishment in 2012, we have remained committed to technological R&D and innovation, consistently focusing on positioning and overcoming key technical challenges in CMOS image sensor development. Our technological advancements have been achieved through the following approaches:

- *Technology-Driven Independent R&D:* Led by Dr. Wang, our founding team leveraged their expertise and industry experience to develop proprietary technologies in high-dynamic-range pixel design, global shutter pixel architecture, variable resolution, adjustable pixel size, and on-chip ADC design. With 14 years of independent R&D, we have established 11 core proprietary technologies, including global shutter pixel, HDR pixel, high-sensitivity pixel, HDR readout circuit, low-noise circuit, high-performance ADC circuit, high-speed readout circuit, TDI image sensor, BSI image sensor, 3D imaging sensor, and 3D wafer stacking. These innovations have enabled us to build a strong technical moat in pixel design, circuit design, and process development, allowing our products to rival global industry leaders in performance while delivering large format, high resolution, high sensitivity, low noise, high frame rate, and high quantum efficiency capabilities.

- *Customized Sensor Solutions for Global Industry Leaders:* Our advanced engineering capabilities have made us a trusted partner for leading companies and research institutions worldwide. Customized sensor solutions typically present a higher technological barrier. We have completed multiple custom CMOS image sensor projects, helping customers accelerate prototyping and mass production of next-generation products. These engagements complement our in-house R&D, driving iterative improvements and keeping us at the forefront of industry trends. For the three years ended December 31, 2025, our customized sensor solutions contributed revenue amounting to RMB98.4 million, RMB162.2 million and RMB61.2 million, respectively.

- *National Key R&D Programs and Major Science & Technology Projects:* Participation in state-level initiatives, such as the National Science and Technology Major Project, aligns us with China's strategic priorities and fosters partnerships with top-tier research institutions and tech enterprises. These collaborations address critical technological challenges and industry pain points. Notably, we spearheaded the development of an 8K ultra-high-definition image sensing chip and system, delivering China's first full-frame, BSI, stacked CMOS sensor, breaking reliance on foreign imports for ultra-HD imaging solutions.

Our achievements stem from sustained R&D investment. During the Track Record Period, our R&D expenditure grew from RMB131.5 million in 2023 to RMB130.2 million in 2024, and further increased to RMB186.2 million in 2025. As of the Latest Practicable Date, we held 61 registered patents globally.

Independent Industry Chain Development and Integration Through In-house Packaging & Testing Verification System and Strategic Expansion

We place paramount importance on achieving autonomous control and vertical integration within our supply chain. To this end, we have established a comprehensive support system that spans the entire CMOS image sensor R&D lifecycle. In particular:

- *Independent Testing Platform Development:* We have constructed a full-process testing platform system encompassing wafer testing, full optoelectronic verification, reliability testing, and final sensor testing. Equipped with advanced instruments such as system-level sensor testing sorters, wafer probe stations, and thermal cycling chambers, this platform provides a stable testing environment tailored to both R&D and mass production requirements for CMOS image sensors.

- *Inspection System Development:* To meet stringent sensor inspection standards, we independently developed sensor and wafer data analysis systems. Utilizing a multi-threaded testing architecture, we achieve fully automated detection and data analysis, significantly reducing reliance on external testing service providers.

- *Packaging Capacity Expansion:* We have strategically expanded into sensor packaging, with production capacity ramped up. Our current monthly high-reliability ceramic packaging output exceeds 20,000 units, and we expect to effectively supplement our in-house packaging capabilities within the next two to three years.

While strengthening our autonomous capabilities, we continue to deepen collaboration across the industry chain. In particular:

- *Strategic Supplier Partnerships:* We maintain long-standing, stable partnerships with leading global suppliers in wafer foundries, sensor packaging, ceramic housings, cover glass, and other critical areas. We have established long-term direct supply relationships with top-tier partners, including Tower and DB HiTek (the world's leading foundries), as well as Kyocera (the world's largest advanced ceramics supplier), ensuring both the security and cost efficiency of key material supplies. At the same time, we adhere to a diversified supplier strategy. According to each project's unique requirements, we employ a dynamic selection mechanism based on a multi-dimensional evaluation system encompassing, among others, technical capabilities, product performance, cost and lead times. This data-driven approach not only optimizes the balance between performance and cost-effectiveness but also mitigates risks associated with single-supplier dependency, reinforcing long-term supply chain stability and security. We have also made strategic investments in key segments of the CMOS image sensor manufacturing chain, including wafer foundry, sensor packaging, packaging materials, and ISP technology. As these invested companies achieve technological breakthroughs and expand production capacity, we anticipate further improvements in supply chain responsiveness and cost competitiveness.

Comprehensive Collaboration with a Global Network of Customers

We specialize in high-tech fields such as industrial imaging, scientific imaging, professional photography and video, and medical imaging. These sectors impose stringent requirements on the performance parameters, reliability, and supply chain stability of CMOS image sensors, with high technical barriers and typically lengthy customer validation cycles. Once our products pass customer certification and enter their supply chain, we are usually establishing long-term and stable partnerships. In addition, we provide tailored solutions for globally renowned customers, allowing us to deeply understand their needs, address pain points, and further strengthen strategic collaboration.

With years of expertise in the CMOS image sensor industry, our customer base spans leading domestic and international industrial imaging equipment manufacturers, scientific instrument producers, system integrators, and top-tier research institutions. Notable partners across four key application areas, namely, industrial imaging, scientific imaging, professional photography and video, and medical imaging, include global industry leaders, prestigious research institutes as well as prominent Chinese companies like Hikrobot, Tucsen, and I-TEK Optoelectronics.

Dedicated and Experienced Management Team Complemented by a Forward-Looking and Global Talent Pipeline

Our management team comprises seasoned professionals with extensive industry experience and strategic insight, boasting over a decade of hands-on expertise in sensor technology, pixel design R&D, commercialization, operations management, and financial planning. The team's highly stable governance structure and collaborative entrepreneurial culture serve as the core driving force behind our technological iteration, market expansion, and long-term strategic execution. Our founder, Dr. Wang, holds a bachelor's degree in Applied Electronics from Zhejiang University, a master's degree in Microelectronics Systems Design from the University of Southampton, and a doctoral degree with a research focus in CMOS image sensor from Delft University of Technology. With over 16 years of expertise in the CMOS image sensor industry, Dr. Wang has made significant contributions to our R&D and advancement in CMOS image sensors. Guided by a technology-driven philosophy, he has fostered a culture of innovation, spearheaded multiple technological breakthroughs, and led the development of several flagship products, enabling our technical capabilities to progressively rival those of global industry leaders. With Dr. Wang's relentless commitment to innovation and forward-looking strategic vision, we have cultivated differentiated competitive advantages and established a notable position in the global industrial imaging and scientific instrumentation markets.

In terms of talent development, we prioritize attracting and nurturing outstanding professionals, recognizing them as the cornerstone of our sustained growth. We have implemented a robust compensation system and talent management framework, building a high-caliber team of skilled and experienced specialists. As of December 31, 2025, we had a total of 465 employees, including 19 Ph.D. holders, 206 Master's degree holders, and 182 Bachelor's degree holders. Our R&D team comprises 226 members, representing approximately 48.6% of our total employees. Beyond our R&D centers in Changchun, Hangzhou, and Dalian, we expanded our global footprint by establishing subsidiaries in Japan in 2016 and Belgium in 2018, recruiting local experts to strengthen our R&D capabilities. Through effective collaboration between our domestic and international teams, we have built a globally integrated R&D system, laying a solid foundation for technological and product innovation. In addition, we emphasize talent retention through various types of share-based incentives with broad participation.

OUR DEVELOPMENT STRATEGIES

Relentless Focus on Technological Innovations and Product Iterations to Lead Global Advancement of CIS Technology

We are committed to increasing our R&D investments to drive continuous innovation and technological advancement in CMOS image sensor development. Our roadmap focuses on pioneering next-generation pixel architectures and sensor solutions leveraging mature process nodes and platforms, cementing our position at the forefront of global CMOS image sensor technology evolution.

Our pixel design strategy encompasses breakthrough developments across multiple technology platforms, including FSI, BSI and stacked architectures. We are advancing high-performance global shutter pixels for precision imaging applications, developing next-generation rolling shutter solutions, and enhancing TDI pixel technology for specialized use cases. These innovations will push the boundaries of sensitivity, dynamic range, and speed across various imaging applications.

Our circuit development initiatives target optimized performance across multiple process nodes through ultra-low-noise readout circuits that maximize signal integrity, high-speed control and readout architectures enabling faster frame rates, precision ADCs for high image quality, and power-optimized readout solutions for energy-efficient operation. These advancements will deliver measurable improvements in key performance parameters for our sensor portfolio.

We are developing specialized process technologies to extend our sensors' detection capabilities across the electromagnetic spectrum. This includes enhanced UV sensitivity for scientific and industrial applications, optimized visible light performance for mainstream imaging, and improved IR response for specialized sensing needs. These developments are expected to open new market opportunities and application spaces for our technology solutions.

To this end, we plan to allocate HK$1,377.0 million of the net proceeds from the Global Offering for increasing our R&D investments to drive continuous innovation and support product iterations across our major application scenarios, namely, industrial imaging, scientific imaging, professional photography and video, and medical imaging solutions.

Commitment of Further Resources to Existing and Evolving Application Scenarios and Enhancement of Our Capabilities Beyond Sensor Design

Through years of technological accumulation and product innovation, we have earned widespread market and customer recognition in industrial imaging and scientific instrumentation. We will further consolidate our leadership in these domains by deeply understanding market demands and adopting a dual approach combining customized sensor solutions with standardized products to increase market share.

Concurrently, we are accelerating expansion into medical imaging and professional photography and video sectors. According to Frost & Sullivan, the medical imaging sector reached a global market size of RMB3.0 billion in 2024, and is expected to maintain strong growth, reaching RMB8.8 billion by 2029, with a projected CAGR of 24.4% from 2024 to 2029. According to Frost & Sullivan, the global market for professional photography and video is expected to grow from RMB4.5 billion in 2024 to RMB5.9 billion in 2029, representing a CAGR of 5.6%. By collaborating closely with industry leaders through tailored services and strategically developing standard products for these fields, we aim to address growing application-specific demands. To finance the above strategy, we plan to allocate HK$250.4 million and HK$375.5 million of the net proceeds from the Global Offering to (i) engage in R&D to develop and commercialize several new products under the medical imaging application; and (ii) develop and commercialize several new full frame and APS-C[(1)] frame products under the professional photograph and video application.

To enhance our capabilities beyond sensor design, we are scaling up our packaging and testing operations through cleanroom expansions and advanced equipment procurement. This capacity boost, coupled with strengthened technical synergies with upstream suppliers and downstream partners, will foster a win-win global supply chain ecosystem, positioning us as the driving force in CMOS image sensor industry advancement. In view of the above, we intend to allocate HK$100.1 million of the net proceeds from the Global Offering for expanding our packaging and testing production lines.

Continuous Expansion of Our High-Quality Domestic and International Customer Base

While maintaining our strong commitment to existing customers, we will leverage our proprietary technologies to systematically expand our customer base across four application scenarios, optimizing our customer portfolio for sustainable growth.

To strengthen our overseas operations, we are enhancing our international marketing capability by expanding our sales and technical support networks. Building on our existing subsidiaries in Belgium and Japan, we will integrate global marketing resources and develop comprehensive customer acquisition channels to significantly increase our market share in the CMOS image sensor industry.

We believe this approach, combining technological differentiation with strategic geographic expansion, will solidify our position as a leader while driving measurable business growth.

Development into a Global Hub for CMOS R&D Talents

To drive continuous innovation and sustainable growth, we will continue to implement a comprehensive talent strategy that combines competitive recruitment with systematic development programs. We will establish attractive compensation and incentive mechanisms to attract top industry

Note:

(1) APS-C, Advanced Photo System type-C, also known as advanced photo system-classic type, refers to a specification for measuring the optical size of CMOS image sensors, which is generally 29.3mm when referring to the optical size of CMOS image sensors.

professionals while implementing a blended learning approach incorporating both internal training and external development opportunities. This dual focus will enable us to build a world-class team of multidisciplinary experts proficient in both sensor design and pixel design, a critical capability for maintaining our technological leadership.

Furthermore, we will step up our investment in elite talent acquisition to establish our organization as a global hub for CMOS research and development talents. Through strategic partnerships with academic institutions, and research facilities, we aim to create the industry's premier destination for imaging sensor innovation.

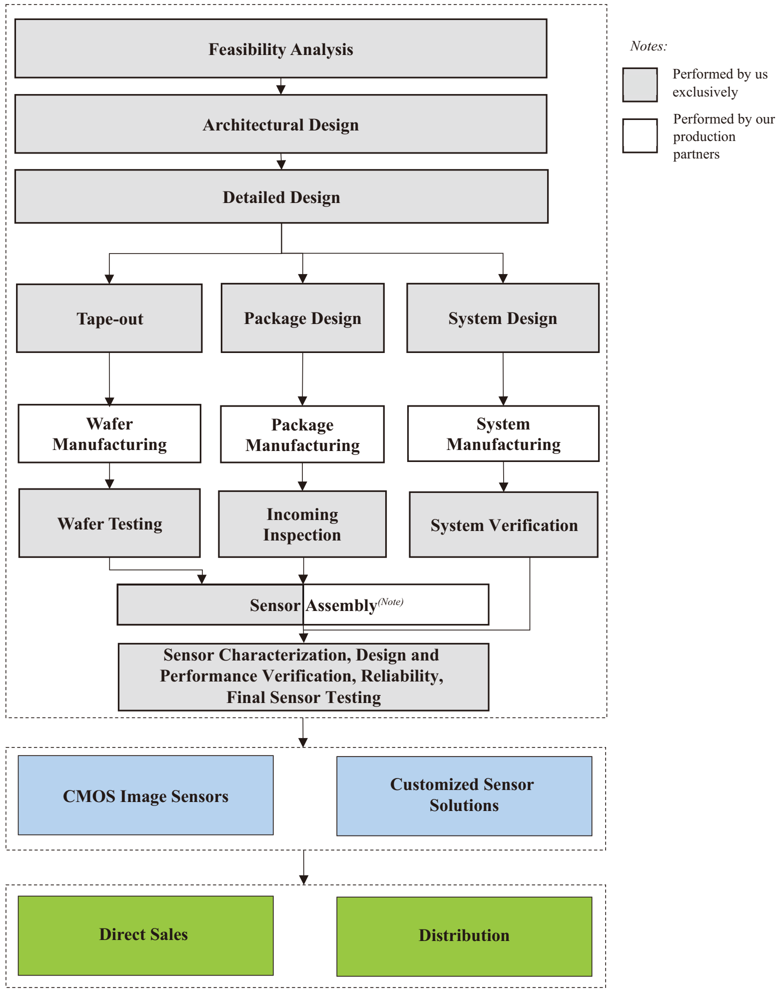
To this end, we plan to allocate HK$525.8 million of the net proceeds from the Global Offering for establishing an advanced CMOS image sensor R&D center.

OUR BUSINESS MODEL

We operate under a fabless business model, which means we focus primarily on the design, development, testing, and sales of CMOS image sensors while outsourcing the wafer manufacturing processes to world-class production partners. This approach allows us to concentrate on our core competencies in innovation and product design, while leveraging the specialized expertise of industry-leading manufacturers for wafer fabrication. By collaborating with production partners, we ensure that our CMOS image sensors meet the highest standards of quality, reliability, and performance. Crucially, we retain full control over core value-added processes, including sensor design, wafer testing, and final sensor testing, ensuring quality and performance meet stringent industry standards. This hybrid approach, combining in-house expertise with strategic outsourcing, allows us to maintain flexibility, reduce capital expenditure, and focus on innovation in high-performance imaging technology. As a fabless CIS design company, we operate in the upstream segment of the industry value chain. See "Industry Overview — Value Chain of CIS" in this prospectus.

In terms of sales and marketing strategy, we employ a primarily direct sales supplemented by distributorship model. Given the high technology nature of our products, which requires deep technical understanding, we primarily leverage our dedicated sales team to engage end customers directly, particularly in industrial imaging, scientific imaging, professional photography and video and medical imaging. While sales through distributors account for a relatively small portion of our revenue, we have a network of distributors, which enables us to rapidly establish regional sales networks and enhance market penetration. This sales model aligns with our customer-centric approach, enabling close collaboration with customers to deliver tailored imaging solutions.

Set forth below is a diagram which illustrates our business model:



Note:

We and our production partners each possess independent capabilities to perform the "sensor assembly" process. We independently complete the sensor assembly at our own facilities, while also engaging outsourced assembly service providers to perform similar services on an outsourced basis, depending on technical requirements, production capacity and business needs.

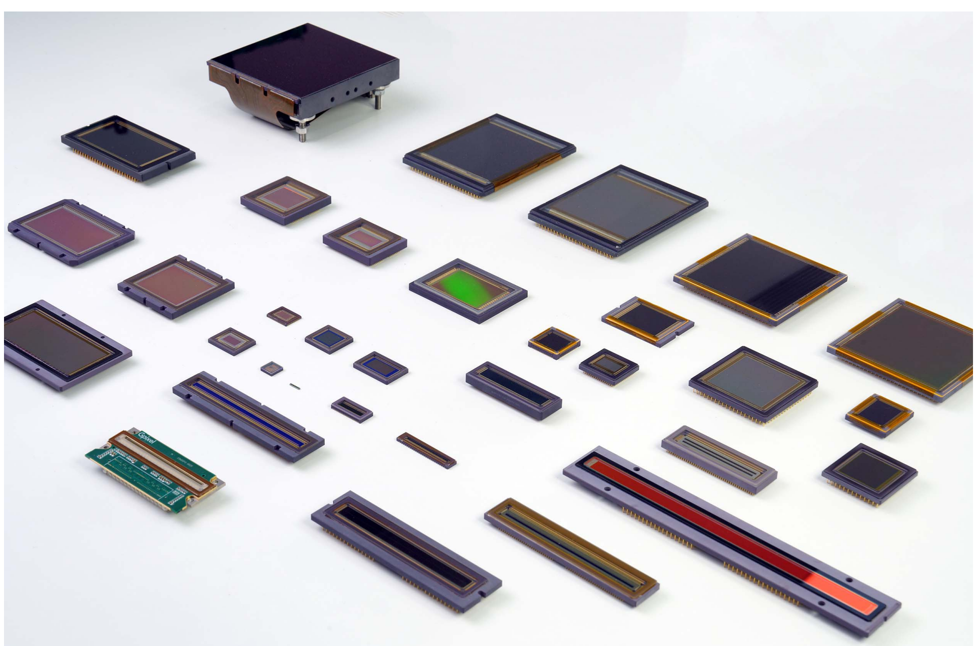
In cases where we engage outsourced assembly service providers to perform sensor assembly, the typical logistics arrangements for our manufacturing process are as follows: our foundry suppliers are responsible for the fabrication of wafers, which are subsequently sold and delivered to us. Depending on the specific technical requirements of each product, we carry out wafer testing in-house and engage third party testing service providers to perform certain testing processes. The wafers are then delivered to outsourced packaging service providers for assembly. Upon completion, the packaged sensors are delivered back to us, where we perform final sensor testing prior to the completion of the production process.

We operate a business model that combines in-house expertise with strategic outsourcing to deliver high-quality semiconductor products. At the core of our operations is sensor design, which is exclusively handled by our in-house R&D department that then sends the designs to third-party wafer foundries for fabrication. We conduct wafer-level testing while simultaneously procuring ceramic and glass components from suppliers. These materials are sent to us for incoming quality inspection before being outsourced to packaging houses for assembly. The packaged sensors return to us for final sensor testing. While most packaging are outsourced to our production partners, we have gradually taken some packaging capability in-house through our subsidiary Changguang Yuanxin since 2022. Located in Changchun, China, our in-house packaging facility primarily supports the packaging of certain small format products in GMAX and GL series. With current manpower and equipment, our in-house packaging facility has a monthly packaging capacity of approximately 25,000 units. During the Track Record Period, the utilization rate of our in-house packaging facility was 18.9%, 69.4% and 95.3%, respectively. In-house packaging provides us with greater process autonomy, quality control and flexibility in new product prototyping, supported by multiple inspection checkpoints and comprehensive process equipment. Outsourced packaging remains the predominant approach, particularly for our flagship products, as our established production partners offer stable yields and extensive production experience. During the Track Record Period, in terms of units, approximately 16.8%, 43.1% and 41.0% of our products are packaged completely in-house. We maintain full control over the critical value-added processes of sensor design, wafer testing, and final sensor testing, aligning with industry standards for such fabless semiconductor operations.

OUR PRODUCTS AND SOLUTIONS

We have developed a comprehensive portfolio of standard products, namely our CMOS image sensors, comprising nine major product series with over 50 standard products as of the Latest Practicable Date. In addition, we provide customized sensor solutions when the standard off-the-shelf products available in the market cannot meet the demanding requirements of the targeted applications. The customized sensor solutions empower our customers, leading manufacturers in their specific areas such as high-end industrial inspection, scientific instruments, medical or prosumer applications, to develop their future generation products with customized CMOS image sensors.

The following diagram illustrates a collection of our product portfolio:



Our standard products and customized sensor solutions offer a diverse range of CMOS image sensors, distinguished by large format, high resolution, high sensitivity, low noise, high frame rate, high quantum efficiency, as well as a wide spectrum beyond the visible range. With close collaboration with our customers and the drive for high-quality specifications, we are committed to continuous iterations of our products leveraging our rich technology portfolio. For example, in 2024, we have introduced more than ten new products, strategically expanding our presence in fields such as high-speed imaging and high-end industrial inspection, achieving breakthrough advancements in CMOS sensor technology and reaching globally leading technical standards.

Our CMOS image sensors can be categorized by pixel arrangement into (i) area array sensors and (ii) linear array sensors. Area array sensors feature pixels arranged in a two-dimensional matrix, allowing them to capture a complete 2D image in a single exposure. In contrast, linear array sensors have pixels arranged in lines and capture 2D images by scanning objects moving at a constant speed perpendicular to the sensor's orientation. Beyond standard offerings, we provide customized sensor solutions tailored to specialized industry needs.

The following table sets forth our revenue breakdown by pixel arrangement during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
CMOS Image Sensor[1]	**505,038**	**83.5**	**510,330**	**75.8**	**794,663**	**92.8**
Area array sensors	409,569	67.7	414,862	61.6	621,390	72.5
Linear array sensors	87,169	14.4	81,790	12.2	132,625	15.5
Other components	8,300	1.4	13,678	2.0	40,648	4.8
Customized Sensor Solutions	**98,366**	**16.3**	**162,197**	**24.1**	**61,182**	**7.1**
Others[2]	**1,431**	**0.2**	**521**	**0.1**	**668**	**0.1**
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note:

(1) CMOS Image Sensors refer to our standard products.

(2) Our revenue from others during the Track Record Period includes the sale of raw materials and the provision of other services. At the request of some customers, we occasionally sell small number of raw materials such as sockets, connectors and packaging materials to them. Other services mainly include the testing services that we provided to customers. For the years ended December 31, 2023, 2024 and 2025, revenue from the sale of raw materials amounted to RMB1.4 million, RMB0.3 million and RMB0.5 million, representing approximately 0.2%, 0.1% and 0.1% of our total revenue for the respective periods. Revenue from other services for the same periods was RMB18,645, RMB0.2 million and RMB0.1 million, respectively, each representing a negligible percentage of our total revenue. The fluctuations in our revenue from others were driven by the change in customer demand, and the amount of our other income is expected to remain low in the future.

The following table sets forth a breakdown of the number of our products sold during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume (thousand units)	*Average Selling Price (RMB per unit)*	*Sales volume (thousand units)*	*Average Selling Price (RMB per unit)*	*Sales volume (thousand units)*	*Average selling price (RMB per unit)*
Area array sensors	129	3,175	206	2,014	392	1,585
Optical format[1] ≤1"	39	792	118	442	204	315
1" < optical format ≤ APS-C[2]	75	2,665	74	2,135	162	1,489
Optical format >APS-C	15	11,920	14	14,626	26	12,145
Linear array sensors	84	1,038	155	528	200	663
Other components	3	2,767	33	414	23	1,767
Total	**216**	**2,338**	**394**	**1,295**	**615**	**1,292**

Notes:

(1) Optical format refers to the size of an image sensor and is measured by the diagonal length of the area of the CMOS image sensor that actually receives light.

(2) APS-C, Advanced Photo System type-C, also known as advanced photo system-classic type, refers to a specification for measuring the optical size of CMOS image sensors, which is generally 29.3mm when referring to the optical size of CMOS image sensors.

Our products can also be categorized by their application scenarios, each with distinct technical priorities and R&D focuses. Currently, the major application scenarios of our products include (i) industrial imaging; (ii) scientific imaging; (iii) professional photography and video; and (iv) medical imaging. Our industrial imaging solutions emphasize on market-driven optimization, where we tailor sensors for specific industrial use cases (e.g., semiconductor inspection, high-speed production lines, etc.), balancing speed, power efficiency, and robustness. Our scientific imaging solutions are focused on pushing technological boundaries where we prioritize breakthrough innovations (e.g., ultra-low-light detection) to serve advanced research and instrumentation. Our professional photography and video solutions have core R&D focus on high dynamic range, low-light performance, and color fidelity, enabling high-quality imaging in challenging environments. Our medical imaging solutions focus on sensor customization for endoscopy and medical X-ray applications.

The following table sets forth our revenue breakdown by our major application scenarios during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Industrial imaging	327,524	54.2	446,550	66.3	638,980	74.6
Scientific imaging	253,952	42.0	192,405	28.6	204,304	23.9
Professional photography and video	13,629	2.3	9,807	1.5	9,517	1.1
Medical imaging	—	—	20,236	3.0	474	0.1
Others *(Note)*	9,730	1.5	4,050	0.6	3,238	0.3
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note: Include sales of evaluation boards, wafers and other raw materials, and provision of testing services.

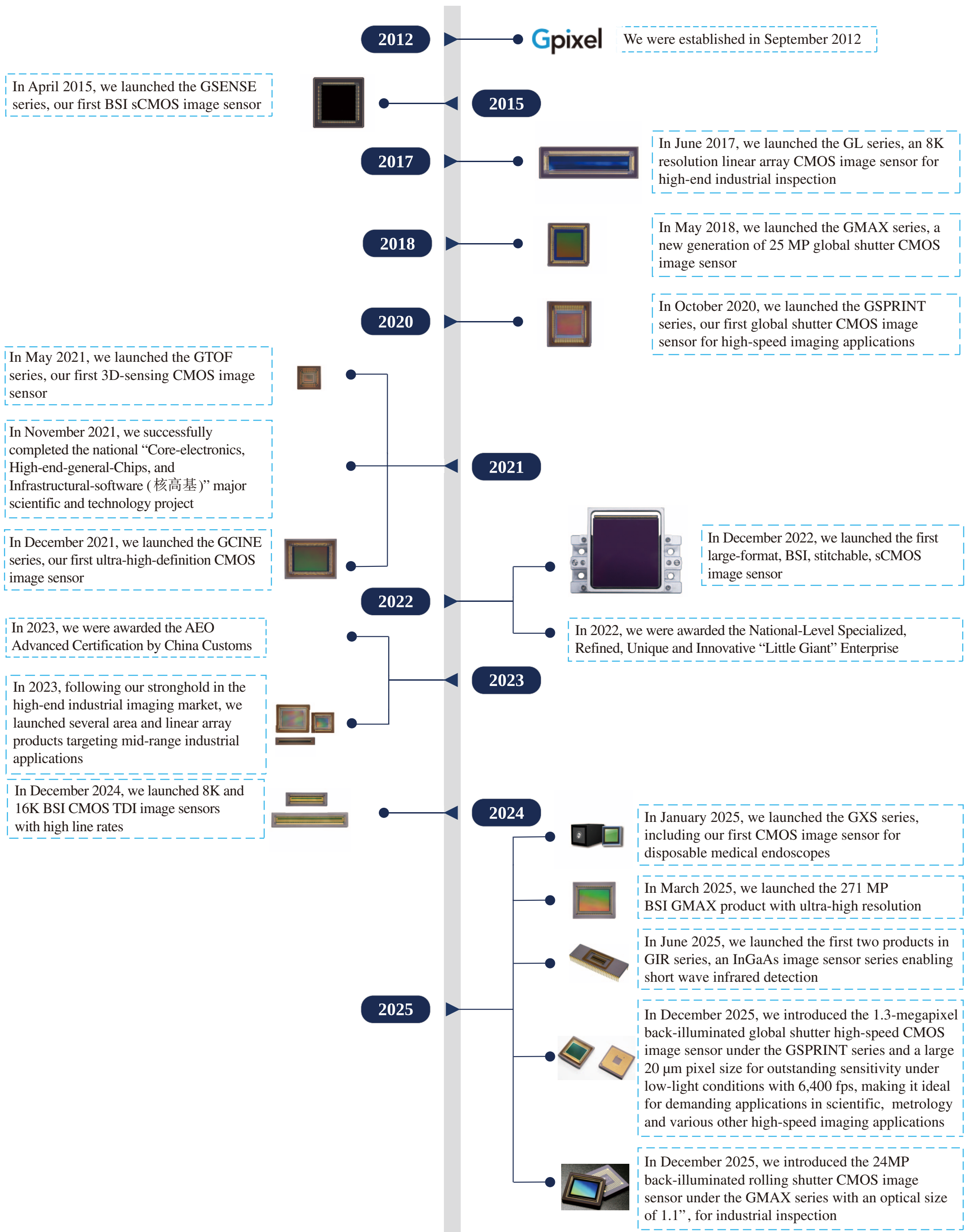
The following table sets forth our gross profit and gross profit margin breakdown by our major application scenarios during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit (RMB'000)	*Gross profit margin* %	*Gross profit* (RMB'000)	*Gross profit margin* %	*Gross profit* (RMB'000)	*Gross profit margin* %
Industrial imaging	191,128	58.4	244,331	54.7	406,802	63.7
Scientific imaging	179,725	70.8	141,421	73.5	158,691	77.7
Professional photography and video & Medical imaging	8,242	60.5	8,935	29.7	6,260	62.7
Others *(Note)*	4,859	49.9	2,175	53.7	1,528	47.2
Total	**383,954**	**63.5**	**396,862**	**59.0**	**573,281**	**66.9**

Note: Include sales of evaluation boards, wafers and other raw materials, and provision of testing services.

Development Milestones

Below is an illustration of our major business milestones since establishment:



Our Product Series

As of the Latest Practicable Date, we had developed nine series of CMOS image sensors primarily designed for high-tech application scenarios including industrial imaging, scientific imaging, professional photography and video and medical imaging. These sensors possess advanced features, including large photon-sensitive surfaces, high resolution, optimized sensitivity, wide dynamic range, low noise, high quantum efficiency, and ultra-high-speed performance. The typical product life of our products for each of these downstream applications is five to 10 years, which is supported, to the best of our knowledge and information, by our track record of historical product launches and the products that remain available in the market. The below table sets forth the major features, representative application scenarios and representative products of our CMOS image sensors based on the different product series:

Product series	Pixel arrangement	Major features	Major application scenarios	Representative use cases
GMAX[1]	Area array	The GMAX is our global shutter sensor product family, designed to take full advantage of high-speed industrial camera interfaces while providing the performance and features required for imaging-as-measurement applications like factory inspection, automation, traffic monitoring and aerial mapping. In the GMAX product family, we offer global shutter pixel sizes ranging from 2.5 μm to 6.4 μm and resolutions from 2.4 MP to 152 MP. In 2024 we also introduced a 271 MP sensor with 1.5 μm rolling shutter pixel for high-end industrial inspection.	Industrial imaging and scientific imaging	high-end industrial inspection, such as solar panel and new energy production line inspection, machine vision, factory automation; and barcode reading for example, in lithium battery manufacturing, our GMAX series products are used to precisely align multiple layers during the stacking process, detecting alignment errors to ensure production accuracy and product quality scientific imaging, such as astronomical observation and scientific microscopic imaging.
GSPRINT	Area array	The GSPRINT is our high-speed global shutter product family, including the 2MP, 10MP and 21MP FSI sensors, as well as the most recent 2MP and 14MP BSI sensors.	Industrial imaging and scientific imaging	high-speed imaging for industrial inspection and scientific imaging where high-speed is essential; for example, in automotive crash tests, our GSPRINT high-speed imaging sensors record the entire collision process in detail, allowing slow-motion playback to analyze deformation and damage for safety improvements.
GSENSE[2]	Area array	The GSENSE is a world leading sCMOS image sensor product family, featured with correlated multiple sampling for extremely low noise, true high dynamic range, optional BSI technology for quantum efficiency of up to 95%, as well as high frame rate outperform typical sCMOS image sensors and CCD devices.	Scientific imaging	scientific applications that demand extremely high image quality; for example, our GSENSE series products are used to photograph DNA sequence fragments, leveraging low-energy microscopes to magnify and display living cells.
GL	Linear array	The GL product family comprises a wide range of horizontal resolutions, ranging from 2k to 16k, with line rates of up to 1 MHz. These sensors feature pixel sizes of 3.5 μm, 5 μm, 7 μm, and 14 μm, providing a comprehensive selection to suit diverse linear array applications.	Industrial imaging	industrial inspection, semiconductor inspection, DNA sequencing, color sorting; for example, in rice grading, our GL series products are used in color sorting machines to detect and classify grains by color, ensuring consistent quality in food processing.
GLUX	Area array	The GLUX is a BSI, scientific grade CMOS image sensor product family combining sub-electron noise performance and high sensitivity.	Scientific imaging	ultra-low light imaging in scientific and surveillance applications; for example, our GLUX series products enable clear imaging in extremely dark environments by using high-sensitivity, low-noise sensors that capture faint light invisible to the naked eye, supporting night-time observation and monitoring.

Product series	Pixel arrangement	Major features	Major application scenarios	Representative use cases
GCINE	Area array	The GCINE is our flagship product family of products utilizing BSI to achieve high sensitivity and wide dynamic range.	Professional photography and video	professional photography and video applications, including 8K broadcasting, aerial imaging with drones, and high-end 8K video production.
GTOF	Area array	The GTOF is an iToF image sensor product family featuring a 5 μm 3-tap state-of-the-art iToF pixel utilizing BSI stacking technology, offering high accuracy depth sensing and distance measurement applications.	Industrial imaging	vision guided robotics, bin picking, factory automation; for example, in unmanned factories, forklifts equipped with our GTOF series products detect distance and obstacles to transport goods accurately without human operation.
GXS	Area array	The GXS product family is an ultra-miniature BSI image sensor available either as sensor itself or as a camera module equipped with wafer level optics.	Medical imaging	medical endoscopy, where our GXS series products are used to allow doctors to observe stomach ulcers or tumors and plan appropriate treatments, offering compact size, low power consumption, and high system integration.
GIR	Linear array	The GIR product series enables us to detect short wave infrared from 0.9 μm–1.7 μm.	Industrial imaging	semiconductor inspection, industrial detection, intelligent sorting, and spectral analysis applications.

Notes:

(1) GMAX series are our Group's top selling product series which contribute to approximately 39.6%, 35.0% and 47.8% of our total revenue for each year during the Track Record Period, respectively.

(2) GSENSE series are our Group's top selling product series which contribute to approximately 20.1%, 19.1% and 15.2% of our total revenue for each year during the Track Record Period, respectively.

Development of Our Major Product Series

GSENSE was our first product series. We launched the GSENSE series in 2015 with the release of the BSI, sCMOS image sensor GSENSE400BSI, followed by other models such as GSENSE2020BSI. With our breakthroughs in 2D stitching technology, we subsequently introduced large-format products in this series. The GSENSE series incorporates our proprietary technologies, including back-illuminated processes, high-sensitivity pixels, high-dynamic-range pixels and high-dynamic-range readout circuits.

In 2018, we launched our GMAX series targeting industrial imaging applications, adopting global shutter pixel technology and high-speed readout circuits. Our first product in this series, GMAX0505, featured a 2.5 μm pixel size, delivered high resolution within a compact optical format with a frame rate of 150 fps, and has been widely adopted in the industrial market. We have since expanded the GMAX series to include products with different resolutions and sensor formats to meet market demand.

In 2017, we launched our first product in the GL series, GL0816, and subsequently introduced other products in this series with different resolutions and pixel sizes. Since 2020, following our breakthroughs in TDI technology, we launched TDI-enabled several GL products, offering higher line rates and improved sensitivity.

Subsequently in 2020, we launched the GSPRINT series, which features global shutter pixels and ultra-high frame rates, primarily for high-speed imaging. Products in this series typically achieve frame rates in the thousands of fps, supported by our advances in sensor architecture, pixel processes and high-speed readout circuit design.

In 2021, we introduced the GLUX series, which builds on the GSENSE mature technology with low power consumption and video output interfaces, targeting low-light imaging and high-end security monitoring applications. In addition, we developed the GCINE series in 2021 under the national "Core-electronics, High-end-general-Chips and Infrastructural-software (核高基)" major scientific and technology project, through which we made advancements in architecture, pixel and process design for cinematic CMOS image sensors. We subsequently launched more GCINE products, which achieved significant performance improvements and enabled us to secure customized sensor solutions projects with leading international customers.

Customized Sensor Solutions

To meet the specialized requirements of some of industry-leading customers, we also offer customized CMOS image sensor solutions. These tailored services encompass feasibility studies, detailed sensor design, ceramic packaging design, electronic system development, prototype fabrication, functional testing, and reliability verification. We are typically engaged to complete all work packages and provide various reports (such as feasibility, detailed design and test report), as well as a PCB board which can be used to evaluate the sensor performance as the final deliverables of the projects.

Our advanced engineering capabilities have made us a trusted partner for leading companies and research institutions worldwide. Customized sensor solutions typically present a higher technological barrier. We have completed multiple customized CMOS image sensor projects, addressing the needs of the various industries, and providing customers with unique technical advantages for their targeted applications. These engagements complement our in-house R&D, driving iterative improvements and keeping us at the forefront of industry trends. In addition, these engagements enable early market positioning while significantly enhancing customer loyalty. Our customized sensor solutions further strengthen synergy with industry leaders and facilitate our expansion into new markets.

Comparing with our standard products, customized sensor solutions typically involve more advanced technologies. They are developed when the standard products across the market cannot fulfill the unique needs of certain customers or specialized applications. Certain technical features developed through customized sensor solutions may be reused or integrated into other standard products. While standard products represent the primary source of our revenue and profits, customized sensor solutions serve as a strategic tool for our early market exploration and positioning.

Case Study

In recent years, OLED and micro-OLED represents a significant leap in display technology, particularly for VR and AR applications. Compared to traditional LED displays, the OLED display is becoming the preferred choice for portable VR/AR devices, because of several advantages: —(i) ultra-fast response time, which is critical for reducing motion blur; and —(ii) higher pixel density, which is crucial for near eye clarity and immersive experience.

The typical pixel size for OLED ranges from around 150 μm for monitors/TV displays, 50–80 μm for smartphones/tablets, to below 10 μm for near-eye displays. As the pixel size shrinks, the manufacturing process requires higher precision, better dust particle and contamination control. In order to achieve reasonable yield and bring affordable displays to the market, ultra-high resolution inspection and metrology tools for the micro-OLED production lines are in urgent demand.

Building upon these industry trends, one of our customers — a leading company in the semiconductor, display, and new energy testing industries — evaluated a standard off-the-shelf sensor available in the market with 250MP resolution. Seeking higher resolution, increased sensitivity, lower noise and faster frame rate, the customer initiated a customization design enquiry to us in early 2023. Following a feasibility study, we entered into a customization design contract with the customer in April 2023. Subsequently, detailed technical annexes were signed after concluding further analysis of pixel and circuitry architectures.

In early 2025, we delivered a prototype sensor to the customer for evaluation. The sensor features a 1.5 μm rolling shutter pixel, a resolution of 271 MP, and operates at 8.5 frames per second. Utilizing a BSI, it achieves high sensitivity. This sensor offers state-of-the-art sensor specifications, making it ideal for micro-OLED inspection and metrology tools.

According to the customer's feedback, the sensor, combined with the customer's proprietary single-pixel luminance and color extraction algorithm, enables high precision defect inspection for the high-resolution Micro-OLED displays available in the market. It can accurately identify defects down to the subpixel level (1/3 dot), even in micro-displays with resolutions up to 3800×3000. The high sensor performance, particularly ultra-low noise and high dynamic range, unlocks the possibility for detecting and compensating low-grey-level defects.

In May 2025, the customer signed a completion certificate, officially confirming our fulfillment of the customization design contract. This case study exemplifies how our custom design solutions address the needs of the various industries, and provide the customer with a unique technical advantage for their targeted applications.

Products Categorized Based on Application Scenarios

Our CMOS image sensors are widely used across various fields, currently covering four major application scenarios, including (i) industrial imaging (ii) scientific imaging; (iii) professional photography and video and (iv) medical imaging, with continuous expansion into other application areas.

Industrial Imaging

Industrial imaging is widely used in various manufacturing and production lines to automate, control, inspect, and analyze different industrial processes, such as dimensional measurement, component alignment, robotic guidance, object recognition and sorting, and defect inspection and detection. Industrial imaging enhances precision, throughput, efficiency, and quality control in various industries, such as photovoltaic, new energy, semiconductor, automotive, textile, printing, pharmaceutical, food and beverage industries. The typical applications of industrial imaging solutions include (i) factory automation; (ii) logistic and positioning; (iii) motion capture; and (iv) industrial inspection and metrology.

- *Factory Automation:* Vision-based systems are increasingly the go-to system for factory automation, from computer vision in robots to high-speed automated optical inspection and scanning barcodes. Our industrial portfolio offers a wide range of sensors to meet our customers' exacting requirements.

- *Logistic and Positioning:* Imaging technologies play an important role in modern logistics and positioning systems, enabling automation, real time tracking, and efficient handling of goods. Our industrial GMAX and GL portfolios offer a wide range of sensors to meet our customers' exacting requirements.

- *Motion Capture:* Motion Capture refers to the technology of recording and processing the movements of people or other objects. It is widely used in entertainment, medicine, and robotics. Fast action shooting and the ability to synchronize multiple sensors are the key to this application. Our GMAX and GSPRINT product lines combine the characteristics of global shutter, high frame rate, and high resolution to meet the needs of this application.

- *Industrial Inspection and Metrology:* Industrial inspection and metrology rely on image sensors as well as advanced optics, to ensure micron level accuracy defect detection and quality assurance in advanced manufacturing, such as semiconductor and electronics, flat panel displays, automotive, medical devices, and aerospace industry. We offer a wide selection of sensor size/optical formats in the industrial GMAX product line, as well as a large number of linear sensors in the GL product line.

Scientific Imaging

When a camera is required to visualize strands of DNA, zoom in on live cells using low-energy microscopy or capture the death of a distant star in real-time, a specialized image sensor is required to match the extreme performance requirements of the specific application. Historically, such specialized scientific image sensors have high technical barriers which have now been addressed by our range of CMOS image sensors, and specifically our GSENSE family. The typical applications of scientific imaging solutions include (i) microscopy and nanoscale imaging; (ii) life sciences; (iii) astronomy; (iv) high-speed imaging.

- *Microscopy and nanoscale imaging:* Advanced microscopy minimizes sample damage using low light, requiring CMOS sensors with high sensitivity, low noise, and fast frame rates. Nanoscale imaging requires higher resolution, larger photo-sensitive area and pixel binning possibilities.

- *Life Sciences:* Image quality is of utmost importance for scientific research to achieve major breakthroughs. Whether it is fast and accurate gene sequencing or low-light detection, it is necessary to choose a CMOS image sensor with high frame frequency, high sensitivity, high quantum efficiency and low readout noise. The quantum efficiency of our scientific and back-illuminated CMOS image sensors can be comparable to that of electron-multiplying CCD, which fully meets the requirements of image quality in the field of life science imaging.

- *Astronomy:* From the exploration of the universe by scientists to the observation of the starry sky by astronomy enthusiasts, astronomical cameras need to support ultra-long exposure with extremely low noise. Our sensor portfolio combines the characteristics of high frame frequency, low readout noise and high sensitivity, and can reduce the impact of dark current noise through the superposition of multi-frame short exposure images. Our line of GSENSE and GLUX image sensors also have high dynamic range characteristics, appealing to astronomers and astronomy enthusiasts.

- *High-Speed Imaging:* Our GSPRINT line of products combines fast frame rates, short exposure times, and high sensitivity to enable capturing instantaneous processes that cannot be observed by human eyes. High-speed cameras enable detailed analysis of fast moving phenomena across multiple disciplines, such as fluid dynamic analysis, biomechanics, motion analysis, manufacturing stress testing, and automotive crash testing.

Professional Photography and Video

Image sensor requirements for professional photography and video continue to rise with growing prevalence of high-definition screens of 4K and 8K resolutions. Combining ultra-high imaging performance and image quality that are capable of delivering scientific and laboratory-level imaging applications with the high frame rates required by automation and inspection systems, our range of image sensors are ideal for professional photography and video. The typical applications of professional photography and video solutions include (i) cinematography and streaming cameras; and (ii) still photography.

- *Cinematography and streaming cameras:* a wide variety of video productions, from small-budget independent documentaries to Hollywood blockbusters, or from consumer drone videography to the future live action 3D AR/VR streaming cameras, drive the demand for sensors capable of handling massive data volumes while maintaining high image quality, requiring at least a 40-megapixel sensor that captures 60 fps. Our GCINE sensor line meets the rigorous demands of these applications, delivering 8K resolution at 120 fps, outstanding dynamic range, and advanced on-chip HDR modes.

- *Still photography:* CMOS image sensor, key component of still photography, determines resolution, dynamic range, low-light performance, and color accuracy. In order to achieve high image quality, the sensor is normally processed by BSI or stacking technology, with resolution of 30MP or higher and with optical format of 2/3 inch, 1 inch, APS-C, or full-frame.

Medical Imaging

Many fields of medicine and related disciplines benefit from digital imaging, from diagnosing illness to guiding interventions. Images need to be accurate, highly detailed and acquired quickly to optimize outcomes and minimize patient discomfort. High sensitivity, low readout noise and high dynamic range are main requirements to capture detailed information with high contrast and good signal-to-noise ratio, helping doctors accurately diagnose conditions earlier. The typical applications of medical imaging include (i) X-ray; and (ii) endoscopy.

- *X-Ray:* Compared with traditional film-based dental X-ray systems, CMOS-based systems reduce the X-ray dose borne by patients. In addition, the captured images can be displayed immediately with high resolution and low noise. We have been providing customized sensor solutions for X-ray imaging applications.

- *Endoscopy:* Endoscopy integrates high resolution cameras modules with light source and real time image processing to visualize internal organs and tissues for diagnosis, surgery, and therapeutic interventions. Most image sensors for endoscopy are designed with BSI or stacking process for dimension minimization while carefully balancing with resolution and sensitivity. Wafer level optics may be integrated as well and provided in the form of camera module. We have been providing customized sensor solutions using stacking process. In addition, we also introduced the GXS series with BSI technology, in the form of image sensor or camera module as our endeavor in medical imaging applications.

Key Technologies

Leveraging our independent R&D and industrial accumulation, we have developed a series of proprietary key technologies protected by intellectual property rights, including global shutter pixel, HDR pixel, high-sensitivity pixel, HDR readout circuit, low-noise circuit, high-performance ADC circuit, high-speed readout circuit, TDI image sensor, BSI image sensor, 3D imaging sensor and 3D wafer stacking. These innovations span pixel design, circuitry architecture, and process development. By effectively translating these core technologies into commercial products, we have significantly enhanced product performance, gaining strong market competitiveness.

Below are the key proprietary technologies we possess:

#	Technology	Key features and functions	Our product highlights	Main downstream applications	Key Patent
1.	**Global Shutter Pixel Technology**	The global shutter pixel is a type of image sensor pixel that captures the entire image at one time. In contrast to a rolling shutter which scans the image line by line and can cause bending or skewing in fast-moving objects, the global shutter pixel is able to freeze motion with distortion. Our global shutter pixel technology enables the core feature of our global shutter product series: clear imaging of moving objects, low-noise imaging, high sensitivity, high readout speed and high dynamic range.	We have independently developed our high-speed global shutter pixels and their control methods for signal sampling, storage and transfer. Our product portfolio includes global shutter sensors with pixel sizes ranging from 2.5 μm to 6.4 μm.	Industrial imaging	Please refer to items 2, 4, 5, 10 and 12 in the paragraph headed "Statutory and General Information – B. Further Information about our Business – 2. Intellectual property rights" in Appendix VI of this prospectus.
2.	**HDR Pixel Technology**	Dynamic range is one of the most critical parameters of CMOS image sensors, which defines the intensity range from the darkest shadows to the brightest highlights that a sensor can capture in a single frame. Our high dynamic range ("**HDR**") technology allows the sensor to capture both very bright and very dark areas simultaneously, unlike normal sensors without HDR that may lose details in shadows or highlights.	Our HDR pixel technology leverages dual/multi-gain readouts, HDR pixel designs and exposure control techniques, achieving 90–110 dB dynamic range in a single exposure at full resolution.	Scientific imaging	Please refer to items 6 and 28 in the paragraph headed "Statutory and General Information – B. Further Information about our Business – 2. Intellectual property rights" in Appendix VI of this prospectus.
3.	**High-Sensitivity Pixel Technology**	Our high-sensitivity pixel technology is designed to maximize the sensor's light-capturing efficiency. This is achieved through optimized anti-reflective coatings and integrated light-pipe technology.	With our high-sensitivity pixel technology, we are able to improve image brightness and clarity, particularly in low-light conditions.	Scientific imaging	Please refer to items 23, 24, 39 and 40 in the paragraph headed "Statutory and General Information – B. Further Information about our Business – 2. Intellectual property rights" in Appendix VI of this prospectus.
4.	**HDR Readout Circuit Technology**	Our HDR circuit technology helps readout the HDR pixel to improve sensor performance. In addition, our on-chip data fusion technology reduces the amount of information that needs to be processed and transmitted, making cameras work more efficiently with less power. This makes the overall system simpler and more energy-efficient.	With one channel readout optimized for full well, and one channel readout optimized for sensor read noise, we can reach both the highest full well and lowest noise at the same time.	Scientific imaging	Please refer to items 9 and 13 in the paragraph headed "Statutory and General Information – B. Further Information about our Business – 2. Intellectual property rights" in Appendix VI of this prospectus.
5.	**Low-Noise Circuit Technology**	Noise is a major problem that limits how well CMOS image sensors perform in low-light situations. Our multi-sampling circuit technology uses both analog and digital sampling methods, which gives us great flexibility to adjust the sampling interval based on how noise behaves at different frequencies. As a result, we can achieve the lowest possible read noise without slowing down the sensor's reading speed.	Test results show read noise as low as $0.45e^-$ can be achieved, making this a cornerstone of our sCMOS image sensor series.	Scientific imaging	Please refer to items 16, 22 and 26 in the paragraph headed "Statutory and General Information – B. Further Information about our Business – 2. Intellectual property rights" in Appendix VI of this prospectus.
6.	**High-Performance ADC Circuit Technology**	Most modern CMOS image sensors output image signal in digital domain, where on-chip high-performance ADC circuits are critical for image quality. Our high-performance ADC circuit technology increases the conversion accuracy when outputting image signal while reducing conversion time and power consumption.	Our innovative column parallel multi-clock, multi-slope synchronous conversion method increases the ADC conversion accuracy without extending conversion time.	Scientific imaging	Please refer to items 1, 14, 15 and 38 in the paragraph headed "Statutory and General Information – B. Further Information about our Business – 2. Intellectual property rights" in Appendix VI of this prospectus.

#	Technology	Key features and functions	Our product highlights	Main downstream applications	Key Patent
7.	**High-Speed Readout Circuit Technology**	Our time interleaved readout technical for high-speed sensors to address the requirement for ultra-high-speed CMOS image sensors. By implementing multiple address pointers and readout several consecutive rows in an interleaved way, we surpass the row time constraints coming from pixel reset time and charge transfer time during row readout. This enables ultra-high-speed imaging in array sensors.	This technology is integrated to our high-speed product series, achieving pixel readout speeds exceeding 50 Gpix/s. Besides the image signal readout, high-speed data interfaces are also needed to output huge amount of converted digital data within short time period. We developed 10 Gbps per channel high-speed serial interface and corresponding image data transfer protocol, to guarantee high-speed data transfer without image data deterioration at receiving side.	Industrial imaging and professional photography and video	Please refer to items 8 and 18 in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights" in Appendix VI of this prospectus.
8.	**TDI Image Sensor Technology**	TDI image sensor technology enables high signal-to-noise ratio ("**SNR**") imaging for fast-moving objects. It is very similar to linear array imaging but overcomes the exposure limitation coming from line rates, thus achieving higher SNR within the given line speed. This feature makes TDI image sensors indispensable in life sciences, high-resolution high-speed imaging, and industrial/semiconductor inspection.	Our proprietary TDI innovations include large-capacity high-charge-density pixels, ultra-fast line rates, and anti-blooming pixel design.	Industrial imaging and scientific imaging	Please refer to items 3, 11, 17 and 19 in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights" in Appendix VI of this prospectus.
9.	**BSI Image Sensor Technology**	BSI image sensors place metal interconnect layers below photosensitive regions, in this way quantum efficiency can be boosted in UV and visible spectrum as photon reflection by metal layers and absorption by dielectric layers are very much suppressed.	Through optimized anti-reflective coating design and process improvements (e.g., etching, annealing), our detectors can achieve full-spectrum detection from soft X-rays, UV, visible and infrared.	Industrial imaging and scientific imaging	Please refer to item 7 in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights" in Appendix VI of this prospectus.
10.	**3D Imaging Sensor Technology**	Our 3D imaging sensor technology using shared memory unites in our charge domain global shutter pixels can dramatically increase the 3D accuracy in structure light applications.	For iToF, our innovative depth calculation algorithm can extend the depth range by three times without sacrificing depth accuracy. For pixel itself, we can achieve <3 ns charge transfer time leading to world class modulation clock frequency.	Industrial imaging	Please refer to item 20 in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights" in Appendix VI of this prospectus.
11.	**3D Wafer Stacking Technology**	The classic monolithic sensor approach integrates both the analog pixel array and digital readout periphery onto a single IC, offering clear advantages but also posing challenges in terms of performance and area optimization. Enhancing the performance of pixel and analog components may not align with optimizing digital logic effectively. Our 3D stacking process involves bonding two wafers together, with one typically containing the pixel and some analog circuits and the other housing the digital logic. This approach allows for independent optimization of each wafer layer, effectively addressing conflicting requirements.	Our 3D stacking process inherently incorporates a BSI pixel layer, which further enables advanced readout and conversion rates, boosting frame or pixel rates.	Industrial imaging, medical imaging and professional photograph and video	N/A

Leveraging the technologies that we have accumulated from our years of experience in the CMOS image sensor industry and our technologies under constant development as outlined above, we maintain a robust product pipeline comprising both linear and area array sensors at various development stages. Our linear sensor products under development are primarily custom-developed for specific customers with well-defined applications in high-growth markets. For area array sensors, our pipeline includes both custom-developed products for targeted applications, as well as standard products aiming for broad applications across different industries.

Apart from our leading technologies in terms of product design, we have accumulated sophisticated experience in advanced testing infrastructure and automation, developing a in-house testing ecosystem for CMOS image sensors. We have built leading wafer testing, full optoelectronic validation, reliability assessment, and final sensor testing platforms, supported by equipment such as automated sensor sorters, wafer probe stations, and thermal cycling chambers, ensuring precision, repeatability, and stability across all validation stages.

Beyond hardware, we have developed an intelligent, platform-based data analytics system that integrates multi-threaded testing algorithms and automated defect detection, enabling real-time, high-throughput wafer and sensor analysis. This end-to-end automation significantly improves testing efficiency, reduces human error, and minimizes dependence on third-party testing services, allowing us to accelerate development cycles while maintaining uncompromising quality standards.

Leveraging the technologies that we have accumulated from our years of experience in the CMOS image sensor industry and our technologies under constant development as outlined above, we maintain a robust product pipeline comprising both linear and area array sensors at various development stages. Our linear sensor products under development are primarily custom-developed for specific customers with well-defined applications in high-growth markets. For area array sensors, our pipeline includes both custom-developed products for targeted applications, as well as standard products aiming for broad applications across different industries.

Our Design Process

Through continuous research and development, we have established a collaborative product design management system. This system features vertical collaboration between our R&D and business departments, as well as horizontal coordination among specialized R&D teams. This dynamic design mechanism enables us to effectively address the ever-evolving technical demands, enhancing the predictability and efficiency of development efforts.

The development process is a structured and collaborative process involving multiple departments that transforms market insights and customer requirements into high-quality products. The development process varies between standard products and customized sensor solutions. In particular, for standard products which are developed primarily based on market demands, the design cycle typically spans 12–18 months. The product marketing team defines specifications based on market research, while the sensor design team, responsible for architecture and circuit implementation, and pixel process team, responsible for pixel optimization and fabrication compatibility, execute the development. The system engineering team, responsible for evaluation platform and other electronics systems such as wafer probing and sensor testing, and testing team, responsible for performance validation and reliability qualification, ensure manufacturability and performance compliance, while applications engineering supports customer integration. For customized sensor solutions developed based on customers' specifications, the project cycle typically ranges from 6 to 36 months, depending on complexity and resource allocation. The project manager oversees end-to-end execution, coordinating between the customer and internal teams, including the sensor design team, pixel process team, system engineering team and testing team. Commercialization is generally accelerated since customers are deeply involved from the outset and design-in can start just after sensor tape-out. Upon testing and validation of the deliverables in our customized sensor solution, the customer may begin placing orders for the sensor products resulting from its customization, with production ramping up accordingly. In such case, the income will be recognized as revenue from the our CMOS Image Sensor category.

The development process for both types require tight collaboration across all departments, with the project managers ensuring alignment between technical milestones and business objectives. Our design process follows a structured, phase-gated approach that ensures every CMOS image sensor meets the highest standards of performance, quality and market readiness. It begins with feasibility analysis and architectural design, where product managers perform extensive market and technical research to define core specifications and functional requirements, which are presented for management approval. Once approved, cross-functional teams collaborate to develop preliminary architecture solutions and complete feasibility reports before officially initiating the design phase. The detailed design phase encompasses architecture, pixel, circuit design, layout implementation, simulation verification and packaging development. Each step undergoes rigorous internal reviews before tape-out, where the sensor design transitions from concept to reality as manufacturing begins. After that, we design ceramic enclosures and cover glass that optimize thermal performance, mechanical durability and optical clarity. Our IC R&D engineers would then work closely with system teams to debug, and optimize hardware and software interactions across multiple test platforms for our new product. Verification testing follows, ensuring full functionality, reliability, and performance consistency, while product managers prepare pre-production plans based on test outcomes. The final stage involves reliability qualification through comprehensive testing, followed by pilot production that incorporates feedback from quality assurance and marketing to finalize product documentation. The design process would then concludes with a formal project review confirming readiness for full-scale production.

PRODUCTION AND PROCUREMENT

Our Fabless Model

Our Company operates under a fabless business model, which means we focus primarily on the design, development, and sales of CMOS image sensors while outsourcing the manufacturing processes to world-class production partners. This approach allows us to concentrate on our core competencies in innovation and product design, while leveraging the specialized expertise of industry-leading manufacturers for wafer fabrication, packaging, and testing. By collaborating with certified suppliers, we ensure that our CMOS image sensors meet the highest standards of quality, reliability, and performance.

The fabless model offers significant strategic advantages, particularly in terms of cost efficiency and risk mitigation. By partnering with established wafer manufacturers like Tower and DB HiTek, we avoid substantial capital expenditures and operational complexities associated with owning and maintaining fabrication facilities. This model also allows us to benefit from the advanced technologies and economies of scale that our suppliers bring to the table, ensuring that our CMOS image sensors remain competitive in a rapidly evolving market.

During the Track Record Period, we primarily procured (i) photomasks and wafers, (ii) components and parts, which mainly include ceramic package and cover glass, and (iii) outsourced services, which mainly include outsourced packaging services.

The production timeline under this model is highly efficient. The fabrication of wafers typically takes three to nine months, depending on the process complexity. Afterwards, the wafers are tested in-house and then transported to assembly houses for packaging, which requires approximately 20 to 60 days, depending on the complexity and volume of the order. The average duration of the our production cycle, from procurement of raw materials to delivery of finished goods ranges from four to 12 months. Throughout the entire process, we maintain close collaboration with our suppliers to monitor quality, address any technical challenges, and ensure timely delivery.

With respect to our protection of intellectual property rights in relation to foundry suppliers, we have signed non-disclosure agreements ("**NDAs**") with each of them. The information we provide, including design files, process requirements, and know-how, is protected under these NDAs. In addition, our foundry partners are pure-play foundries that focus solely on manufacturing wafers designed by their customers, and they will not use our information to produce sensor products for themselves.

Selection of Suppliers

To standardize the selection process for our suppliers, we have policies and procedures in place that provide for general principles and standards for selection, and the procedures for identifying and evaluating suppliers. Our supply chain and quality assurance team will manage suppliers based on these internal policies, including the confirmation of production processes and manufacturing technologies, the confirmation of special production requirements for different products, as well as the confirmation of production capacity and production priority. We will periodically require suppliers to provide full material declarations or ingredient lists for the products they supply.

We currently work primarily with Tower and DB HiTek as our foundry suppliers, and we are actively exploring domestic alternatives as part of our long-term strategy to enhance supply chain security and reduce potential geopolitical risks. During the Track Record Period, we had a few projects taped-out with domestic foundries. Tower is a global leader in specialty processes, offering a broad range of advanced analog technologies tailored to meet its customers' specifications. To fully leverage our sensor design capabilities and achieve higher performance metrics, we need to work closely with our foundry partners, such as Tower.

We consider that there are other alternative foundry suppliers offering comparable quality and prices in the market, and that we do not have any material reliance on the two suppliers. Nevertheless, to mitigate our risks exposure to any material adverse changes to, or termination of, the relationship with Tower, we have been cooperating with DB HiTek since late 2022, with several products already in stable mass production. In parallel, we have established partnerships with domestic foundries, where trial production has been completed and mass production is about to commence. These arrangements are intended to mitigate risks of over-reliance on overseas foundries, such as potential supply disruptions caused by force majeure events, industry-wide capacity shortages due to strong demand, or geopolitical and trade frictions that could lead to strained relationships or even supply termination. By diversifying our foundry partners, including establishing qualified domestic alternatives at comparable cost, we ensure continuity of supply and reduce our exposure to material adverse changes in our relationship with Tower.

Photomasks and Wafers

A photomask is a plate, typically made of quartz or glass, that contains microscopic patterns used in the photolithography process during wafer manufacturing. It serves as a template to transfer our circuit design onto wafers with high precision. We procure photomasks, as well as wafers manufactured with these photomasks, from our foundry suppliers.

Other Raw Materials, Components and Parts

Other raw materials, components and parts mainly include ceramic package and cover glass. During the packaging process, CMOS sensor is mounted inside ceramic package and cover glass. Ceramic package offers high-level protection against environmental stresses, making it ideal for applications demanding high performance, durability, and resistance to heat and moisture. The cover glass is mounted above the sensor surface to provide protection against dust, moisture, and mechanical damage. During the Track Record Period, we procured ceramic packages and cover glass from major component manufacturers including Kyocera and others.

Outsourced Services

In cases where we engage outsourced assembly service providers to perform sensor assembly, the wafers are shipped to assembly houses for packaging after they are manufactured and in-house tested. In addition, we engage qualified testing service providers to conduct certain reliability and performance tests on our sensors, including failure analysis and reliability tests. We maintain standardized control over both in-house and outsourced testing, covering test plan confirmation, data review and result acceptance, to ensure consistency with our product quality standards. Other outsourced services include reliability testing services, microlens array and color filter processing on wafers, BSI wafer processing, failure analysis services, and outsourced PCB manufacturing.

Salient Terms

Photomasks and wafers

During the Track Record Period, we placed purchase orders of photomask sets and wafers with our foundry suppliers. The salient terms of our purchase orders with foundry suppliers are set out below:

- *Pricing*. Photomask sets pricing and wafer pricing mainly depend on the wafer manufacturing process details, design complexity, as well as the number of lithography layers. The price of both photomasks sets and wafer are in line with prevailing market rates.
- *Payment and credit term*. Payment terms for photomask sets and prototype-lot wafers are in advance, and the payment terms for wafers are ranging from prepayment to net 60 days.
- *Exclusivity*. Since the foundry manufactures photomask sets based on our sensor design, and the wafers are manufactured using the photomask sets, we have exclusivity rights on both the photomask sets and the wafers fabricated using it.
- *Non-Disclosure*. We have entered into non-disclosure agreements with our foundry suppliers.

Outsourced services

During the Track Record Period, we entered into framework agreements with outsourced packaging service providers and then placed orders under the framework agreement to procure packaging services. The salient terms of our framework agreements and orders with packaging suppliers are set out below:

- *Duration*. The duration of the framework agreements with packaging suppliers is typically one year, subject to automatic renewal unless either party provides a two-month notice of termination prior to the end of the contract term.
- *Pricing*. We negotiate the price for each order with packaging suppliers, with reference to prevailing market rates.
- *Payment and credit term*. We typically settle with packaging suppliers on a monthly basis and we are required to pay them within 30 days upon receipt of invoices.
- *Non-Disclosure*. Unless it is necessary for the performance of the framework agreements and purchase orders, the packaging supplier shall not disclose to any third parties any confidential information obtained from us.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

Warehousing and Logistics

We mainly operate one warehouse in Changchun and one warehouse in Japan via qualified third-party service provider for storing raw materials, work-in-progress and finished products. We engage qualified third-party logistics service providers for delivery services. Regarding high value shipments, we also have goods-in-transit insurance which protects us from risks associated with transportation. We select warehousing, logistics service and insurance providers based on their reputation, scale of operations, track record and price. We evaluate service providers periodically on their compliance and performance to ensure smooth delivery of products to customers. To the best of our knowledge, all the warehousing, logistics service and insurance providers are Independent Third Parties.

Inventory Management

We pay attention to our inventory health, assigning dedicated staff to provide management with regular reports on the status of inventory. We take inventory level into consideration when formulating procurement plans.

Our inventories mainly include finished goods held for sale in the ordinary course of business, work-in-progress and raw materials and supplies to be consumed in production. During the Track Record Period, our inventory turnover days was 559, 436 and 412 days, respectively. In light of our relatively long raw material procurement cycle of two to eight months and production cycle of two to five months, we have implemented various measures to ensure effective inventory management: (i) regularly monitoring inventory quantities and storage conditions; (ii) adjusting raw material procurement or pull-in/push-back material delivery based on the weekly-updated sales orders, as well as monthly-updated sales forecasts for the next 12 months; (iii) on the biweekly-held production meeting, the production team and demand planning team review the wafer test, assembly and sensor final test status, arranging our internal and external production priorities; and (iv) performing financial analysis on the balance and age of inventory on a monthly basis. We believe these measures enable us to maintain stable and healthy inventory level that is commensurate with our business. For details, please see "Financial Information — Discussion of Certain Key Consolidated Statements of Financial Position Items — Inventories" in this prospectus.

SALES AND MARKETING

We have established a robust brand reputation and significant industry influence through sustained, comprehensive, and in-depth collaborations with top-tier companies across diverse application areas. Our "Gpixel" brand has an established reputation for over 10 years.

As of December 31, 2025, we have an experienced and highly trained sales and marketing team, comprising 13 business development personnel and nine sales and customer service personnel worldwide. Our marketing and sales team is globally located, covering the PRC, Europe, Japan, South Korea, etc. Our global sales and marketing team consistently takes a customer-centric marketing approach to build and expand our business relationships. By collecting direct feedback from customers, we gain valuable insights that drive our business and operational strategies forward. We formulate targeted marketing strategies and organize a variety activities, including exhibitions, workshops, conferences, and customer visits, to meet our business promotion needs and enhance our brand awareness.

Geographical Analysis

We have customers situated across the Chinese Mainland, Europe, Japan, South Korea, among others. We derived approximately 70.2%, 74.0% and 77.1% of our total revenue from the customers located in the Chinese Mainland for each of the three years ended December 31, 2025. The table below sets out a breakdown of our revenue by reference to the geographical locations of our customers for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	424,367	70.2	497,844	74.0	659,968	77.1
Europe[1]	73,760	12.2	69,658	10.3	84,898	9.9
Japan	32,592	5.4	34,434	5.1	30,495	3.6
Canada	32,724	5.4	25,327	3.8	30,827	3.6
South Korea	8,910	1.5	23,111	3.4	20,793	2.4
U.S.	19,141	3.2	16,995	2.5	23,411	2.7
Others[2]	13,341	2.1	5,679	0.8	6,121	0.7
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Notes:

(1) Germany, the U.K. and the Netherlands are our major markets in Europe.
(2) Include Hong Kong, Israel, Taiwan and other countries/regions.

Sales Channels

Our products are sold primarily through direct sales. The table below sets out a breakdown of our revenue in both absolute amount and percentage of our total revenue by sales channel for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct sales	570,688	94.4	647,692	96.2	827,827	96.7
Distribution	34,147	5.6	25,356	3.8	28,686	3.3
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

In addition, the table below sets out a breakdown of gross profit and gross profit margin by sales channel for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit (RMB'000)	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*
Direct sales	358,404	62.8	378,051	58.4	549,777	66.4
Distribution	25,550	74.8	18,811	74.2	23,504	81.9
Total	**383,954**	**63.5**	**396,862**	**59.0**	**573,281**	**66.9**

Customer Movement and Retention Rate

	For the year ended December 31,		
	2023	2024	2025
Number of customers at the beginning of the period	302	384	528
Number of new customers for the period	187	255	199
Net increase (or decrease) in number of customers for the period	82	144	14
Number of customers at the end of the period	384	528	542
Retention rate[(1)]	65.2%	71.1%	65.0%

Notes:

(1) Customer retention rate is calculated by subtracting the number of new customers for the period from the total customers at the end of a period, divided by the number of customers at the beginning of the period.

Direct Sales

During the Track Record Period, we primarily sold to direct sales customers, many of whom were industry-leading enterprises with strict quality standards, long product validation cycles and high entry barriers. In 2023, 2024 and 2025, revenue from direct sales amounted to RMB570.7 million, RMB647.7 million and RMB827.8 million, respectively, representing 94.4%, 96.2% and 96.7% of our total revenue for the respective years.

We adopt direct sales due to the complexity of our product's technical specifications, particularly for the CMOS image sensors we offer along with customized sensor solutions. Promoting these products require a high level of technical understanding for both our products, as well as the customers' requirements. Given that the industry is relatively concentrated and our customers are highly specialized, our customers typically approach us directly when they have specific needs. In addition, the adoption of direct sales enables us to precisely understand and respond to customer requirements, allowing us to offer tailored products and services that meet our customers' specific needs.

Salient Terms

We enter into direct sales agreements with our customers for our standard products and service agreements with our customers for customized sensor solutions. The salient terms with our customers for our standard products during the Track Record Period are set forth below:

- *Duration*. The direct sales agreement for our standard products typically has no fixed term.
- *Pricing policy*. We sell our standard products to direct sales customers at mutually agreed price levels.
- *Payment and credit term*. The payment is due when customers confirm acceptance of our standard products. The credit period to our customers varies from 30 days to 60 days from the date of delivery.
- *Logistics*. We are typically responsible for delivering our standard products to locations designated by our direct sales customers.
- *Return arrangements*. Product returns are generally not permitted, except in cases of verified defects in manufacture, materials, or workmanship. In such cases, our obligation shall be limited, at our sole discretion, to replacing, repairing, or providing credit for the defective product.

- *Termination.* Our delays in delivery exceeding two weeks entitle the customer to terminate, in which case we refund any advance payment without further liability. If the customer terminates after payment, a return fee of 20% applies if preparation has not begun, or 30% if it has; we may deduct any additional costs from the advance payment and refund the balance.

The salient terms with our customers for our customized sensor solutions during the Track Record Period are set forth below:

- *Duration*. The term of agreements for customized senor solutions is based on the expected term of the sensor development project.
- *Pricing policy*. We provide our customization services to direct sales customers at mutually agreed price levels, some of which include price adjustment terms. For example, we may negotiate price adjustments with customers if market factors lead to increases in the cost of raw materials or services, or apply different contract prices under various pre-agreed scenarios.
- *Payment and credit term*. The payment is typically made in progress-based instalments. The credit period to our customers varies from 10 days to 15 days.
- *Exclusivity*. Varying degrees of exclusivity may apply, such as restrictions on sales to original customization customers' competitors, or permitting sales after a number of years from the completion of the customization projects. If the agreement does not contain an exclusivity clause, the product may be offered to any customers.
- *Intellectual Property*. Each party retains all IP it has independently developed. We grant our customer a license to use the IP we own for its own applications. No additional royalty fees are payable by our customer when they sell the resulting devices.
- *Confidentiality*. Each party shall maintain the confidentiality of the information for typically two or three years from the end of contractual relationship.
- *Termination*. Both parties are entitled to terminate the agreement upon the other party's unremedied breaching.

During the three years ended December 31, 2025, subsequent product sales contribution from customized sensor solutions with full exclusivity amounted to approximately 2.2%, 1.2% and 0.9% of the total revenue, respectively.

Distribution

While sales through distributors account for a relatively small portion of our revenue, we have adopted a distributorship model, where our role in relation to the distributors is as a seller/buyer. We sell various types of our standard products, as well as other components and raw materials to our distributors. The distributorship approach allows the rapid establishment of regional sales networks and enhances our market penetration.

As of December 31, 2023, 2024 and 2025, we had ten, six and four distributors, respectively. For the three years ended December 31, 2025, revenue from distributors amounted to RMB34.1 million, RMB25.4 million and RMB28.7 million, representing 5.6%, 3.8% and 3.3% of our total revenue for the respective periods.

During the Track Record Period, some of our distributors were trading companies, with whom we did not enter into distribution agreements. We do not have control over these trading companies as we do not impose any pricing instruction, minimum purchase requirement or sales target.

Distributors other than trading companies are required to adhere to our pricing structure, with the distribution agreements in place to define the sales prices. Most of these distributors purchase from us on behalf of and in accordance with the request of their customers, who only accept the transactions through established channels. To ensure effective management, we require these distributors to report periodically for sales and forecast of existing customers, which enables us to promote and monitor actual sales, and mitigate risks among distributors. We also prohibit distributors from approaching direct sales customers without our permission or approaching end customers registered with other distributors, as enforced through distribution agreements.

We select distributors based on a comprehensive set of criteria, including their experience in the imaging industry, customer base, technical capabilities, financial conditions and alignment with our marketing needs. Distributors are not exclusively engaged to sell our products, and during the Track Record Period and up to the Latest Practicable Date, we have had no material unresolved disputes or lawsuits with them.

We believe the risk of channel stuffing is effectively mitigated due to factors inherent in our business model and relationships with the distributors. We generally do not allow product returns except in cases of quality issues. Similarly, we do not buy back products from distributors unless because of quality issue or force majeure. As a result, our distributors are responsible for the risks of their inventories and are disincentivized to hold on to products they cannot sell.

To the best of our knowledge, all of our distributors are Independent Third Parties. The distributors are not connected to any of our Company, its subsidiaries, their shareholders, directors, senior management or any of their respective associates. To the best of our knowledge, none of our distributors engaged sub-distributors for the distribution of our products during the Track Record Period.

Salient Terms

We enter into distribution agreements with three major distributors, who then place orders under these agreements to procure our products. The salient terms with the three distributors during the Track Record Period are set forth below:

- *Duration*. The distribution agreement is effective after signed by both parties, and shall continue to be effective for a period of two years or three years unless terminated by either party. The agreements may be automatically renewed.
- *Minimum purchase requirement*. There is no minimum purchase requirement or minimum sales target under the distribution agreement.
- *Pricing*. The selling price of the product to the distributor is normally at 10% discount or less of the product's catalog price. The price to the end customer should be at 100% –105% of our catalog price.
- *Payment and credit terms*. 30 days from the date of invoice, or full payment in advance.
- *Exclusivity*. The distribution agreement is non-exclusive for the targeted territory.
- *Warranty*. 12-18 months from the delivery of the products.
- *Title and Risk of loss*. Title to the products and risk of loss shall transfer to the distributor upon shipping of the products.
- *Confidential Information*. Neither party shall disclose to any third party any information disclosed by the other party, unless otherwise instructed or consented in writing. Either party shall strictly management the confidential information with due care and disclose such information to its officers and employees on a strict need-to-know basis.
- *Termination*. In case one party is insolvent, compulsory liquidation, dissolution, bankrupted, or ceases to function or conduct its operation in the normal course of business, or merged into, acquired by, or consolidated with, or defaults on any terms of the distribution agreement and does not remedy such default within 30 days, the other party may terminate this agreement in whole or in part, immediately by written notice to the defaulting party.

Movement of distributors (including trading companies)

The below table sets forth the movement of our distributors (including trading companies) during the Track Record Period.

	For the year ended December 31,		
	2023	2024	2025
Number of distributors (including trading companies) at the beginning of the period	8	10	6
Number of new distributors (including trading companies) for the period	5	2	1
Number of distributors (including trading companies) which ceased business relationship for the period	3	6	3
Net increase (or decrease) in number of distributors (including trading companies) for the period	2	(4)	(2)
Number of distributors (including trading companies) at the end of the period	10	6	4

According to Frost & Sullivan, it is in line with market practice to deal with distributors and trading companies in the CIS industry. In the three years ended December 31, 2025, we maintained stable business relationships with our major distributors under distribution agreements, and none of such agreements were terminated, and we terminated business relationship with three, six and three trading companies, respectively, mainly due to changes in the procurement of these trading companies. During the Track Record Period, we did not terminate relationship with any distributors due to any material breach of the terms of sales agreements.

OUR CUSTOMERS

Our products are utilized by customers across various industries, including industrial imaging, scientific imaging, professional photography and video, and medical imaging. For instance, in industrial imaging, which is a widely used in various applications ranging from consumer electronics manufacturing, new energy production like lithium batteries and photovoltaic panels, semiconductor front-end and back-end processes, logistics production line automation, to FPD defect detection, we have maintained a leading supply share with Hikrobot who is a key player in the industrial imaging. The collaborations with Hikrobot have not only solidified our market leadership but also provided us with invaluable feedback to continuously optimize our products and services.

Given the long product lifecycle and the high demand for product stability, we work closely with our customers during the R&D and design phases to ensure smooth technical integration. The technical complexity of CMOS image sensors, which needs in depth knowledge of optics, semiconductor physics, analog and mixed signal design, as well as the ability to balance factors such as pixel size versus optical performance, image quality versus frame rate, etc, creates significant technological barriers. As a result, there are relatively few companies globally that specialize in CIS design. With our strong technical capabilities and excellent service, we can accurately identify customer needs from the outset, deeply penetrate target markets, and collaborate with industry leading customers to develop high-quality products that meet their specific requirements.

Customer service lies at the core of our competitive edge. We offer professional technical support and consulting services to ensure our customers achieve the best possible experience throughout the product lifecycle, thereby enhancing customer loyalty. Leveraging our optimized service provided to our customers, we have successfully secured partnerships with renowned domestic and international customers over the years.

Pricing

We price our standard products based on a variety of factors, including: (i) the costs of relevant products, which encompass production, R&D expenses and operational costs, and may vary depending on the type of products (ii) customer demand, and (iii) the competitive landscape, which takes into account our strengths and weaknesses relative to our competitors, their pricing strategies and our customers' cost sensitivity. Once we set the base prices according to these factors, we also offer volume pricing or bulk pricing discounts to our customers, so that as they purchase more they would pay a lower per unit price.

With respect to the Group's pricing policy for customized sensor solutions, given the variations in project scope, workload, design complexity, process standards, customer budget, expected future orders, and the level of competition in the market, the Group generally provides its quotation for a customized project based on the specific requirements.

Major Customers

Revenue generated from our top five customers in each year during the Track Record Period amounted to approximately RMB276.7 million, RMB225.9 million and RMB347.8 million, representing approximately 45.8%, 33.5% and 40.7% of our total revenue for the respective year. Revenue generated from our largest customer in each year during the Track Record Period amounted to RMB110.1 million, RMB101.0 million and RMB142.3 million, representing approximately 18.2%, 15.0% and 16.6% of our total revenue for the respective year.

Our customers mainly include camera manufacturers and OEMs, research institutes and instrument producers that are working in the field/application of industrial imaging, scientific imaging, professional photography and video, medical imaging, as well as distributors and trading companies. Our customers engage us for CIS production as they are specialized in imaging hardware, firmware, software, or system integration, and are lack the in-house expertise for designing CIS.

In general, we contract directly with research institutions. When these research institutions procure standard products, we sell and deliver standard products, in the same manner as we do with other standard product customers. In cases where the research institutions engage us for customized sensor solution, we conduct feasibility studies, custom design image sensor, perform testing and deliver sensor prototype, consistent with that for other customization customers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of the contracts with our customers, nor did we have any material disputes with our customers.

For the year ended December 31, 2023:

Ranking	Customer	Background of the customer	Transaction amount	% of total revenue	Nature of revenue	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
1	Customer Group A[1]	Customer Group A comprises (a) UP OPTOTECH, (b) CIOMP and (c) a fellow subsidiary of UP OPTOTECH. The paid-up capital of UP OPTOTECH and its fellow subsidiary is RMB240 million and approximately RMB14.7 million, respectively. UP OPTOTECH is listed on Shenzhen Stock Exchange with stock code 002338.SZ.	110,118	18.2	Sales of products and development services	Bank transfer	Standard products: Advance payment of up to 100%, remaining balance (if any) on a credit term of 7 or 30 days Customized sensor solutions: Payments by phase as 10 or 30 days after signing contract and 10 or 30 days upon completion of each stage work	2012
2	Customer Group B	Customer Group B comprises three entities incorporated in the PRC, with paid-in capital of RMB720 million, RMB300 million and RMB100 million, respectively. Customer Group B mainly engages in machine vision and mobile robotics.	69,322	11.5	Sales of products	Bank transfer/Bank Acceptance Bill	30 days after receipt of invoice	2018
3	Customer C	Customer C is incorporated in the PRC with paid-in capital of approximately RMB55.6 million, and mainly engages in machine vision and mobile robotics, providing products and solutions for intelligent manufacturing and intelligent logistics in the PRC.	52,487	8.7	Sales of products	Bank transfer/Bank Acceptance Bill	30 days after receipt of invoice	2018

Ranking	Customer	Background of the customer	Transaction amount	% of total revenue	Nature of revenue	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
4	Customer and Supplier E[(2)]	Customer and Supplier E is incorporated in Japan with registered capital of JPY490 million and mainly engages in the import and export, warehousing and sales of semiconductors, electronic components, modules and finished products, and provision of services such as sensor packaging in Japan.	23,416	3.9	Sales of products	Bank transfer	30 days after receipt of cargo; net 30 days	2016
5	Customer Group F	Customer Group F comprises a subsidiary of Customer F. Customer F is incorporated in Canada with registered capital of approximately USD46.9 million. Customer Group F mainly engages in digital imaging, instrumentation, aerospace and defense electronics and engineered systems in Netherlands, Canada and U.S.	21,381	3.5	Sales of products	Bank transfer	Net 60 days; 60 days after receipt of invoice	2016
		Total	**276,724**	**45.8**				

For the year ended December 31, 2024:

Ranking	Customer	Background of the customer	Transaction amount	% of total revenue	Nature of revenue	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
1	Customer Group B	Customer Group B comprises three entities incorporated in the PRC, with paid-in capital of RMB720 million, RMB300 million and RMB100 million, respectively. Customer Group B mainly engages in machine vision and mobile robotics.	100,989	15.0	Sales of products and development services	Bank transfer/Bank Acceptance Bill	Standard products: 30 days after receipt of invoice Customized sensor solutions: Payments by phase as 10 days after signing contract and 10 days upon completion of each stage work	2018
2	Customer Group A	Customer Group A comprises (a) UP OPTOTECH, (b) CIOMP and (c) a fellow subsidiary of UP OPTOTECH. The paid-up capital of UP OPTOTECH and its fellow subsidiary is RMB240 million and approximately RMB14.7 million, respectively. UP OPTOTECH is listed on Shenzhen Stock Exchange with stock code 002338.SZ.	39,946	5.9	Sales of products and development services	Bank transfer	Standard products: Advance payment of up to 100%, remaining balance (if any) on a credit term of 7 or 30 days; full payment upon acceptance; Customized sensor solutions: Payments by phase as 10 or 90 days after signing contract and 10 or 90 days upon completion of each stage work	2012
3	Customer G[4]	Customer G is incorporated in the PRC with paid-in capital of RMB122.9 and mainly engages in the research and development, production, and sales of high-end semiconductor testing equipment and core components in the PRC.	29,895	4.4	Sales of products and development services	Bank transfer	Standard products: 100% advanced payment; Customized sensor solutions: 5 or 10 days after signing contract, 5 or 10 days upon completion of each stage work	2022

Ranking	Customer	Background of the customer	Transaction amount	% of total revenue	Nature of revenue	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
4	Customer Group H[3]	Customer Group H comprises three entities incorporated in the PRC with paid-in capital of RMB12.1 million, RMB1.3 million and RMB900,000, respectively. Customer Group H mainly engages in the research and development, manufacturing, and sales of high-end scientific cameras in the PRC.	28,211	4.2	Sales of products and development services	Bank transfer	Standard products: Upon delivery of goods; Customized sensor solutions: 10 days after signing contract, 10 days upon completion of each stage work	2014
5	Customer Group F	Customer Group F comprises a subsidiary of Customer F. Customer F is incorporated in Canada with registered capital of approximately USD46.9 million. Customer Group F mainly engages in digital imaging, instrumentation, aerospace and defense electronics and engineered systems in Netherlands, Canada and U.S.	26,851	4.0	Sales of products	Bank transfer	60 days after receipt of invoice	2016
		Total	**225,892**	**33.5**				

For the year ended December 31, 2025:

Ranking	Customer	Background of the customer	Transaction amount	% of total revenue	Nature of revenue	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
1	Customer Group B	Customer Group B comprises three entities incorporated in the PRC, with paid-in capital of RMB720 million, RMB300 million and RMB100 million, respectively. Customer Group B mainly engages in machine vision and mobile robotics.	142,298	16.6	Sales of products	Bank transfer/Bank Acceptance Bill	Standard products: 30 days after receipt of invoice or goods	2018
2	Customer C	Customer C is incorporated in the PRC with paid-in capital of approximately RMB55.6 million, and mainly engages in machine vision and mobile robotics, providing products and solutions for intelligent manufacturing and intelligent logistics in the PRC.	73,346	8.6	Sales of products	Bank transfer/Bank Acceptance Bill	30 days after receipt of invoice	2018
3	Customer Group H[3]	Customer Group H comprises three entities incorporated in the PRC with paid-in capital of RMB12.1 million, RMB1.3 million and RMB900,000, respectively. Customer Group H mainly engages in the research and development, manufacturing, and sales of high-end scientific cameras in the PRC.	57,840	6.8	Sales of products and development services	Bank transfer	Standard products: Upon delivery of goods net 30 days; Customized solutions: 100% prepayment within 10 days of contract signing; 100% payment within seven working days after receipt of invoice; 60% prepayment after contract signing, with the remaining balance of 40% upon delivery of products/services net 30 days	2014

Ranking	Customer	Background of the customer	Transaction amount	% of total revenue	Nature of revenue	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
4	Customer I[5]	Customer I is incorporated in the PRC with paid-in capital of approximately RMB122.2 million, and mainly engages in manufacturing and sales of core automation components in the PRC, including but not limited to vision systems, industrial cameras, smart barcode readers and 3D sensors.	40,018	4.7	Sales of products	Bank transfer/Bank Acceptance Bill	Payment shall be settled by the end of the month in which the invoice is received; 30% payment in advance, 70% payment on net 30 days	2021
5	Customer Group F	Customer Group F comprises two subsidiaries of Customer F. Customer F is incorporated in Canada with registered capital of approximately USD46.9 million. Customer Group F mainly engages in digital imaging, instrumentation, aerospace and defense electronics and engineered systems in Netherlands, Canada and U.S.	34,286	4.0	Sales of products	Bank transfer	60 days after receipt of invoice	2016
		Total	**347,788**	**40.7**				

Notes:

(1) Customer Group A was an overlapping customer and supplier during the Track Record Period. See "— Overlapping Customers and Suppliers" in this section. Customer Group A comprises (a) UP OPTOTECH, (b) CIOMP and (c) a fellow subsidiary of UP OPTOTECH. Each of UP OPTOTECH and its associates is our connected person.

(2) Customer and Supplier E was an overlapping customer and supplier during the Track Record Period. See "— Overlapping Customers and Suppliers" in this section.

(3) Customer Group H was an overlapping customer and supplier during the Track Record Period. See "— Overlapping Customers and Suppliers" in this section.

(4) Dr. Zhang holds less than 1% shareholding interest in Customer G as of the Latest Practicable Date.

(5) Customer I was an overlapping customer and supplier during the Track Record Period. See "— Overlapping Customers and Suppliers" in this section.

To the best knowledge of our Directors, save for Customer Group A, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our top five customers in each year during the Track Record Period that are required to be disclosed under the Listing Rules.

Project Backlog

Project backlog and new contract sum

Project backlog represents an estimate of the remaining aggregate contract sum of our customized sensor solution projects as at each of December 31, 2023, 2024 and 2025. For details, please refer to the section headed "Risk Factors — Risks relating to our business and industry — Backlog is subject to unexpected adjustments and cancelations and, therefore, may not be indicative of our future results of operations" in this prospectus. During the Track Record Period and up to the Latest Practicable Date, none of our backlog projects is cancelled or is expected to be cancelled. New contract sum represents the aggregate contract sum of projects undertaken by us during a specified period. The following table sets forth the movement in the aggregate contract sum of backlog of our projects during the Track Record Period and up to February 28, 2026:

	For the year ended December 31,			For the period from January 1, 2026 to February 28, 2026
	2023	2024	2025	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening aggregate contract sum of backlog	178,737	233,298	141,882	270,757
Add: new projects contracted	152,927	70,781	190,057	29,125
Less: revenue recognised	98,366	162,197	61,182	—
Closing aggregate contract sum of backlog	233,298	141,882	270,757	299,882

Notes:

(1) During the Track Record Period and up to February 28, 2026, the number of completed or ongoing material projects was 20. Majority of the projects are relating to R&D of CIS for industrial imaging. No product was sold in these projects.

The following table sets forth the details of material completed and ongoing projects as of February 28, 2026:

No.	Type of relevant products	Application scenario
1.	Large-format Area array CMOS image sensor	Scientific imaging
2.	Ultra-large-format Area array CMOS image sensor	Scientific imaging
3.	Back-illuminated Linear array CMOS image sensor	Industrial imaging
4.	3D high-speed Area array image sensor	Industrial imaging
5.	Extra-small Area array CMOS image sensor	Medical imaging
6.	Back-illuminated Linear array CMOS image sensor	Industrial imaging
7.	linear array CMOS image sensor	Industrial imaging
8.	Ultra-high-speed Area CMOS array image sensor	Industrial imaging
9.	Area array CMOS image sensor	Professional video and photography
10.	Large-format, stacked Area array CMOS image sensor	Industrial imaging
11.	High-speed linear array CMOS image sensor	Industrial imaging
12.	High-speed linear array CMOS image sensor	Industrial imaging
13.	High-speed linear array CMOS image sensor	Industrial imaging
14.	Area array CMOS image sensor	Industrial imaging
15.	High-speed linear array CMOS image sensor	Industrial imaging
16.	High speed linear array CMOS image sensor	Industrial imaging

No.	Type of relevant products	Application scenario
17.	Area array CMOS image sensor	Industrial imaging
18.	Linear array CMOS image sensor	Industrial imaging
19.	Linear array CMOS image sensor	Industrial imaging
20.	High-speed linear array CMOS image sensor	Industrial imaging

Loss-making Projects during the Track Record Period

For each year during the Track Record Period, we recorded seven, six and four loss-making projects, incurring a total loss of approximately RMB2.9 million, RMB16.4 million and RMB6.3 million for the corresponding year.

The losses incurred from the loss-making projects were primarily attributable to underestimation of project costs. The impact of these projects on our Group's overall performance was relatively minor. To prevent recurrence of similar incidents going forward, we have and will continue to implement the following internal control measures: (i) prepare and review R&D project budget as part of the project approval process to ensure initial cost estimates are scrutinized before project begins; (ii) ongoing budget review to ensure that continued accuracy in cost estimate; and (iii) the finance department has and will continue to conduct analysis of the actual and future estimated expenditure, which will share the report to project manager, Chief Financial Officer, Chief Operation Officer and Chief Executive Officer for timely oversight and review.

OUR SUPPLIERS

Our major suppliers are (i) the suppliers of raw materials, components and parts, and (ii) outsourced service providers, which are located in Japan, Israel, Korea and China. During the years ended December 31, 2023, 2024 and 2025, we engaged three, four and four foundry suppliers, and four, five and five packaging service providers, for the respective year. For details of our arrangement with our suppliers, please see "— Production and Procurement" in this section. The purchases from our top five suppliers for each year during the Track Record Period amounted to approximately RMB240.5 million, RMB120.6 million and RMB274.7 million, representing approximately 74.7%, 63.7% and 70.5% of our total purchase amount for the respective year. The purchase from our largest supplier for each year during the Track Record Period amounted to RMB164.3 million, RMB75.1 million and RMB195.0 million, representing approximately 51.1%, 39.7% and 50.1% of our total purchase amount for the respective year. See "Risk Factors — Risks Relating to Our Business and Industry — We rely on a limited number of third party suppliers for wafer fabrication and packaging and testing services. We may have limited control over the availability and costs of such services" in this prospectus.

To the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our top five suppliers in each year during the Track Record Period that are required to be disclosed under the Listing Rules.

Please see "— Production and Procurement — Salient Terms" in this section for the salient terms of the agreements with our suppliers.

For the year ended December 31, 2023:

Ranking	Supplier	Background of the supplier	Transaction amount	% of total purchase	Product sold or service rendered	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
1	Supplier Group A	Supplier Group A is a foundry supplier which comprises Supplier A incorporated in Israel with registered capital of approximately NIS111.8 million and its two associates incorporated in Japan. The shares of Supplier A are dual-listed on the Tel Aviv Stock Exchange and NASDAQ. Supplier Group A mainly engages in wafer foundry services.	164,296	51.1	Wafers and photomasks	Bank transfer	Net 60 days	2012
2	Supplier Group B	Supplier Group B is a raw materials supplier which comprises Supplier B incorporated in Japan with registered capital of JPY115.7 billion and its associate incorporated in the PRC. The shares of Supplier B are listed on the Tokyo Stock Exchange. Supplier Group B mainly engages in development, manufacturing and sales of semiconductor components, electronic components and others.	38,346	11.9	Ceramic package and cover glass	Bank transfer	(i) Prepayments of 50%, remaining balance upon delivery of goods; (ii) Net 30 days; (iii) Full prepayment	2015

Ranking	Supplier	Background of the supplier	Transaction amount	% of total purchase	Product sold or service rendered	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
3	Customer and Supplier E[(1)]	Customer and Supplier E is a packaging supplier which is incorporated in Japan with registered capital of JPY490 million and mainly engages in the import and export, warehousing and sales of semiconductors, electronic components, modules and finished products, and provision of services such as sensor packaging.	23,201	7.2	Sensor packaging services	Bank transfer	Close at the end of a month and pay at 30th prox	2015
4	Supplier E	Supplier E is a software licensing service provider which is incorporated in Netherlands with paid-in capital of EUR18,000 and a distributor of sensor design software.	9,655	3.0	Sensor design software licensing	Bank transfer	Payments by installment	2018
5	Supplier F	Supplier F is a packaging supplier which is incorporated in the PRC with paid-in capital of approximately RMB35.5 million and mainly engages in the grinding, dicing, packaging, final testing and circuit probe testing services for CMOS image sensors.	4,958	1.5	Sensor packaging services	Bank transfer	Net 30 days	2019
		Total	**240,456**	**74.7**				

For the year ended December 31, 2024:

Ranking	Supplier	Background of the supplier	Transaction amount	% of total purchase	Product sold or service rendered	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
1	Supplier Group A	Supplier Group A is a foundry supplier which comprises Supplier A incorporated in Israel with registered capital of approximately NIS111.8 million and its two associates incorporated in Japan. The shares of Supplier A are dual-listed on the Tel Aviv Stock Exchange and NASDAQ. Supplier Group A mainly engages in wafer foundry services.	75,117	39.7	Wafers and photomasks	Bank transfer	Net 60 days	2012
2	Supplier G.	Supplier G is a foundry supplier which is mainly engages in wafer foundry services.	14,759	7.8	Wafers and photomasks	Bank transfer	Full prepayment; Net due immediately	2021
3	Customer and Supplier E[(1)]	Customer and Supplier E is a sensor packaging service provider which is incorporated in Japan with registered capital of JPY490 million and mainly engages in the import and export, warehousing and sales of semiconductors, electronic components, modules and finished products, and provision of services such as sensor packaging.	12,527	6.6	Sensor packaging services	Bank transfer	Close at the end of a month and pay at 30th prox	2015

Ranking	Supplier	Background of the supplier	Transaction amount	% of total purchase	Product sold or service rendered	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
4	Supplier Group B	Supplier Group B is a raw materials supplier which comprises Supplier B incorporated in Japan with registered capital of JPY115.7 billion and its associate incorporated in the PRC. The shares of Supplier B are listed on the Tokyo Stock Exchange. Supplier Group B mainly engages in development, manufacturing and sales of semiconductor components, electronic components and others.	15,234	8.0	Ceramic package and cover glass	Bank transfer	(i) Prepayments of 50%, remaining balance upon delivery of goods; (ii) Net 30 days; (iii) Full prepayment	2015
5	Supplier F	Supplier F is a packaging supplier which is incorporated in the PRC with paid-in capital of approximately RMB35.5 million and mainly engages in the packaging services for CMOS image sensors.	2,998	1.6	Sensor packaging services	Bank transfer	Net 30 days	2019
		Total	**120,635**	**63.7**				

For the year ended December 31, 2025:

Ranking	Supplier	Background of the supplier	Transaction amount	% of total purchase	Product sold or service rendered	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
1	Supplier Group A	Supplier Group A a foundry supplier which comprises Supplier A incorporated in Israel with registered capital of approximately NIS111.8 million and its two associates incorporated in Japan. The shares of Supplier A are dual-listed on the Tel Aviv Stock Exchange and NASDAQ. Supplier Group A mainly engages in wafer foundry services.	195,001	50.1	Wafers and photomasks	Bank transfer	Net 60 days	2012
2	Supplier Group B	Supplier Group B is a raw materials supplier which comprises Supplier B incorporated in Japan with registered capital of JPY115.7 billion and its associate incorporated in the PRC. The shares of Supplier B are listed on the Tokyo Stock Exchange. Supplier Group B mainly engages in development, manufacturing and sales of semiconductor components, electronic components and others.	27,869	7.2	Ceramic package and cover glass	Bank transfer	(1) Net 30 days (2) Full prepayment	2015
3	Supplier G.	Supplier G is a foundry supplier which is established in South Korea with issued capital of approximately KRW222.6 and mainly engages in wafer foundry services.	18,477	4.7	Wafers and photomasks	Bank transfer	full prepayment	2021

Ranking	Supplier	Background of the supplier	Transaction amount	% of total purchase	Product sold or service rendered	Method of settlement	Credit terms	Year of commencement of business relationship with our Group
			RMB'000	%				
4	Supplier E.	Supplier E is a software licensing service provider which is incorporated in Netherlands with paid-in capital of EUR18,000 and is a distributor of sensor design software.	17,643	4.5	Sensor design software licensing	Bank transfer	Payments by installment	2018
5	Customer and Supplier E[1] . .	Customer and Supplier E is a packaging supplier which is incorporated in Japan with registered capital of JPY490 million and mainly engages in the import and export, warehousing and sales of semiconductors, electronic components, modules and finished products, and provision of services such as sensor packaging.	15,676	4.0	Sensor packaging services	Bank transfer	Close at the end of a month and pay at 30th prox	2015
		Total	**274,666**	**70.5**				

Notes:

(1) Customer and Supplier E was an overlapping customer and supplier during the Track Record Period. See "— Overlapping Customers and Suppliers" in this section.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of contracts on the part of our suppliers or delay in delivery of our orders from our suppliers, nor did we have any material disputes with our suppliers.

OVERLAPPING CUSTOMERS AND SUPPLIERS

To the best knowledge and belief of our Directors, three of our major customers during the Track Record Period were also our suppliers.

Customer and Supplier E

Customer and Supplier E was one of our major customers and major suppliers during the Track Record Period. We purchased outsourced packaging services from Customer and Supplier E and sold our CMOS image sensors to this entity under distribution model. For the years ended December 31, 2023, 2024 and 2025, purchases from this entity accounted for 7.2%, 6.6% and 4.0% of our total purchase, respectively, and revenue from this entity accounted for 3.9%, 3.3% and 1.9% of our total revenue, respectively, for the same period.

Customer Group A

Customer Group A was our major customer during the Track Record Period. We sold CMOS image sensors and provided customized sensor solutions to Customer Group A and procured a range of services, including factory space leasing, testing and soldering services, as well as catering services for the cafeteria from Customer Group A. For the years ended December 31, 2023, 2024 and 2025, revenue from Customer Group A accounted for 18.2%, 5.9% and 3.2% of our total revenue, respectively, and purchases from Customer Group A accounted for 0.1%, 0.2% and 0.1% of our total purchase, respectively, for the same period.

Customer Group H

Customer Group H was our major customer during the Track Record Period. We sold CMOS image sensors and provided customized sensor solutions to Customer Group H and procured image acquisition cards and camera equipment for display purposes from Customer Group H. For the years ended December 31, 2023, 2024 and 2025, revenue from Customer Group H accounted for 2.8%, 4.2% and 6.8% of our total revenue, respectively, and purchases from Customer Group H accounted for 0.0%, 0.0% and 0.0% of our total purchases, respectively, for the same period.

Customer I

Customer I was our major customer during the Track Record Period. We sold CMOS image sensors to Customer I and procured light sources and accessories from Customer I. For the years ended December 31, 2023, 2024 and 2025, revenue from Customer I accounted for 0.4%, 1.8% and 4.7% of our revenue, respectively, and purchases from Customer I accounted for 0.0%, 0.0% and 0.0% of our total purchases, respectively, for the same period.

In 2023, 2024 and 2025, revenue from our overlapping customers and suppliers, in aggregate, accounted for 25.2%, 15.2% and 16.5% of our total revenue, respectively. Purchases from our overlapping customers and suppliers, in aggregate, accounted for 7.3%, 6.8% and 4.2% of our total purchase, respectively. Gross profit margin of transactions with our overlapping customers and suppliers, in aggregate, is 68.3%, 75.1% and 80.1%, respectively. Gross profit margin of transactions with overlapping customers and suppliers is similar to those with other comparable customers. The gross profit margins of transactions with overlapping customers and suppliers are generally higher than our overall gross profit margins as two of overlapping customers and suppliers (i.e. Customer Group A and Customer Group H) engage in the scientific imaging, which generally enjoys a higher gross profit margin than other industries.

The terms and conditions of the sales agreements with Customer and Supplier E, Customer Group A, Customer Group H and Customer I were generally in line with the terms and conditions with other comparable customers. The terms and conditions of the outsourced service agreement with Customer and Supplier E were generally in line with the terms and conditions with other comparable service providers. The prices for procurement made from Customer Group A, Customer Group H and Customer I were negotiated on an arm's length basis. The transactions with our overlapping customers and suppliers were conducted on normal commercial terms. Since these overlapping customers and suppliers are large conglomerates with various business units operating in different sectors, we may engage in transactions with their different units for different business activities. According to Frost & Sullivan, it is not uncommon in our industry to have overlapping customers and suppliers.

RESEARCH AND DEVELOPMENT

We consistently dedicated ourselves to the development and design of CMOS image sensors. Through our in-house R&D efforts, we have mastered a range of mature technologies covering the entire product lifecycle, from design and validation testing to quality control and mass production. Our R&D teams in Changchun, Hangzhou, and Dalian maintain a highly collaborative and synergistic working relationship, leveraging their respective expertise to drive innovation in advanced imaging technologies. In addition, we established Gpixel Japan in 2016 and Gpixel Belgium in 2018, enabling us to expand our R&D capabilities by recruiting local professionals and closely integrating them with our domestic teams. Through these efforts, we have built an international R&D department that provides a solid foundation for the continuous advancement of our technologies and products.

Our R&D Team

We are supported by a robust R&D team comprising industry veterans with extensive experience in the industry. At the helm of our R&D efforts is our founder, Dr. Wang. Holding a bachelor's degree in Applied Electronics from Zhejiang University, a master's degree in Microelectronics System Design from the University of Southampton, and a doctoral degree with a research focus in CMOS image sensor from Delft University of Technology, Dr. Wang had extensive working experience prior to establishing our Company. In addition, Dr. Wang has led numerous national and provincial-level major scientific research projects. He has been instrumental in driving the development and industrialization of our CMOS image sensors, achieving several internationally leading results in the field of CMOS image sensor. Supporting Dr. Wang is Dr. Ma, our deputy general manager and head of R&D department. Dr. Ma holds a bachelor's degree in Electronic Information Engineering from Huazhong University of Science and Technology, a master's degree in Electrical Engineering from Delft University of Technology, and a doctoral degree in Circuits and Systems from Jilin University. He has participated in multiple major national and provincial research projects and has contributed significantly to the development of high-performance, high-speed, and low-noise CMOS image sensors.

As of December 31, 2025, our R&D team is comprised of 226 members, representing approximately 48.6% of our total employees. All of our R&D members hold a bachelor's degree or higher, and 73.9% hold a master's degree or higher with most specializing in electronic engineering.

We place great emphasis on incentivizing outstanding talent and have implemented broad-based employee share ownership plans. While we rely on key technical and management personnel within a reasonable range in line with industry practices, we have significantly mitigated related risks through the establishment of a talent pipeline, long-term incentive mechanisms, and systematic knowledge accumulation. In addition, proceeds from the Global Offering are expected to further strengthen our talent pool and enhance organizational resilience.

We invested significant resources into the R&D of our products. In 2023, 2024 and 2025, we incurred research and development expenses of RMB131.5 million, RMB130.2 million and RMB186.2 million, representing 21.7%, 19.3% and 21.7% of our revenue during the respective years.

Our R&D Achievements

We have been undertaking national and provincial-level major scientific research projects, closely following the national strategic R&D direction and forming strategic alliances with top domestic technology companies and scientific research institutions. During the Track Record Period, we undertook several major national-level scientific research projects, details of which are as follows.

For instance, we served as the leading partner in a major national science and technology project relating to 8K Ultra-High-Definition Image Sensing Chips and System Applications (8K超高清圖像傳感芯片及系統應用). In this project, we have successfully developed an 8K full-frame, BSI, stacked CMOS image sensor, which features high resolution, low noise and high dynamic. This sensor represents a major technical breakthrough, featuring a 49-megapixel resolution with 4.3μm pixels, achieved through advanced backside-illuminated and stacked process technologies. By leveraging our existing high dynamic range pixel technology, low-noise circuit design, and high-speed readout circuits, we successfully developed the sensor under BSI and stacked process conditions, verified the circuit performance of these technologies, and designed and validated the 4.3μm pixels for optimal performance. The sensor offers high resolution, low noise, and wide dynamic range, making it ideal for high-end photography and professional video applications.

We also served as the leading partner in a national key research and development project relating to High-Dynamic-Range Low-Light Image Detection Devices (高動態微光圖像探測器件). In this project, we have achieved significant breakthroughs in developing an 8K ultra-high-definition CMOS image sensor with 43-megapixel resolution and 3.2μm pixel design. Leveraging our existing high-speed readout circuit technology and GSPRINT sensor architecture, we developed the sensor under backside-illuminated and stacked process conditions, verifying the performance of both the high-speed readout circuits and the sensor architecture. We also designed and validated the 3.2μm pixels for optimal performance under these process conditions. These devices are capable of capturing clear images under extremely low-light conditions, with enhanced sensitivity and reduced noise levels. The technology has been optimized for applications in high-end surveillance, life science, and astronomical observation.

Apart from the above major scientific research projects, we have also acted as the leading party for a number of jointly developed projects with research institutions and universities, including CIOMP, Dalian University of Technology, South China University of Technology and Jilin University. As of the Latest Practicable Date, we had undertaken five major scientific research projects with CIOMP, of which four have been completed and one is pending acceptance.

In 2021, our project "Advanced Manufacturing and Application of High-Performance CMOS Image Sensors" was awarded the First Prize of the Jilin Provincial Science and Technology Award (吉林省科學技術一等獎). In 2022, we were honored with the title of National-Level Specialized, Refined, Unique and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業), and in 2024, we were awarded the title of National Key "Little Giant" Enterprise (國家重點"小巨人"企業). We were first included in the National List of Encouraged Key Integrated Circuit Design Enterprises (國家鼓勵的重點集成電路設計企業清單) in 2021, and were reselected for the list in 2022, 2023 and 2024.

Our Key Ongoing R&D Projects

Our ongoing R&D projects primarily cover four key areas: (i) pixel and advanced process development, (ii) product development tailored for different application scenarios, (iii) system development, and (iv) packaging process development.

As of December 31, 2025, we have continued to invest in R&D across pixel, process, and software technologies and have one product development project that has completed tape-out and progressed to validation, as well as seven key product development projects that are in the design phase. Our most advanced ongoing product development project relates to our first product developed on a new process platform in collaboration with a domestic foundry, which incorporates advanced BSI process technology and rolling shutter architecture. The product is designed for industrial inspection and machine vision. The rest of our key ongoing product development projects are expected to achieve commercialization by late 2026 to early 2027. The relevant products under development will integrate advanced technologies such as 2D stitching, high sensitivity, ultra-high resolution, high-speed readout circuitry, and global shutter designs in a smaller format. These products are designed for industrial inspection, machine vision, spectral analysis, astronomical observation, as well as professional video and photography.

INTELLECTUAL PROPERTY

We strictly adhere to and implement the relevant laws and regulations concerning patents, trademarks, copyrights, integrated circuit layouts, trade secrets, and other intellectual property, protecting our technologies by registering various types of intellectual property rights or entering into confidentiality agreements. As of the Latest Practicable Date, we had 61 patents, seven registered trademarks, 10 registered integrated circuit layout designs, one copy rights and one domain name. Our patents are valid for 20 years from their respective initial filing dates and will expire between 2033-2045. We hold exclusive rights to all of our patents. Accordingly, we believe that our patents provide adequate protection for our know-how and key technologies. For details of the key patents we developed during Track Record Period, please refer to "— Our Products and Solutions — Key Technologies" in this section and the paragraph headed "Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights" in Appendix VI of this prospectus. During the Track Record Period and up to the Latest Practicable Date, we have neither initiated nor been involved in any litigations with third parties in relation to our intellectual property rights.

OUR EMPLOYEES

As of December 31, 2025, we had a total of 465 employees and the majority of our employees were based in Chinese Mainland. Specifically, as of December 31, 2025, our workforce comprised 226 employees in R&D, 26 in sales and marketing, 99 in administrative and management, and 114 in production.

As required under PRC laws and regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans, under which we make contributions at a rate in compliance with applicable laws and regulations. As advised by our PRC Legal Advisor, we were in compliance with applicable laws and regulations related to social insurance and housing provident funds in all material aspects during the Track Record Period and up to the Latest Practicable Date. Prior to commencement of the Track Record Period, while being employed with the Group, four employees retained their civil servant status (事業編制) with CIOMP. CIOMP made social insurance and housing fund contributions for these employees, which were reimbursed by the Company, as their work was performed for and their salary paid by the Company. All four employees have formally relinquished their civil servant status in 2021, 2022 or 2023 (as the case may be). As advised by our PRC Legal Advisor, the previous retention of civil servant status by these four employees while employed by the Group does not violate the provisions of the Civil Code (《民法典》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Regulations on Disciplinary Actions for Staff Members of Public Institutions (《事業單位工作人員處分規定》).

The new Interpretation II was issued by the Supreme People's Court on the PRC on Legal Issues in the Trial of Labour Dispute Cases. For details, please refer to the section headed "Regulatory Overview — Laws and Regulations Relating to Labor and Social Security". During the Track Record Period and up to the Latest Practicable Date, we have not received any claim against our Group concerning social insurance or housing provident fund matters. As advised by our PRC Legal Advisors, the implementation and effectiveness of Interpretation II will not have a material adverse impact on the Group's financial statements. To ensure full compliance with the Interpretation and other relevant laws and regulations regarding social insurance and housing provident fund contribution, we will (i) conduct regular training for employees of the human resources and finance department to ensure they are updated on the latest laws and regulations regarding social insurance and housing provident funds; and (ii) perform regular internal audits to assess compliance with the relevant laws and regulations.

We are committed to providing an equal, inclusive, supportive and rewarding working environment for our employees. We have established the labor union which helps to maintain an open channel of communication with our employees. We believe we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

During the Track Record Period, we provided mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance, maternity insurance and medical insurance. Our Company has purchased transportation insurance for its products to mitigate the risks of damage or loss during transit. The coverage of such insurance is sufficient and aligns with industry standards. The Procurement and Logistics Department is responsible for claims and settlements. In the event of cargo insurance issues, claims are generally filed with the insurance company in accordance with the policy terms, and the insurer will proceed based on the signed agreement. During the Track Record Period and up to Latest Practicable Date, we had not maintained any product liability insurance. We had not experienced any material product recall or product quality issues. We believed that our insurance coverage is in line with the industry practice and complied with the relevant rules and regulations during the Track Record Period and up to the Latest Practicable Date.

QUALITY CONTROL

As of December 31, 2025, our Quality Control Department consisted of nine personnel, whose main responsibilities include establishing and maintaining a quality management system, supervising the quality of products and services throughout the entire process to ensure compliance with standards and regulatory requirements. Through inspections, data analysis, and issue tracking, they promote corrective actions, prevent quality risks, enhance customer satisfaction, and improve organizational efficiency. They are also responsible for process quality management, customer quality management, supplier quality management, and quality management related to the early stages of projects. We emphasize quality control in all aspects of our operations, including product development, component sourcing, product assembly and delivery. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major product quality issues, major product recall, material return of products or insurance claims.

The following outlines the quality control measures at each stage of the production process that we or our production partners have in place:

Procurement of Raw Materials

We have always been selective in choosing our suppliers for raw materials. We only purchase from qualified suppliers, and the qualification process includes rigorous requirements regarding quality control. See "Production and Procurement — Selection of Suppliers" for detailed supplier selection criteria.

In addition, we conduct incoming inspections on all raw materials and promptly communicate with suppliers in the event of non-conformities. During production, we implement first-article inspections, operator self-inspections, and process patrol inspections, while recording equipment and product parameters and monitoring compliance with process requirements. We also inspect raw materials before delivery for packaging to ensure product quality throughout the manufacturing process.

Wafer Fabrication

In terms of our major raw material wafers, we also reply on our foundry suppliers' quality control standards. We cooperate with Tower and DB HiTek which are the global leaders in wafer fabrication. As leading wafer manufacturers, Tower and DB HiTek have stringent quality standards that safeguard the quality of wafers we use for our sensors. We inspect wafers before delivery for packaging.

Packaging and Testing

Upon delivery of packaged sensors, we perform testing procedures, including 100% functional testing and visual inspection, to ensure compliance with our product quality standards. We are currently maintaining a production model that combines partial in-house packaging with partial outsourcing to third-party manufacturers. By holding a controlling stake in Changguang Yuanxin, our Company can conduct sensor packaging in-house. In-house packaging provides us with greater process autonomy, quality control and flexibility in new product prototyping, supported by multiple inspection checkpoints and comprehensive process equipment. To ensure that both our in-house packaging plant and external packaging service providers have a unified inspection standard, we have established Gpixel inspection requirements, which have also been communicated to Changguang Yuanxin and our core external packaging service providers.

In addition, we engage qualified testing service providers to conduct certain reliability and performance tests on our sensors, including failure analysis and reliability tests. We maintain standardized control over both in-house and outsourced testing, covering test plan confirmation, data review and result acceptance, to ensure consistency with our product quality standards.

INTRA-GROUP TRANSACTIONS

Our main intra-group transactions and arrangements with Gpixel Belgium were: (i) sale of products to Gpixel Belgium; (ii) provision of R&D services by Gpixel Belgium to other members of the Group; and (iii) provision of sales support services by Gpixel Belgium to other members of the Group. Our main intra-group transactions and arrangements with Gpixel Japan were: (i) provision of assembly coordination by Gpixel Japan; and (ii) provision of R&D services by Gpixel Japan (collectively, the "**In-scope Intra-group Transactions**"), details of which are set out in the table below.

	For the year ended December 31,					
	2023	**Percentage[(1)]**	**2024**	**Percentage[(1)]**	**2025**	**Percentage[(1)]**
	RMB'000		*RMB'000*		*RMB'000*	
Sales of products to Gpixel Belgium	17,080	4.2%	25,918	6.2%	31,701	5.5%
Provision of R&D services by Gpixel Belgium to other members of the Group	5,416	1.3%	22,077	5.3%	8,887	1.5%
Provision of sales support services by Gpixel Belgium to other members of the Group	5,626	1.4%	4,398	1.1%	5,247	0.9%
Provision of assembly coordination by Gpixel Japan[(2)]	75,037	18.4%	35,700	8.6%	29,365	5.1%
Provision of R&D services by Gpixel Japan	1,882	0.5%	5,298	1.3%	3,999	0.7%
Total	**105,041**	**25.8%**	**93,391**	**22.5%**	**79,199**	**13.7%**

Notes:

(1) Calculated as the transaction amount of each category of intra-group transaction divided by the total amount of the Group's intra-group transactions (including transactions among Chinese subsidiaries) during the respective year.

(2) The amount represents sales of assembled sensors, deducting the cost of raw materials provided by other members of the Group, using net method.

In order to ensure compliance with the relevant transfer pricing regulations, we have engaged an independent tax consultant firm, Ernst & Young (China) Advisory Limited, since 2021, conducting benchmarking studies on the intra-group transactions according to the Organisation for Economic Co-operation and Development (the "**OECD**"), an international organization promulgating the transfer pricing guidelines (the "**OECD Transfer Pricing Guidelines**") for multinational enterprises and tax administrations. During the Track Record Period, our intra-group transactions were conducted in accordance with the OECD Transfer Pricing Guidelines, which were used to primarily establish the arm's length pricing and/or profit range for such transactions. The OECD Transfer Pricing Guidelines are widely adopted by tax jurisdictions, including China, Japan and Belgium. In addition, the independent tax consultant of our Group conducted an independent analysis and considers that the In-scope Intra-group Transactions with transfer pricing arrangements during the Track Record Period to be compliant with the arm's length principle in accordance with the OECD Transfer Pricing Guidelines. As such, our Directors are of the view that the intra-group transactions were and are in line with the arm's length principle.

The relevant rules and regulations in China, Belgium and Japan related to the transfer pricing are as follows:

Transfer Pricing in China

According to the New Enterprise Income Tax Law and its implement rules and the Law of the PRC on the Administration of Tax Collection (中華人民共和國稅收徵收管理法), related party transactions should comply with the arm's length principle.

According to the Announcement of the State Administration of Taxation (SAT) on Relevant Matters relating to Improvement of the Filing of Related Party Transactions and the Management of Contemporaneous Documentation (the "**Circular 42**") promulgated by the SAT on June 29, 2016 and taking effect on the same day, enterprises which have related party transactions shall prepare their contemporaneous documentation of related party transactions per tax year and submit it to the tax authority if required by the same.

Resident enterprises that meet one of the two following criteria shall fill in the Country-by-Country ("**CBC**") Reporting Forms when filing RPT Forms: (1) the resident enterprise is the ultimate holding company of multinational enterprise (MNE) group, and the group consolidated revenue of the prior fiscal year exceeds RMB5.5 billion; and (2) the resident enterprise is designated by the MNE group as the reporting entity to file country-by-country (CBC) Reporting.

Enterprises that meet one of the two following criteria should prepare a master file: (1) it has cross-border related party transactions during the fiscal year, and the ultimate holding company of the group that consolidates the financial statement of the enterprise has prepared a master file; (2) its annual related party transaction amount exceeds RMB1 billion.

Local Files are mandatory when any of the following thresholds are met: cross-border tangible asset transfers over RMB200 million (customs-based for toll manufacturing), financial/intangible asset transfers over RMB100 million, or aggregate other RPTs (services, licenses, rentals, interest) exceeding RMB40 million.

Transfer Pricing in Belgium

Belgium's transfer pricing framework, governed by the Belgian Income Tax Code (ITC) and updated by Royal Decrees (2024), requires compliance with the arm's length principle. Tax authorities may adjust taxable income using OECD-aligned methods (e.g., comparable uncontrolled price, transactional profit split). Companies with consolidated turnover exceeding €750 million must file Country-by-Country Reporting (CbCR). Entities exceeding thresholds of €50 million in operating income, €1 billion in assets, or 100 full-time employees must submit Master File (Form 275.MF) and Local File (Form 275.LF) documentation. Belgium's rules mandate contemporaneous documentation for cross-border transactions, with penalties for non-compliance.

Transfer Pricing in Japan

Japan's Special Taxation Measures Law (STML) and National Tax Agency (NTA) enforce arm's length compliance for cross-border related-party transactions. Under Circular 42-equivalent rules, companies with global consolidated revenue exceeding JPY100 billion must file CbCR and Master File. Local File requirements apply to entities with international related-party transactions exceeding JPY5 billion (or JPY300 million for intangibles) with a single counterparty. Documentation must be maintained contemporaneously and submitted upon request. Japan's 2022 amendments align with OECD Guidelines, emphasizing transparency.

In China, our Company and Gpixel Hangzhou met the threshold for preparing the Local File during the Track Record Period, and management prepared these Local Files annually in accordance with Circular 42. Meanwhile, our Company and Gpixel Hangzhou did not meet the threshold for preparing the Country-by-Country Report (CbCR) or the Master File under Chinese regulations during the Track Record Period and therefore had no obligation to prepare these transfer pricing documentations. In Belgium, Gpixel Belgium did not meet the threshold for preparing the Local File, Country-by-Country Report (CbCR), and Master File under Belgian regulations during the Track Record Period and therefore had no obligation to prepare these transfer pricing documentations. In Japan, the Gpixel Japan did not meet the threshold for preparing the Local File, Country-by-Country Report (CbCR), and Master File under Japan regulations during the Track Record Period and therefore had no obligation to prepare these transfer pricing documentations.

As confirmed by our Directors, the Group has not been subject to any enquiries, audits, investigations or challenges by any tax authorities in China, Belgium or Japan in relation to its intra-group transactions and transfer pricing arrangement during the Track Record Period and up to the Latest Practicable Date.

To ensure ongoing compliance with the relevant transfer pricing laws and regulations, our Group has implemented the following internal control measures: (i) we have formulated the transfer pricing principles for the intra-group transactions based on the OECD Transfer Pricing Guidelines, and updated the transfer price for different types of intra-group transactions with reference to the benchmarking analysis report, issued by an independent international transfer pricing consultant firm; (ii) the finance department of the Group compiles data on intra-group transactions to monitor and assess their profitability each month. Any unusual transactions will be promptly analyzed and adjusted. The monthly tracking of Group intra-group transactions is reviewed by the Chief Financial Officer, followed by a review from the Chief Operating Officer; and (iii) after each fiscal year-end, the finance department of the Group is responsible for compiling and organizing related party transactions, and review if any Group companies meet the criteria for preparing the local file. The Company has prepared the local file since our Company and Gpixel Hangzhou met the thresholds for preparing the local file, and such local file has been reviewed by the Chief Financial Officer. The finance department is also responsible for submitting the finalized local file to the local tax authorities of each Group company for filing.

Based on the foregoing, our Directors are of the view that, and the Joint Sponsors concur, that the internal control measures, on implementation, are sufficient to ensure compliance with relevant transfer pricing laws and regulations applicable to our Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We consistently hold the core values of 'People-oriented, Technological Innovation, Environmental Protection, and Social Responsibility,' and deeply integrate sustainable development principles into our strategic planning and daily operational management. We have established a comprehensive ESG management system, including specific business process controls, ESG risk identification and response mechanisms, internal control system covering environmental protection, safety, and social responsibility. Through ongoing communication with our stakeholders, we continuously improve and strengthen the implementation of our ESG management system.

ESG Governance

We have established the ESG management structure comprising the Board, our senior management and executive groups, as well as formulated the decision-making mechanism with defined rights and responsibilities, and standardized operation system. As the core decision-making group for ESG management, our Board is fully responsible for formulating sustainability strategies and policies, reviewing ESG targets and major issues, and monitoring the implementation. Our board has established a dedicated ESG management group and functional departments for the detailed implementation and daily management of ESG strategies.

Our Board monitors the progress of ESG work through multiple channels such as specialized reports and annual assessments, ensuring the efficient operation of the management structure and the implementation of strategic goals. We are committed to complying with laws and business ethics, striving to create long-term value for shareholders, and implementing social responsibility through actions such as environmental protection, employee development, technological innovation, and community participation.

Metrics and Targets

Environment Responsibilities

We always regard environmental protection as the core element of sustainable development for our enterprises, adhering to the environmental policy of 'preventing and controlling pollution, mitigating and adapting to climate change, protecting ecosystems, and achieving sustainable development', and integrating green concepts into the entire process of our enterprise operation.

We strictly comply with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), and other relevant local laws and regulations applicable to our operating locations. During the Track Record Period and up to the Latest Practicable Date, all of our production and operation activities complied with the relevant national, provincial and local environmental protection requirements, and have not been subject to any administrative penalties for environmental violations.

GHG Emissions

We pay great attention to the challenges brought by climate change and integrate carbon management into the core of our sustainable development strategy. We are committed to gradually reducing the carbon footprint in our operations through systematic control and technological innovation. The table below sets forth our greenhouse gas emissions during the relevant years:

	Year ended December 31,		
	2023	2024	2025
Direct GHG emission (Scope 1) (t-CO_2e)	45.14	38.89	28.30
Indirect GHG emission (Scope 2) (t-CO2e)	1,594.09	1,659.03	1,904.23
Other Indirect GHG emission (Scope 3) (t-CO2e)[1]	134.12	142.20	393.02
Total GHG emission (Scope 1, Scope 2 and Scope 3)(t-CO_2e)	1,773.35	1,840.12	2,325.55
Total GHG emissions Intensity (t-CO_2e/RMB' million of Revenue)	2.93	2.73	2.72

Notes:

(1) The above data statistics cover our headquarters and subsidiaries located in China, Belgium, and Japan.

(2) The calculation scope of greenhouse gas emissions (Scope 1) includes mobile combustion — fuel use, mainly for the use of company vehicles; The calculation scope of greenhouse gas emissions (Scope 2) includes the purchase of electricity and heating for use in factories and offices.

(3) The Scope 3 greenhouse gas emissions data for 2023 cover waste generated from operations.

(4) The Scope 3 greenhouse gas emissions data for 2024 cover waste generated from operations and business travel.

(5) The Scope 3 greenhouse gas emissions data for 2025 cover waste generated from operations, business travel, and employees' commuting.

(6) The reason for the decrease in greenhouse gas emissions (Scope 1) is due to our phased replacement of company vehicles from gasoline and diesel vehicles to hybrid electric and pure electric vehicles.

In the future, we will progressively improve the data baseline for Scope 3 greenhouse gas emission and gradually expand the disclosure coverage of Scope 3 greenhouse gas emissions.

Energy and Resource Consumption

We have established and implemented the Gpixel Energy Control Specification, ensuring the continuous improvement of resource utilization efficiency by formulating clear energy-saving requirements, optimizing regulatory mechanisms, and promoting all-employees responsibility system. The table below sets forth our electricity, water and gasoline consumption and other metrics during the relevant years:

	Year ended December 31,		
	2023	2024	2025
Electricity consumption (MWh)	2,097.16	2,227.29	2,686.02
Electricity consumption Intensity (MWh/RMB' million of Revenue)	3.47	3.31	3.14
Water consumption (Kton)	12.09	10.04	9.08
Water consumption Intensity (Kton/RMB' million of Revenue)	0.020	0.015	0.011
Purchased heating (MWh)	1,263.33	1,266.89	1,269.07
Purchased heating Intensity (MWh/RMB' million of Revenue)	2.09	1.88	1.48
Gasoline consumption (ton)	10.77	10.23	8.42
Gasoline consumption Intensity (ton/RMB' million of Revenue)	0.018	0.015	0.010
Diesel consumption (ton)	3.064	1.511	0.704

	Year ended December 31,		
	2023	2024	2025
Diesel consumption Intensity (ton/RMB' million of Revenue)	0.005	0.002	0.001

Notes:

(1) The above data statistics of electricity consumption cover our headquarters and subsidiaries located in China, Belgium, and Japan.
(2) The increase in electricity consumption in 2025 is primarily due to the growth in sales volume.
(3) Direct energy primarily consists of gasoline and diesel consumed by company vehicles. Indirect energy primarily consists of electricity and heating consumed during production and operational activities. Data is sourced from the records in internal bills.
(4) Water data covers our headquarters and subsidiaries in Changchun. For other regional subsidiaries, the offices are managed by the property companies, the water supply is included in the property management, and the individual water consumption data for tenants is not available.
(5) The reason for the year-on-year decrease in water consumption is due to Changchun subsidiary continuously optimizing the production process, and formulating different cleaning processes according to the characteristics of different products, which minimizes water consumption while achieving the cleaning effect.
(6) The gasoline and diesel consumption cover the Changchun headquarter, Hangzhou subsidiary, and Belgian subsidiary, and the subsidiaries in other regions have no gasoline and diesel consumption.
(7) The decrease in gasoline and diesel consumption is due to our phased replacement of company vehicles, transitioning from gasoline and diesel to hybrid and pure electric models.

Pollution Prevention and Control

We strictly comply with the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Noise Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國噪聲污染防治法》), the Solid Waste Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》), as well as other relevant local laws and regulations concerning our local business operations. The table below sets forth the total volume and density of solid waste we generated during the relevant periods.

	Year ended December 31,		
	2023	2024	2025
General industrial solid waste (kg)	/	10.400	1.200
General waste Intensity (kg/RMB' million of Revenue)	/	0.015	0.001
Hazardous waste (kg)	141.33	1,384.10	808.48
Hazardous waste Intensity (kg/RMB' million of Revenue)	0.234	2.056	0.944

Notes:

(1) Non-hazardous waste primarily consists of industrial waste generated from production.
(2) Hazardous waste is classified in accordance with the regulations of the jurisdictions in which we operate. During the Track Record Period, only the headquarter and subsidiaries in China generated hazardous waste. The categorization and statistical criteria are based on the latest version of the National Catalogue of Hazardous Waste issued by the Ministry of Ecology and Environment of the People's Republic of China.
(3) The significant increase in general industrial solid waste in 2024 is due to the centralized disposal of all such waste accumulated prior to 2024. In 2025, general industrial solid waste returned to a normal level, representing a significant decrease compared to the centralized disposal volume in 2024.
(4) Our packaging facility is located in Changchun, China. The hazardous waste disposal for 2023 was only for the Changchun headquarters. For 2024, we included the hazardous waste disposal of Changchun subsidiary and the Changchun headquarters. Therefore, the hazardous waste generation in 2024 increased significantly. The reason for the decrease in hazardous waste in 2025 was due to Changchun subsidiary upgrading the raw material cleaning process and phasing out the use of chemical solvents for washing gloves.

Comparison with Comparable Companies

We will monitor emissions and consumption to assess and manage our environmental impact. We have compared our environmental protection indicators with those of other major fabless sensor designing firms, reviewed our environmental protection performance and set emission reduction targets. The table below sets out our emissions and consumption data in 2024 compared to other major fabless sensor designing firms.

Category		Unit	Our Group	Company G[(1)]	Company D[(2)]	Company C[(3)]
GHG Emissions Intensity.	Scope 1	t-CO2e/RMB' million of Revenue	0.058	N/A[(4)]	0.028	1.460
	Scope 2		2.461	N/A[(4)]	1.520	1.292
	Scope 3		0.211	N/A[(4)]	N/A[(4)]	N/A[(4)]
	Sum		2.730	N/A[(4)]	N/A[(4)]	N/A[(4)]
Electricity Consumption Intensity		MWh/RMB' million of Revenue	3.310	29.643	3.580	6.379
Water Consumption Intensity		Kton/RMB' million of Revenue	0.015	0.492	0.014	0.023
Hazardous Waste Intensity		kg/RMB' million of Revenue	2.056	574.627	N/A[(4)]	23.701
General Waste Intensity		kg/RMB' million of Revenue	0.015	601.225	N/A[(4)]	568.820

Notes:

(1) The figures are sourced from the 2024 ESG report and annual report of Company G. Certain figures were derived through unit conversions or calculated based on the information disclosed. Company G is founded in 2003 and headquartered in Shanghai, and is principally engaged in the design and sales of CMOS image sensors and display driver ICs for consumer electronics, automotive, and IoT applications, whose shares are listed on the Shanghai Stock Exchange STAR Market.

(2) The figures are sourced from the 2024 ESG report and annual report of Company D. Certain figures were derived through unit conversions or calculated based on the information disclosed. Please refer to "Industry Overview — Competitive Landscape" for the background of Company D.

(3) The figures are sourced from the 2024 Corporate Social Responsibility report and annual report of fabless sensor Company C. Certain figures were derived through unit conversions or calculated based on the information disclosed. Please refer to "Industry Overview — Competitive Landscape" for the background of Company C.

(4) The information is not publicly available.

Goals and Targets for Reduction

With reference to the data of listed peers and our own operating conditions, we intend to achieve core targets by 2029: (1) reduce electricity consumption per unit of revenue (MWh/RMB' million of Revenue) by 5% compared to the 2024 baseline ; (2) reduce water consumption per unit of revenue (Kton/RMB' million of Revenue) by 5% compared to the 2024 baseline; and (3) GHG emissions per unit of revenue (t-CO_2e/RMB' million of Revenue) by 5% compared to the 2024 baseline.

Social Responsibility

We always regard social responsibility as the core force for corporate development, hold the values of "respect, equality, and excellence", and are committed to cooperating and sharing sustainable development achievements with employees, customers, suppliers, and society.

Labor Rights and Interests

We strictly abide by local labor laws, regulations, and international rules, including the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), as well as other relevant local laws, regulations, and the Responsible Business Alliance (RBA) code of conduct. We have established various open and effective channels for employee feedback, such as suggestion boxes and online platforms, and conduct an annual satisfaction survey covering all employees.

The table below sets forth details of the number of our employees during the relevant years:

	As of December 31,		
	2023	2024	2025
Total number of employees	385	401	465
Number of employees by gender			
— Male	195	209	249
— Female	190	192	216
Percentage of employees by gender			
— Male *(%)*	50.6	52.1	53.6
— Female *(%)*	49.4	47.9	46.4

Employees Cultivation and Development

We have established a comprehensive employee training and career development system, formulated and implemented the Newcomer Instructor System (《新人導師制度》), Training Management Specification (《培訓管理規範》), Job Grade Management System (《職級管理制度》), and Employee Turnover Management Specification (《員工流動管理規範》). We conduct comprehensive evaluations of existing employees' abilities and potentials through systematic methods such as employee assessments, ability matrix, and develop talent cultivation and development plans based on our business development goals. Our training plan achievement rates for 2023, 2024, and 2025 all reach 100%.We continuously optimize employee development and promotion channels to ensure that employees can achieve their career goals within our company and align with our enterprise's strategy.

Integrity and Anti-corruption

We adhere to the concept of 'compliance first, honest root', formulate internal integrity and anti-corruption policies, and publish the Employee Reward and Monitoring Regulations (《員工獎懲條例》) to ensure that employees comply with the regulation by constantly enforcing and reviewing the regulations. We have included integrity clauses in the "Corporate Social Responsibility agreement" that we have signed with our suppliers, which explicitly prohibit any form of bribery, transfer of benefits, and improper transactions. We have implemented an internal reporting channel, where all employees can report any bribery and corruption behavior. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any legal proceedings or administrative penalties related to corruption, bribery, or fraud.

Occupational Health and Safety

We pay great attention to the health and safety of our employees, and regard their life safety and occupational health as the foundation of our company's development. We have established safety management processes such as the Hazard Identification and Evaluation Control Procedure (《危險源辨識與評價控制程序》), Safety Management System (《安全管理制度》), Safety Production and Fire Safety Responsibility System (《安全生產及消防安全責任制度》), Safety Training Work System (《安全培訓工作制度》), Job Safety Operation Regulations (《崗位安全操作規程》), Contingency Plan for Production Safety Accidents (《生產安全事故應急預案》), to protect employees from occupational injuries by creating a safe and healthy working environment, taking protective measures, and developing emergency plans. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any production safety accidents that have a significant adverse impact on our business, finance, or operating performance.

Supply Chain Management

We have developed and implemented the Supplier Management Procedure (《供應商管理程序》) to certify and evaluate suppliers at all levels, including system audits and material certifications, to ensure the selection of the highest quality suppliers and ensure the continuous compliance and stability of the supply chain.

We have formulated the "Supplier Management Manual" as the guiding document for supply chain ESG management, which clearly requires all suppliers — covering raw materials, contract manufacturers, etc. to meet the following requirements: (1) Legal Compliance: Comply with the laws and regulations of the supplier's location, the countries where Gpixel is located, and the final sales destinations of products throughout the entire process;(2) Environmental Responsibility: Implement pollution prevention and control, resource efficiency improvement, hazardous substance management, and classified waste disposal; (3) Social Responsibility: Safeguard labor rights, interests, occupational health, safety, and community relations; (4) Corporate Management: Implement business ethics, data security, information disclosure, and expand supply chain responsibility.

We have established a performance evaluation mechanism, and once any violations are found, we will immediately require the suppliers to rectify or switch to alternative suppliers. We integrate the concept of sustainable development into all aspects of supply chain management, urging our suppliers to ensure safe and healthy working environments, compliant emissions of pollutants, and establish comprehensive management systems of labor, health and safety, environmental, and business ethics.

RISK MANAGEMENT AND INTERNAL CONTROL

We have in place a robust risk management and internal control system. We adopted and continually improve our internal control mechanisms to ensure the compliance of our business operations. Furthermore, we conduct periodic reviews of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency.

We are dedicated to upholding the legal compliance of our operations and management, safeguarding assets and ensuring the accuracy and completeness of financial reports and related information. Our commitment extends to enhancing operational efficiency and effectiveness, thereby fostering the achievement of our Company's strategic development goals. In addition, we have implemented process control through digital systems, established a cross-departmental data-sharing platform, and set up separate approval authorities at key business junctures to ensure real-time synchronization of financial, operational, and risk control data. In addition to external audits, we also established an internal audit department tasked with independent audit supervision of the business operations and internal control of our Company and its subsidiaries in accordance with laws, rules and regulations and the articles of association of our Company, and in accordance with the principles of objectivity, impartiality and prevention.

Cost of Compliance

From 2023 to 2025, we spend a total of RMB88,435.5 in ESG compliance costs. The statistical scope of these compliance costs covers compliant disposal of solid waste and formulation of environmental and safety emergency plans. The statistics include the Changchun headquarter and Changchun subsidiary (the data of the subsidiary is added since 2024).

In the future, as the local government tighten requirements related to ESG, we estimate that ESG compliance costs will increase. We will assess the annual ESG compliance costs year by year based on external ESG regulatory conditions and establish the corresponding budgets.

Our Board is collectively responsible for establishing and implementing such risk management mechanisms and overseeing our overall risk management. Our Directors are of the view that our current internal control measures are adequate and effective.

Intellectual Property Risk Management

As a knowledge- and technology-intensive company, we may 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 — Our business may be adversely affected by inadequate protection of intellectual property rights and/or claims by third parties for possible infringement of their rights" in the prospectus. To ensure proper management of our intellectual property and avoid litigation concerning intellectual property infringement, we have implemented various internal policies and established an internal intellectual property management system. For instance, we have developed and enacted measures on the management of intellectual property acquisition and maintenance, implementation, licensing, transfer, information research, as well as the requirements and job responsibilities for positions related to intellectual property management. In addition, we routinely conduct comprehensive reviews of the existing intellectual property system to ascertain its ongoing pertinence and efficacy. To facilitate effective management of our intellectual properties, we utilize an internal intellectual property management system for the full lifecycle management of our proprietary intellectual property. To safeguard against potential infringements on both our intellectual property rights and those of others, our legal department, responsible for intellectual property management, conducts thorough searches and analyses of our R&D outcomes upon the completion of scientific research projects and technology development. We require employees to adhere to confidentiality obligations for technical secrets, sign confidentiality and non-compete agreements, and follow an internal confidentiality system outlining specific employee responsibilities.

Information Security and Data Privacy Risk Management

See "— Data Security and Privacy" in this section.

INFORMATION TECHNOLOGY SYSTEMS

IT is fundamental to our competitive edge and operational efficiency. We utilize and maintain IT systems that evolve in tandem with our business growth, ensuring they meet our varied operational demands. Our main information technology systems include our Office Automation system and SAP system. As our business grows, we also need to consider introducing new IT services in warehousing and production. We plan to implement a WMS system in 2025 to achieve intelligent warehouse management. Meanwhile, to improve the production efficiency and capacity of sensor testing, we have already introduced automatic testing equipment, which have enhanced both production efficiency and capacity. 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.

DATA SECURITY AND PRIVACY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. Consequently, our practices regarding the collection, use, storage, disclosure and transfer of various types of data may come under increased administrative scrutiny. Given that we only make transactions with enterprises, our business generally does not involve the collection or processing of customers' personal information.

To reinforce our data security and protection measures, we established comprehensive internal policies. These policies facilitate our data management and provide detailed requirements in relation to the classification, storage, access, transmission, encryption and disposal of data. We closely monitor data security threats and promptly strengthen protective measures to prevent data breaches and system disruptions from impacting our operations and reputation. We also stay vigilant about changes in data privacy regulations across different countries to ensure compliance and mitigate legal and financial risks. In addition, we closely follow market regulatory requirements to obtain necessary permits and licenses in a timely manner, preventing potential business disruptions.

Moreover, we implemented a robust information backup management system, which sets forth the guiding principles, detailed procedures and mechanisms for data recovery. In addition, we formulated a manual on information security management to set out the general guidance and principles of our information security management, under which we established a series of policies and procedures, including among others, policies on system operation management, password management and corporate trade secret protection and procedures on document control and confidentiality management. These systems, policies and procedures collectively form a solid framework that safeguards our data and upholds our stringent standards for information security.

Based on the above, each of our PRC Legal Advisor (with respect to PRC law only), Japanese legal advisor (with respect to Japanese law only) and Belgium legal advisor (with respect to Belgian law only) is of the view that, during the Track Record Period and up to the Latest Practicable Date, our data governance policies, procedures, and practices related to cybersecurity and data security comply in all material respects with the requirements of applicable laws and regulations related to cybersecurity and data security in the PRC, Japan and Belgian (as the case may be). During the Track Record Period and up to the Latest Practicable Date, the cross border data transfer between Chinese Mainland and Belgium was in compliance in all material respects with our Group's main obligations under the General Data Protection Regulation (Regulation (EU) 2016/679), considering the nature of our operations and the types of personal data processed, and there was no material data leakage.

COMPETITION

From 2020 to 2024, the global CMOS image sensor market experienced moderate growth, with the total revenue increasing from RMB127.5 billion to RMB139.1 billion, representing a CAGR of 2.2%. Since 2023, CMOS image sensor has shown rapid market growth through advancements in core technologies and expanding adoption in automotive electronics, medical imaging, industrial imaging, etc. From 2025 to 2029, the growth in global CMOS image sensor market size is projected to accelerate, with the total revenue expected to rise from RMB155.5 billion in 2025 to RMB210.3 billion in 2029, representing a CAGR of 7.8%.

The global CMOS image sensor industry in which we operate is highly competitive and concentrated. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. See "Risk Factors — Risks Relating to Our Business and Industry — The markets for our products are highly and increasingly competitive. If we are not able to compete successfully, our business, results of operations and future prospects will be harmed" in this prospectus. We primarily compete with a number of global and regional CMOS image sensor design companies and manufacturers. According to Frost & Sullivan, in terms of industrial imaging revenue in 2024, we ranked third among global CIS companies, accounting for 15.2% of the global market share. In terms of scientific imaging revenue in 2024, we ranked third among global CIS companies and first among Chinese CIS companies, accounting for 16.3% of the global market share. The industrial imaging and scientific imaging CIS markets are dominated by a few international and regional leaders. In terms of revenue in 2024, industrial imaging and scientific imaging CIS markets accounted for approximately 2.1% and 0.8% of the global CIS market, respectively.

With established positions in the industry, deep industry experience, strong R&D capabilities, broad product portfolios and large and stable customer base, we believe that we are well positioned to excel in the competition in our industry. See "— Our Competitive Strengths" in this section and "Industry Overview" in this prospectus.

OUR PROPERTIES

Our headquarter is located in Changchun, Jilin Province, China. Our packaging facility as of the Latest Practicable Date was located in Changchun, Jilin Province, China.

Owned Properties

During the Track Record Period and the Latest Practicable Date, we owned two properties in Changchun and Hangzhou with a total built-up area of approximately 138.04 sq.m. As of the Latest Practicable Date, we had obtained the land use rights for these properties. We use such properties primarily as our office.

We do not have any property interest with a carrying amount of 15% or more of our consolidated total assets as of December 31, 2025. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Leased Properties

During the Track Record Period and up to the Latest Practicable Date, we leased (1) five properties in Changchun, Hangzhou and Dalian with a total gross floor area of approximately 17,269.0 sq.m. used primarily as our office, packaging facility and R&D facility; (2) one property in Japan with a total gross floor area of approximately 262.85 sq.m., used primarily as our office; (3) two properties in Belgium with a total gross floor area of approximately 1,435.8 sq.m. primarily used as our office.

Lease Registration

During the Track Record Period and up to the Latest Practicable Date, we had not registered four lease agreements for our leased properties in the PRC mainly due to the respective landlords' non-cooperation with respect to related registration procedures. As advised by our PRC Legal Advisor, according to the relevant provisions of the Civil Code of the PRC (《中華人民共和國民法典》), the non-registration of the lease agreements does not affect the validity and enforceability of the lease agreements. However, the relevant government authorities may require us to complete registrations within a specified timeframe. If we fail to do so within such timeframe, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for any delay in making registration for each unregistered lease agreement. As of the Latest Practicable Date, we had not been subject to any administrative penalties in relation to the unregistered lease agreements. We will continue to seek cooperation from the landlords of the leased properties to register executed lease agreements with the relevant PRC government authorities as soon as possible and we undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities. Moving forward, and as a remedial measure, we will proactively promote the lease registration, including through timely and continuous communication with and supervision over the landlords by our handling personnel, and strive to require the landlords to complete the registration. In addition, whether the landlords cooperated in registration will be one of the criteria for future selection of properties.

Title Defects

As of the Latest Practicable Date, the lessor of one of our leased properties with an aggregate gross floor area of 13,307.3 sq.m. was unable to provide a valid title certificate. The reasons that the landlord failed to provide us with the relevant title certificate are beyond our control. Such leased property is primarily used as our office space and testing facility. As advised by our PRC Legal Advisor, it is the lessors' responsibility to obtain the title certificate, we, as the lessee, will not be subject to any administrative penalties for the lessors' failure to obtain relevant title certificate. Moreover, the validity of the lease contract is not affected as land use right certificate (土地使用權證) and construction planning permit (建設工程規劃許可證) were obtained for such leased property. If a third party objects to such lease or the ownership of such leased property, it may affect our continuous leasing of such property. In view of this, (i) we will not have difficulties in relocating to alternative properties in a timely manner under the same conditions if such properties are no longer available; (ii) during the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our lease with respect to this leased property with title defects had never been challenged by any third parties or government authorities; and (iii) our Directors believe that we can relocate to a new property without excessive costs or business interruption. We have maintained regular and active communications with such landlord regarding the progress of their rectification of the title defects. In addition, we have enhanced our internal control procedures to improve our evaluation of the newly leased properties from a compliance perspective, and we will make careful inspections of the title of leased properties before signing the lease in the future. We will also consult our external legal adviser with regard to reviewing the title certificates and other documents of our newly leased properties in order to ensure ongoing compliance with applicable laws and regulation.

AWARDS AND RECOGNITIONS

During the Track Record Period, we have received awards and recognitions with respect to our products, intellectual properties and R&D capabilities, including, but are not limited to, (i) the National Key "Little Giant" Enterprise (國家重點"小巨人"企業) awarded by Department of Industry and Information Technology of Jilin Province (吉林省工業和信息化廳) in 2024; (ii) the National Encouraged Key Integrated Circuit Design Enterprises (國家鼓勵的重點集成電路設計企業) jointly awarded by National Development and Reform Commission (國家發展和改革委員會), Ministry of Industry and Information Technology (工業和信息化部), General Administration of Customs (海關總署), Ministry of Finance (財政部) and State Taxation Administration (國家稅務總局) for four consecutive years since 2021; (iii) National Advantageous Enterprises in Intellectual Property Rights (國家知識產權優勢企業) awarded by China National Intellectual Property Administration (國家知識產權局) in 2023; (iv) Hangzhou Gpixel High-end CMOS Image Sensor Enterprise High-tech R&D Center (杭州長光辰芯高端 CMOS 圖像傳感器企業高新技術研究開發中心) awarded by Hangzhou Science and Technology Bureau (杭州市科學技術局) in 2023; (v) National-Level "Little Giant" Enterprise (specialized, refined, distinctive, and innovative) (國家級專精特新"小巨人"企業) awarded by Ministry of Industry and Information Technology of the PRC (中國工業和信息化部) in 2022; and (vi) Jilin Provincial "Specialized, Refined, Unique, and Innovative" SMEs (吉林省省級"專精特新"中小企業) awarded by Department of Industry and Information Technology of Jilin Province (吉林省工業和信息化廳) in 2022.

LICENSES, APPROVALS AND PERMITS

We are subject to laws, regulations, and supervision by different levels of regulatory authorities and are required to maintain various licenses, permits and certificates in order to conduct our business. A summary of such relevant laws and regulations which our business operations are subject to is set out in the section headed "Regulatory Overview" in this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we had obtained all the material requisite licenses, qualifications and permits from the relevant regulatory authorities, All of our material licenses, qualifications and permits were valid and subsisting as of the Latest Practicable Date. There were no certificates that are expired or not yet renewed as of the Latest Practicable Date. Our Directors are of the view that there are no material legal impediments in renewing the licenses that will be expiring.

LEGAL AND REGULATORY COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against our Company or any of our Directors which had caused or could cause a material and adverse effect on our financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. As advised by each of our PRC legal advisor (with respect to PRC law only), Japanese legal advisor (with respect to Japanese law only) and Belgium legal advisor (with respect to Belgium law only), during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in China, Japan and Belgium (as the case may be).

The following table sets forth our material licenses, approvals and permits obtained for our operations as of December 31, 2025:

License/Approval/Permit	Holder	Issuing authority	Issue date	Expiry date
Record Receipt of Customs Consignee and Consignor of Import and Export Goods (海關進出口貨物收發貨人備案回執)	Our Company	Changchun Xinglong Customs (長春興隆海關)	2013.12.09	N/A
High and New Technology Enterprise Certificate (高新技術企業證書)	Our Company	Jilin Provincial Department of Science and Technology, Jilin Provincial Department of Finance, State Taxation Administration of Jilin Province (吉林省科學技術廳、吉林省財政廳、國家稅務總局吉林省稅務局)	2023.10.16	2026.10.16
Record Receipt of Customs Consignee and Consignor of Import and Export Goods (海關進出口貨物收發貨人備案回執)	Changguang Yuanxin	Changchun Xinglong Customs (長春興隆海關)	2021.07.30	N/A
Customs Declaration Entity Filing Certificate (報關單位備案證明)	Gpixel Hangzhou	Qianjiang Customs Xiaoran Office (錢江海關駐蕭然辦事處)	2020.09.09	N/A
High and New Technology Enterprise Certificate (高新技術企業證書)	Gpixel Hangzhou	Zhejiang Provincial Department of Economy and Information Technology, Zhejiang Provincial Department of Finance, State Taxation Administration of Zhejiang Province (浙江省經濟和信息化廳、浙江省財政廳、國家稅務總局浙江省稅務局)	2025.12.19	2028.12.19

License/Approval/Permit	Holder	Issuing authority	Issue date	Expiry date
Customs Declaration Entity Filing Certificate (報關單位備案證明) . . .	Gpixel Dalian	Qixianling Customs (七賢嶺海關)	2021.12.02	N/A
High and New Technology Enterprise Certificate (高新技術企業證書) . . .	Gpixel Dalian	Dalian Municipal Science and Technology Bureau, Dalian Municipal Finance Bureau, State Taxation Administration of Dalian City (大連市科學技術局、大連市財政局、國家稅務總局大連市稅務局)	2023.12.12	2026.12.12

BUSINESS ACTIVITIES SUBJECT TO INTERNATIONAL SANCTIONS

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries. For details, please see "Risk Factors — Our business, financial condition and results of operations may be materially and adversely affected by international policies, export controls and economic sanctions."

One of the main trade restrictions lists is the Specially Designated Nationals and Blocked Persons (the "**SDN List**"), which is maintained by the OFAC. The SDN List publicly identifies persons determined by the U.S. government to be involved in activities that threaten or undermine U.S. foreign policy or national security objectives. Assets of SDN-designated persons are blocked and U.S. persons are generally prohibited from dealing with them. For details, please see "Regulatory Overview Sanctions Law and Regulations United States." Furthermore, non-U.S. persons may also face sanctions risks for engaging in certain transactions with SDN-designated persons, particularly if such transactions are deemed to be 'significant' or are intended to circumvent U.S. sanctions, which could lead to the non-U.S. person being designated on the SDN List.

During the Track Record Period, we entered into certain transactions with the SDN Customer, which was added to the SDN List in December 2023. According to the publicly available information, as of the Latest Practicable Date, CIOMP holds 11.16% of the shares of the SDN Customer. Our sales to the SDN Customer amounted to RMB3.7 million, RMB7.5 million and nil, respectively, for each year during the Track Record Period. Our last transaction with the SDN Customer was completed in December 2024, and since then, we have ceased all transactions with the SDN Customer. As advised by our International Sanctions Counsel, our business dealings with the SDN Customer do not represent a Primary Sanctioned Activity because there was no U.S. nexus involved. In addition, the secondary sanction risks on our Group and Relevant Persons in connection with our business dealings with the SDN Customer, which constitutes Secondary Sanctioned Activities, is low because (i) we are not a Sanctioned Trader as the revenue derived from the Sanctioned Targets and Sanctioned Country entities or persons only accounted for 1.1% and nil of our revenue generated in the years ended December 31, 2024 and 2025; (ii) items sold to the SDN Customer were for civil-use purposes only and not for military or aerospace uses; (iii) transactions with the SDN Customer have no Russian nexus which will not deter the U.S.'s statutory objectives against Russia under the Executive Order 14024; and (iv) our last transaction with the SDN Customer was completed in December 2024, and since then, we have ceased all transactions with the SDN Customer. Therefore, as the transactions with the SDN Customer do not constitute Primary Sanctioned Activities because there was no U.S. nexus involved, but only constitute Secondary Sanctioned Activities, and based on our internal analysis, we also consider the secondary sanction risks resulting from Secondary Sanctionable Activities shall be low. Specifically, we consider the sanction risks low because (1) the SDN Customer confirmed that the products containing our chips were not and would not be transferred to overseas countries or regions; and (2) we did not use U.S. technology or raw material for our products. Therefore, in conjunction with the fact that there still were contracts which had not been fully executed, we continued to make sales to the SDN Customer after it was placed on the SDN List. Further, in order to prevent the expansion of secondary sanctions risk exposure, we did not enter into new contracts with the SDN Customer after 2024.

Furthermore, regarding the relationship between the SDN Customer and UP OPTOTECH, according to the public information, the SDN Customer and UP OPTOTECH has no direct shareholding relationship and the de facto controller of UP OPTOTECH maintains an 11.16% equity interest in the SDN Customer as at the Latest Practicable Date. However, as advised by the International Sanctions Counsel, UP OPTOTECH will not be deemed as an entity on the SDN List because it has not been designated on the SDN List and it also does not fall within the scope of "50% Rule" (pursuant to the Revised Guidance on Entities Owned by Persons Whose Property and Interests in Property are Blocked issued by the OFAC on August 13, 2014), which states that a person that is owned, directly or indirectly, 50% or more by one or more SDN designated persons is blocked as well.

In order to identify and monitor our exposure to risks associated with sanctions laws relating to these sales, the following measures have been fully implemented to control and monitor our exposure to sanctions risks. For import and export operations, our logistics and customs team within the procurement department will make a preliminary assessment to determine whether the goods fall within restricted categories. If they do, the matter will be escalated to the legal department for further handling. For all new customer onboarding, our sales department will initiate the customer risk assessment process through the OA system. Admission is granted only after the legal department has reviewed the case and confirmed that no sanctions risks are involved. As such, our Directors are of the view, and the Joint Sponsors concur, that our measures provide a reasonably adequate and effective internal control framework to assist us in identifying and monitoring any material risk relating to sanctions laws.

As advised by our International Sanctions Counsel and taking into account that (a) our business dealings with the SDN Customer do not represent a Primary Sanctioned Activity because there was no U.S. nexus involved, (b) given that on the one hand, transactions between our Group and the SDN Customer have no Russian-related nexus which will not deter the U.S.'s statutory objectives against Russia under E.O.14024; on the other hand, our last transaction with the SDN Customer was completed in December 2024, and since then, we have ceased all transactions with the SDN Customer, our International Sanctions Counsel is of the view that the secondary sanction risks on our Group and Relevant Persons in connection with our business dealings with the SDN Customer, which constitutes Secondary Sanctioned Activities, is low, (c) our measures provide a reasonably adequate and effective internal control framework to assist us in identifying and monitoring any material risk relating to sanctions laws, (d) we did not use U.S. technology or raw material for our products; and (e) UP OPTOTECH will not be deemed as an entity on the SDN List as discussed above, our Directors are of the view, and the Joint Sponsors concur, that we are not subject to any sanctions risks that would materially affect our business operations and financial performance.

BUSINESS ACTIVITIES SUBJECT TO U.S. OUTBOUND INVESTMENT RESTRICTIONS

The Department of Treasury of the United States released a final rule imposing restrictions on U.S. outbound investment in Chinese companies active in developing certain national security technologies (the "**Final Rule**") on October 28, 2024, which has taken effect on January 2, 2025. For details, please see "Risk Factors — Our business, financial condition and results of operations may be materially and adversely affected by international policies, export controls and economic sanctions."

Pursuant to the Final Rule, as advised by our International Sanctions Counsel, we will be deemed to be a "covered foreign person" because we engage in the notifiable "covered activities" mentioned below. Specifically, as advised by our International Sanctions Counsel, given that our business is limited to IC design, and that the ICs we design neither fall within the parameters of ECCN 3A090.a nor are they designed for operation at or below 4.5 Kelvin, such business activities do not meet the criteria of "prohibited transactions" as defined under the Outbound Investment Review Regulation.

Consequently, our activities will be deemed as notifiable "covered activities" rather than prohibited "covered activities". Therefore, the U.S. persons will not be prevented from participating in the Global Offering. Nonetheless U.S. persons engaged in a notifiable "covered transaction" that involves the acquisition of our equity interests may need to make a notification to the Department of Treasury of the United States pursuant to the Final Rule, which could limit our ability to raise capital or contingent equity capital. It should be noted that the obligation to file such notifications vests with the relevant U.S. persons, rather than with the Company. Nevertheless, as advised by our International Sanctions Counsel, once shares are issued and become publicly traded, subsequent purchasers (including U.S. persons) are exempted under the publicly traded securities exception regardless of whether we engage in covered activities.

However, there is no assurance that the Department of Treasury of the United States will take the same view as ours. In addition, the application and implication of the Final Rule and any related policies, laws and regulations are complex, which may be changed and updated from time to time. These rules may limit our ability to raise capital from U.S. and other sources. The interpretation and enforcement of these rules are evolving and unclear. Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our future strategies, financial performance and growth prospects.

OVERVIEW

Our Company was established in the PRC on September 3, 2012 as a limited liability company and was further converted into a joint stock limited company on December 26, 2022. As of the Latest Practicable Date, our Company was owned as to approximately 27.36% by Dr. Wang, 1.91% by Dr. Zhang, 14.27% by Zhuhai Yunchen and 6.00% by Zhuhai Xuchen. As of the Latest Practicable Date, each of Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen holds 4.81%, 3.30% and 11.78% limited partnership interest in Zhuhai Yunchen, respectively. Dr. Wang is the spouse of Dr. Zhang. Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen are limited partnerships established in the PRC. The general partner of each of Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen is Hangzhou Qixin, a limited liability company wholly owned by Dr. Wang. The voting rights attaching to the Shares directly or indirectly held by Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen in our Company are exercised by Dr. Wang through Hangzhou Qixin, the general partner of each of Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen who is responsible for daily management of the partnerships' external investments pursuant to their respective partnership agreements. Dr. Wang, Dr. Zhang, Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen, Zhuhai Xingchen and Hangzhou Qixin, as a group of Controlling Shareholders, were collectively entitled to exercise the voting rights of approximately 49.53% of the total issued share capital of our Company as of the Latest Practicable Date. See "Substantial Shareholders" and "History, Development and Corporate Structure" in this prospectus for details.

Immediately following completion of the Global Offering, Dr. Wang, Dr. Zhang, Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen, Zhuhai Xingchen and Hangzhou Qixin will collectively be entitled to exercise the voting rights of approximately 42.10% of the total issued share capital of our Company assuming that the Over-allotment Option is not exercised and without taking into account any H Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme and will collectively be entitled to exercise the voting rights of approximately 41.18% of the total issued share capital of our Company assuming the Over-allotment Option is exercised in full and without taking into account any H Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme and will remain as a group of Controlling Shareholders upon Listing.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after Listing.

Management independence

Our daily operational and management decisions are made by our Board and our senior management. Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" in this prospectus for details.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she must act for the benefit of and in the best interests of our Company and no conflict between his/her duties as a Director and his/her personal interests shall exist. 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) shall abstain from voting on any Board resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting. In addition, we believe that our independent non-executive Directors can bring independent judgement to the decision-making process of our Board. Our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (a) our independent non-executive Directors are not associated with our Controlling Shareholders group or each of their associates; (b) our independent non-executive Directors account for one-third of the Board; and (c) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience as independent directors of listed companies and will be able to provide professional and experienced advice to our Company. We will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholders group, which would support our independent management.

The daily operation of our Group is carried out by an experienced management team. We have the capabilities and personnel to perform all essential administrative functions, including financial and accounting, human resources, business management and research and development on a standalone basis.

For completeness, it is noted that our two Directors, namely, Dr. Wang (executive Director and Chairman) and Dr. Zhang (executive Director), also hold positions in the Controlling Shareholders, with Dr. Wang serving as a director and Dr. Zhang as a supervisor of Hangzhou Qixin. However, there is no overlap of the management team of the Controlling Shareholders' and ours, as Zhuhai Yunchen, Zhuhai Xuchen, Zhuhai Pengchen, Zhuhai Xichen and Zhuhai Xingchen serve as our employee shareholding platforms, while Hangzhou Qixin is for investment holding. Dr. Wang and Dr. Zhang will be able, and has undertaken, to devote all of his/her time and attention to the development strategy, strategic planning and business of our Group.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Operational independence

We have full rights, hold all relevant licenses, permits and qualifications, have sufficient capital and employees necessary to make all decisions on, and to carry out, our own business operation independently of our Controlling Shareholders and their respective close associates and will continue to do so after Listing. We have our own accounting and financial department, human resources and administration department, internal control department and R&D department. We have also established a set of internal control procedures and adopted corporate governance practices to facilitate the effective operation of our business. We conduct our own sales and marketing through our own sales and marketing team. Our Group has a large and diversified base of customers that are independent of our Controlling Shareholders and/or their respective close associates. All the properties and facilities necessary to our business operations are owned by us or leased from Independent Third Parties, save for one leased property from CIOMP in Changchun with a total gross floor area of approximately 1,318.0 sq.m. used primarily as our office and operational facility. As of the Latest Practicable Date, all of our full-time employees were recruited independently and primarily through open market and by referral.

Based on the above, our Directors believe that our Group is able to operate independently from our Controlling Shareholders and their respective close associates. Our Directors confirmed that our Group will be able to operate independently from our Controlling Shareholders and each of his or her or its close associates after Listing.

Financial independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Controlling Shareholders. We can make financial decisions independently and our Controlling Shareholders do not intervene with our use of funds. We have also established an independent audit system, a standardised financial and accounting system and a complete financial management system. In addition, we are capable of obtaining financing from Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, our Controlling Shareholders and their respective close associates did not provide any guarantee or other form of financial assistance to us.

During the Track Record Period and up to the Latest Practicable Date, there were no other loans, advances or balances due to and from our Controlling Shareholders and their respective close associates which have not been fully settled. During the Track Record Period and up to the Latest Practicable Date, we did not provide any guarantee or mortgage in favour of our Controlling Shareholders and their respective close associates. Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

DELINEATION OF BUSINESSES

No competition and clear delineation of business

During the Track Record Period and up to the Latest Practicable Date and so far as our Directors are aware, (1) apart from the interest in our Group, none of our Controlling Shareholders and their respective close associates was engaged or had any interest in any business which, directly or indirectly, competes or may compete with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules; and (2) none of our Directors had any interest in any business 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.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders.

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders: (1) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with our Controlling Shareholders or their associates, our Company will comply with the applicable Listing Rules; (2) where a Shareholders' meeting is to be held for considering proposed transactions in which a Controlling Shareholder or its associates have any material interest, the relevant Controlling Shareholder shall not vote on the resolutions and shall not be counted in the quorum for the voting; (3) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in decision making process and provide independent advice to our Shareholders. Our independent non-executive Directors, details of whom are set out in the section headed "Directors and Senior Management" individually and together possess the requisite knowledge and experience to perform their roles. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interest of our minority Shareholders; (4) where the advice from an independent professional, such as that from a financial advisor, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such an independent professional will be made at our Company's expenses; and (5) we have appointed Guotai Junan 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 corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority shareholders' rights after the Listing.

OVERVIEW

We have in the past conducted transactions with certain entities, which will fall under the definition of connected persons (as defined under Chapter 14A of the Listing Rules) upon Listing. Such transactions will continue after the Listing and will therefore constitute our continuing connected transactions under the Listing Rules.

CONNECTED PERSONS

The table below sets forth the parties who will become our connected persons upon Listing and the nature of their relationship with our Group:

Name of the connected person	Relationship with our Group
UP OPTOTECH	our substantial Shareholder
Luster	a Shareholder and an associate of our non-executive Director, Ms. YANG Yi

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Sales to UP OPTOTECH Group

Background

During the Track Record Period, we sold products and provided customized solution services to Customer Group A, which consisted of UP OPTOTECH and its subsidiaries (collectively, "**UP OPTOTECH Group**") and UP OPTOTECH's associate. See "Business — Our Customers — Major Customers" on background of Customer Group A. We are unable to reasonably foresee and estimate the transactions with certain entity of Customer Group A, as such entity is a research institute and its demand for our products and services is research project driven. The commencement of any specific research project is subject to various uncertainties. Transactions with such entity may occasionally occur at irregular intervals. Therefore, we will treat the transactions with the abovementioned entity as one-off connected transaction. The historical transaction amounts of our sales of products and provision of customized solution services that were one-off in nature during the Track Record Period are RMB110.0 million, RMB36.9 million, and RMB27.2 million. Our transactions with UP OPTOTECH Group will constitute continuing connected transactions after Listing and UP OPTOTECH Framework Agreement will cover our transactions with UP OPTOTECH Group.

UP OPTOTECH Framework Agreement

We entered into a framework agreement with UP OPTOTECH on March 24, 2026 (the "**UP OPTOTECH Framework Agreement**") in relation to our sales of CMOS image sensors and provision of customized solution services to UP OPTOTECH Group taking effect upon the Listing. Under the UP OPTOTECH Framework Agreement, our Group will enter into separate agreements which specify the precise scope, specific terms and conditions, method of payment and calculation of fees or charges in respect of the sales of each type of products and the provision of each type of services. The fees to be charged by us on UP OPTOTECH Group will be determined based on, among other things, the type of products or services provided, after arm's length negotiations between the parties with reference to the market rates. The term of the UP OPTOTECH Framework Agreement will commence on the Listing and expire on December 31, 2026.

Pricing Policies

Prior to entering into any individual agreement with UP OPTOTECH Group, we will determine the applicable price or fee by referencing the prevailing market rates we charge Independent Third Parties for comparable products or services in the ordinary and usual course of business. In addition, when setting the price or fee for UP OPTOTECH Group, we will determine based on arm's length negotiation with UP OPTOTECH Group with reference to sales volume, the type and specification of the products or services, our cost of relevant products and services, which encompass production, R&D expenses, and operational costs, and prevailing market price of similar product and services. With respect to the pricing for the customized services offered to UP OPTOTECH Group, we will also take into account the project scope, workload design complexity, process standards, UP OPTOTECH Group's budget, and level of competition in the market.

Reasons for the Transactions

Considering our established market position in CMOS image sensors and customized solution services, it is expected that UP OPTOTECH Group will continue to place order(s) with us. We sell CMOS image sensors and services to UP OPTOTECH Group for their research and development and production of their photoelectric measurement and control instruments. We will rely on our pricing policies and internal control measures to ensure that the terms for sales of our products and provision of our services to UP OPTOTECH Group are fair and reasonable, or no less favorable than those made to the Independent Third Parties and are carried out under normal commercial terms.

Historical Amounts

The historical transaction amounts of our sales of products and provision of services to UP OPTOTECH Group during Track Record Period amounted to approximately RMB110,000, RMB3,022,000 and RMB200,000, respectively.

Annual Caps

In respect of our sales of products and provision of services to UP OPTOTECH Group, it is expected that the total transaction amounts for the year ending December 31, 2026 will not exceed RMB2,700,000.

The expected increase in demand of our products from UP OPTOTECH Group in 2026 is primarily attributable to a prototype encoder product that is currently undergoing testing and expected to ramp up production in 2026.

The proposed annual caps have been determined with reference to the following factors: (1) the historical transaction amounts for comparable transactions during the Track Record Period; (2) the estimated demand for our products or services by UP OPTOTECH Group; and (3) the prevailing market rates, determined with reference to the current prices and fees we offer to Independent Third Parties.

Listing Rules Implications

As the highest applicable percentage ratio of the contemplated transactions with respect to our sales of products and our provision of services to UP OPTOTECH Group under the UP OPTOTECH Framework Agreement is expected to be less than 5%, and the annual consideration is expected to be less than HK$3 million, the transactions constitutes de minimis transactions under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As disclosed above, we are unable to reasonably foresee the transaction with certain entity of Customer Group A and will treat such transaction (if any) as one-off connected transaction after Listing. Since all the entities of Customer Group A are ultimately controlled by the same entity, we will calculate the transaction with Customer Group A on an aggregate basis. We will strictly comply with the requirements under Chapter 14A of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Sales to Luster Group

Background

During the Track Record Period, we sold CMOS image sensors to Luster and its subsidiaries (collectively, the "**Luster Group**").

Luster Framework Agreement

We entered into a framework agreement with Luster on March 24, 2026 (the "**Luster Framework Agreement**", together with the UP OPTOTECH Framework Agreement, the "**Framework Agreements**" and each a "**Framework Agreement**") in relation to our sales of products to Luster Group taking effect upon the Listing. Under the Luster Framework Agreement, our Group will enter into separate agreements which specify precise scope, specific terms and conditions, method of payment and calculation of fees or charges in respect of the sales of each type of products. The fees to be charged by us on Luster Group will be determined based on, among other things, the type of products, after arm's length negotiations between the parties with reference to the market rates. The term of the Luster Framework Agreement will commence on the Listing date and expire on December 31, 2026.

Pricing Policies

Prior to entering into any individual agreement with Luster Group, we will determine the applicable price or fee by referencing the prevailing market rates we charge Independent Third Parties for comparable products in the ordinary and usual course of business. In addition, when setting the price or fee for Luster Group, we will determine based on arm's length negotiation with Luster Group with reference to sales volume, the type and specification of the products, our cost of relevant products, which encompass production, and operational costs, and prevailing market price of similar product.

Reasons for the Transactions

Luster Group is a leading supplier of machine vision products and solutions in the machine vision industry. It has four product lines in the industrial sector, namely, core vision components, configurable vision systems, intelligent vision equipment, and smart factory solutions, and it serves clients in multiple fields such as consumer electronics, new energy, printing and packaging, and semiconductors. Sensors are among the major upstream supply chains in the machine vision industry and CMOS image sensors are the core components used in the production of machine vision products by Luster Group. We sell CMOS image sensors to Luster Group for their manufacturing of machine vision cameras, which are primarily intended for using in their own equipment internally and selling to their end customers, mainly in the 3C electronics and printed material inspection sectors.

Considering our established market position in CMOS image sensors, it is expected that Luster Group will continue to place order(s) with us. We will rely on our pricing policies and internal control measures to ensure that the terms for sales of our products to Luster Group are fair and reasonable, or no less favorable than those made to the Independent Third Parties and are carried out under normal commercial terms.

Historical Amounts

The historical transaction amounts of our sales of products to Luster and its three subsidiaries during the Track Record Period amounted to approximately RMB4,958,000, RMB5,960,000 and RMB10,402,000, respectively.

The increase in 2024 and 2025 was primarily driven by (a) the continued market recovery of machine vision industry, (b) Luster Group's acquisition of JAI A/S, an international leader in the machine vision industry, and (c) the expansion of its overseas operations. In addition, stronger demand from the 3C sector in 2025 contributed to the increase in Luster Group's purchases of our products during the period, with the transaction amount exceeding the amount for both 2023 and 2024.

Annual Cap

It is expected that the total transaction amounts for the year ending December 31, 2026 will not exceed RMB15,000,000.

The expected increase in demand of our products from Luster Group is primarily attributable to the anticipated increase in Luster Group' procurement of sensor products for industrial applications, driven by the continued growth of the industrial camera market in the upcoming years and Luster Group's gradual expansion of its overseas operations after the acquisition of JAI A/S in January 2025. According to the Machine Vision Industry Alliance, China's machine vision industry is expected to grow from RMB39.54 billion in 2025 to RMB58.08 billion in 2027, with a compound annual growth rate of 21.2%. With Luster Group's globalization, Luster Group aims to expand its "Vision + AI" solutions into high-end markets in Europe, the United States, Japan, and South Korea, accelerating internationalization and enhancing global presence in the upcoming years.

The proposed annual cap has been determined with reference to the following factors: (1) the historical transaction amounts for comparable transactions during the Track Record Period; (2) the estimated demand for our products by Luster Group as elaborated above; and (3) the prevailing market rates, determined with reference to the current prices we offer to Independent Third Parties.

Listing Rules Implications

As the highest applicable percentage ratio in respect of the contemplated transactions under the Luster Framework Agreement is expected to be more than 0.1% but less than 5%, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76 of the Listing Rules.

Confirmation from our Directors

Our Directors (including the independent non-executive Directors) are of the view that the partially-exempt continuing connected transactions with Luster Group have been and will be entered into in the ordinary and usual course of our business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and the Shareholders as a whole, and the proposed annual cap in respect of such transactions are fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Confirmation from the Joint Sponsors

Based on the documentation and data provided by us, due diligence conducted and discussion with us, the Joint Sponsors are of the view that the abovementioned partially-exempt continuing connected transactions with Luster Group have been and will be entered into in the ordinary and usual course of the Company's business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and the Shareholders as a whole, and the proposed annual caps in respect of such transactions are fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Waiver Applications in relation to the Continuing Connected Transactions

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of the transactions described under the sub-section headed "Partially-exempt Continuing Connected Transactions".

The independent non-executive Directors and auditors of our Company will review whether the transactions under the above continuing connected transactions with Luster Group have been entered into pursuant to the principal terms and pricing policies under the Luster Framework. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

Our Company will comply with the applicable requirements under the Listing Rules if any of the proposed annual caps set out above are exceeded, or when there is a material change in the terms of these transactions.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the Framework Agreements for the continuing connected transactions are fair and reasonable, or no less favorable than terms available to Independent Third Parties, and are carried out under normal commercial terms, we have adopted the following internal control procedures: (a) we have adopted and implemented a management system on connected transactions. Under such system, the audit committee is responsible for reviewing compliance with relevant laws, regulations, our policies and the Listing Rules in respect of the continuing connected transactions. Further, the audit committee, the Board and various internal departments of our Company (including but not limited to the finance department and the legal department) are jointly responsible for evaluating the terms under Framework Agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each agreement; (b) the audit committee, the Board and various other internal departments of our Company (including but not limited to the finance department and the legal department) will regularly monitor the fulfillment status and the transaction updates under the Framework Agreements. In addition, our management shall also regularly review the pricing policies of the Framework Agreements; (c) our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Framework Agreements and provide annual confirmation to ensure that in accordance with Rules 14A.55 and 14A.56 of the Listing Rules that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies; (d) when considering the fees and charges in relation to the transactions with connected persons, we will regularly research into prevailing market conditions and practices and make reference to the pricing and terms between our Group and Independent Third Parties for similar transactions, to make sure that the pricing and terms offered to the above connected persons from mutual commercial negotiations, are fair, reasonable and are no less favorable than those offered to Independent Third Parties; and (e) when considering any renewal or revisions to the Framework Agreements after Listing, the interested

Directors and Shareholders will abstain from voting on the resolutions to approve such continuing connected transactions at the relevant board meetings or shareholders' meetings (as the case may be), and the terms of the proposed renewal or revisions of the Framework Agreements will be considered by our independent non-executive Directors.

OVERVIEW

Upon Listing, our Board will consist of nine Directors, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors.

The following table sets forth certain information in respect of our Directors:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of Appointment as Director	Relationship with other Directors and senior management
Executive Directors						
Dr. WANG Xinyang ("**Dr. Wang**") 王欣洋博士	46	Chairman, General Manager, Chief Executive Officer, Executive Director	Leading overall strategic planning, business development, and operational management of our Group.	September 3, 2012	September 3, 2012	Spouse of Dr. Zhang
Dr. ZHANG Yanxia ("**Dr. Zhang**") 張艷霞博士	46	Deputy General Manager, Board Secretary, Chief Operation Officer, Executive Director, Joint Company Secretary	Overseeing and managing day-to-day operations, strategic planning and business development of our Group.	February 28, 2013	December 16, 2022	Spouse of Dr. Wang
Ms. WU Qinyun 鄔勤耘女士	39	Deputy General Manager, Chief Financial Officer, Head of Finance, Executive Director	Responsible for the overall financial strategy, accounting, tax, treasury related matters and finance business of our Group.	May 6, 2021	December 16, 2022	N/A
Non-executive Directors						
Ms. YANG Yi 楊藝女士	55	Non-executive Director	Providing advice on the operation and management of our Group.	September 3, 2012	September 3, 2012	N/A
Dr. CHU Hairong 儲海榮博士	43	Non-executive Director	Providing advice on the operation and management of our Group.	June 5, 2025	June 5, 2025	N/A
Dr. XIONG Jingying 熊晶瑩博士	37	Non-executive Director	Providing advice on the operation and management of our Group.	June 5, 2025	June 5, 2025	N/A

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of Appointment as Director	Relationship with other Directors and senior management
Independent non-executive Directors						
Dr. WANG Xinlu 王新路博士	39	Independent non-executive Director	Supervising and providing independent judgement to our Board.	December 16, 2022	December 16, 2022	N/A
Dr. XIE Ning 解寧博士	43	Independent non-executive Director	Supervising and providing independent judgement to our Board.	December 16, 2022	December 16, 2022	N/A
Dr. GAO Teng 高騰博士	56	Independent non-executive Director	Supervising and providing independent judgement to our Board.	June 5, 2025	June 5, 2025	N/A

DIRECTORS

Executive Directors

Dr. WANG Xinyang (王欣洋博士), aged 46, is the founder of our Company and has served as a Director, the General Manager and the Chief Executive Officer of our Company since our establishment in September 2012. He has also been the Chairman of our Board since April 2021 and has been re-designated as our executive Director on June 5, 2025. He is responsible for leading the overall strategic planning, business development, and operational management of our Group. Dr. Wang is the spouse of Dr. Zhang, executive Director of our Company. He currently also serves as a director or the legal representative of the corporate director (where applicable) of all of our subsidiaries.

Dr. Wang has more than 16 years of technical and management experience in the semiconductor industry. Prior to establishing our Company in September 2012, he joined CMOSIS NV, a Belgian company engaged in CMOS image sensor design, as an image sensor specialist since November 2008 and worked at the company for almost four years. Between August 2012 and April 2022, Dr. Wang worked as a researcher and PhD supervisor at State Key Laboratory of Luminescence and Applications (發光學及應用國家重點實驗室) of CIOMP.

Dr. Wang received a bachelor's degree in Applied Electronics from Zhejiang University (浙江大學) in June 2002, a master's degree in Microelectronics Systems Design from the University of Southampton in January 2004, and a doctoral degree with a research focus in CMOS image sensor from Delft University of Technology in November 2008. Dr. Wang obtained the First Prize of Jilin Provincial Science and Technology Award (吉林省科學技術一等獎) in November 2021 as a result of his outstanding contribution in manufacturing and application of CMOS image sensors.

Dr. Wang was a general manager and person in charge of the following dissolved companies and confirmed that the following companies were solvent immediately prior to their dissolution and had no outstanding claims or liabilities. The relevant details are as follows:

Company name	Place of establishment	Position held	Date of dissolution	Reasons	Nature of business before dissolution
Xi'an Aoguang Chenxin Technology Co. Ltd.* (西安奧光辰芯科技有限公司)	PRC	General manager	January 12, 2021	Dissolved by deregistration due to no actual business operations as confirmed by Dr. Wang	Integrated circuit chip design and services, etc.
Gpixel Microelectronics Inc. Xi'an Branch* (長春長光辰芯光電技術有限公司西安分公司).	PRC	Person in charge	July 30, 2020	Dissolved by deregistration due to no actual business operations as confirmed by Dr. Wang	Integrated circuit chip design and services, etc.

Dr. ZHANG Yanxia (張艷霞博士), aged 46, has served as a Director, Deputy General Manager, Board Secretary of our Company since December 2022 and has been re-designated as our Executive Director on June 5, 2025. She has also served as our Chief Operation Officer since August 2018, and prior to which, served as our Marketing Director from February 2013 to August 2018. She is responsible for overseeing and managing the Group's day-to-day operations, strategic planning and business development. She has been appointed as one of our Joint Company Secretaries since June 5, 2025. Dr. Zhang is the spouse of Dr. Wang, Chairman of the Board. She currently also serves as a director of our subsidiary, Changguang Yuanxin.

Dr. Zhang has more than 16 years of technical, marketing and operational management experience in the semiconductor industry. Prior to joining our Company in February 2013, she was a research scientist at Philips Electronics Nederland BV, which is a subsidiary of Royal Philips, a listed company on the New York Stock Exchange and Amsterdam Stock Exchange (NYSE: PHG, AEX: PHIA), since December 2010 and worked at the company for approximately two years. Since July 2008, she was responsible for illumination optics at Mapper Lithography BV, a Dutch company engaged in maskless lithography and worked at the company for approximately two years.

Dr. Zhang received a bachelor's degree in Electronic Engineering from Zhejiang University (浙江大學) in June 2002, a master's degree in Electrical Engineering from Concordia University in May 2005, and a doctoral degree with a research focus in imaging physics from Delft University of Technology in November 2008. Dr. Zhang obtained the First Prize of Jilin Provincial Science and Technology Award (吉林省科學技術一等獎) in November 2021 as a result of her outstanding contribution in manufacturing and application of CMOS image sensors.

Dr. Zhang was an executive director and general manager of Changchun Saisi Imaging Technology Co. Ltd.* (長春賽斯成像技術有限公司), a PRC company and engaged in the R&D, sales and consulting services for electronic products and etc., which was dissolved on September 14, 2016. Dr. Zhang confirmed that it was solvent immediately prior to its dissolution and had no outstanding claims or liabilities.

Ms. WU Qinyun (鄔勤耘女士), aged 39, has been serving as a Director, Deputy General Manager and Chief Financial Officer of our Company since December 2022 and re-designated as our Executive Director on June 5, 2025. She joined our Group in May 2021 as a Senior Finance Manager and has been promoted as our Chief Financial Officer since April 2022 and Head of Finance since May 2022. Ms. Wu is responsible for the financial strategy, accounting, tax, treasury related matters and finance business of our Group. She currently also serves as a director of our subsidiaries Gpixel Belgium and Changguang Yuanxin.

Ms. Wu has approximately 15 years of experience in financial management and auditing. Prior to joining our Group, Ms. Wu was as a finance manager at Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司) a company whose shares are listed on the Shenzhen Stock Exchange (Stock code: 002415) from December 2018 to April 2021 and was a senior auditor at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) from September 2011 to December 2018.

Ms. Wu received a master's degree in Management from the University of Bath in November 2010. She is a Certified Public Accountant in the People's Republic of China.

Non-executive Directors

Ms. YANG Yi (楊藝女士), aged 55, has been appointed as our Director since September 2012. She has been re-designated as our non-executive Director since June 5, 2025 and is responsible for providing advice on the operation and management of our Group.

Ms. Yang has approximately 28 years of experience in the optoelectronics industry and corporate management field. She is the co-founder of Luster, a company listed on the Shanghai Stock Exchange (stock code: 688400) and has been serving as its director and vice general manager since its establishment in August 2002. Prior to the establishment of Luster, Ms. Yang founded Beijing Lingyun Guangtong Technology Co., Ltd. (北京凌雲光通技術有限公司) in July 1997.

Ms. Yang received a bachelor's degree in Engineering Physics from Tsinghua University (清華大學) in July 1992.

Ms. Yang was a director, supervisor or person in charge (as the case may be) of the following dissolved companies and confirmed that the following companies were solvent immediately prior to their dissolution and had no outstanding claims or liabilities. The relevant details are as follows:

Company name	Place of establishment	Position held	Date of dissolution	Reasons	Nature of business before dissolution
Beijing Luster Lightech Investment Holding Co. Ltd.* (北京凌雲光子投資控股有限責任公司)	PRC	Director	March 23, 2020	Adjustment of business strategy as confirmed by Ms. Yang	Investment management and asset management, etc.
Beijing Lingyun Broadband Communication Technology Co. Ltd.* (北京凌雲寬帶通信技術有限公司).	PRC	Supervisor	February 24, 2020	Adjustment of business strategy as confirmed by Ms. Yang	Technical development and consulting for communication equipment, etc
Beijing Luyuan Broadband Communication Technology Co. Ltd.* (北京路源寬帶通信技術有限公司).	PRC	Supervisor	August, 27 2008	Adjustment of business strategy as confirmed by Ms. Yang	Technical development and consulting for communication equipment, etc.

Company name	Place of establishment	Position held	Date of dissolution	Reasons	Nature of business before dissolution
Beijing Luyuan Guangtong Technology Co. Ltd. Haidian Branch* (北京路源光通科技有限公司海淀分公司).	PRC	Person in Charge	January 15, 2020	Adjustment of business strategy as confirmed by Ms. Yang	Technical development and consulting for communication equipment, etc.
Luster Lighttech Co. Limited (凌雲光子技術有限公司).	Hong Kong	Director	June 25, 2021	Adjustment of business strategy as confirmed by Ms. Yang	Fiber optic device and instrument sales

Dr. CHU Hairong (儲海榮博士), aged 43, was appointed as our non-executive Director on June 5, 2025. He is responsible for providing advice on the operation and management of our Group.

Dr. Chu has nearly 15 years of experience in scientific research and management in the optoelectronics field. Since November 2024, he has served as a director of UP OPTOTECH, our substantial shareholder and a company listed on the Shenzhen Stock Exchange (stock code: 002338). Dr. Chu has also been serving as a deputy general manager of Changguang Precision since January 2024. Prior to joining UP OPTOTECH and Changguang Precision, Dr. Chu was at CIOMP from June 2010 to December 2023. During his tenure at CIOMP, he successively served in various positions, including an associate researcher and deputy researcher in the new technology division, a researcher in the Daheng optoelectronics technology strategic research center and a deputy director of the intellectual property and technology transfer office.

Dr. Chu received a bachelor's degree in Electronic Information Engineering from Jilin University (吉林大學) in July 2005, and a doctoral degree in Mechatronics Engineering from CIOMP in July 2010. He is a certified senior engineer of the Chinese Academy of Sciences.

Dr. XIONG Jingying (熊晶瑩博士), aged 37, was appointed as our non-executive Director on June 5, 2025. She is responsible for providing advice on the operation and management of our Group.

Dr. Xiong has over seven years of experience in corporate and operational management in the microelectronics industry. She currently serves as an assistant to the general manager of UP OPTOTECH, our substantial shareholder and a company listed on the Shenzhen Stock Exchange (stock code: 002338) since October 2024. Prior to joining UP OPTOTECH, Dr. Xiong worked at Changguang Precision from July 2017 to October 2024. During her tenure at Changguang Precision, she successively served as a member of state-owned assets supervision department, a manager of comprehensive management department, and a manager of enterprise development department lastly, where she was responsible for industrial cluster development and the implementation of phase III of the optoelectronics industry park.

Dr. Xiong received a bachelor's degree in Detection, Guidance and Control Technology from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in June 2012, and a doctoral degree in Optical Engineering from University of Chinese Academy of Sciences (中國科學院大學) in July 2017. She is a certified senior engineer of the Chinese Academy of Sciences.

Independent Non-executive Directors

Dr. WANG Xinlu (王新路博士), aged 39, has been serving as our independent Director since December 2022 and re-designated as our independent non-executive Director on June 5, 2025. He is responsible for supervising and providing independent judgment to our Board.

Dr. WANG Xinlu has approximately 10 years of experience in the fields of accounting and finance. Since July 2019, he has served as an associate professor at Jinan University (暨南大學). Prior to that, he held faculty positions (including as associate professor) at Southwestern University of Finance and Economics (西南財經大學) from October 2015 to July 2019.

In addition to his academic roles, Dr. WANG Xinlu has been serving as an independent director, chairman of audit committee and member of remuneration and appraisal committee of Jiangxi Jovo Energy Co., Ltd. (江西九豐能源股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 605090) since January 2024 and an independent director and chairman of both the audit committee and remuneration and appraisal committee of Skyverse Technology Co., Ltd. (深圳中科飛測科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688361), since December 2020.

Dr. WANG Xinlu received a bachelor's degree in Accounting from Huazhong University of Science and Technology (華中科技大學) in June 2008, a master's degree in Accounting from Xiamen University (廈門大學) in June 2011, and a doctoral degree with a research focus in Financial Accounting and Capital Market from the University of Hong Kong in November 2015. He is a member of the Chinese Institute of Certified Public Accountants.

Dr. XIE Ning (解寧博士), aged 42, has been serving as our independent Director since December 2022 and re-designated as our independent non-executive Director on June 5, 2025. She is responsible for supervising and providing independent judgment to our Board.

Dr. Xie has over 12 years of experience in the semiconductor and microelectronics engineering industries. Since August 2023, she has been serving at Wuxi Shenglang Microelectronics Co., Ltd. (無錫晟朗微電子有限公司). Prior to that, from October 2012 to July 2023, she served as researcher at the Shanghai Institute of Technical Physics, Chinese Academy of Sciences (中國科學院上海技術物理研究所). Our Company considers that Dr. Xie's previous researcher role in Shanghai Institute of Technical Physics, Chinese Academy of Sciences would not affect her independence as our independent non-executive Director, on the basis that (a) she served solely as a researcher and was not involved in any management or operation role at the institute level, and (b) she ceased this role in July 2023.

Dr. Xie received a bachelor's degree in Electronic Information Engineering from Zhejiang University (浙江大學) in June 2004, a master's degree in Electrical Engineering and a doctoral degree with a research focus in CMOS image sensor from Delft University of Technology in August 2007 and July 2012, respectively.

Dr. GAO Teng (高騰博士), aged 56, was appointed as an independent non-executive Director of our Company on June 5, 2025. He is responsible for supervising and providing independent judgment to our Board.

Dr. Gao has nearly 25 years of experience in the semiconductor and microelectronics industry. Since January 2025, Dr. Gao has been appointed as the chief executive officer of the Hong Kong Microelectronics Research and Development Institute ("**MRDI**") (香港微電子研發院), a HKSAR Government-initiated and financed organization. He is responsible for leading MRDI's collaboration among universities, research centers and industry partners to support the research of third-generation semiconductor core technologies and microelectronic development in the Asia-Pacific region. Dr. Gao began his career in the microelectronics industry by joining IMEC vzw, a leading nanoelectronics R&D center based in Belgium as its business development manager in October 2001. He also served as the general manager of IMEC Microelectronics (Shanghai) Co., Ltd. (愛勵科微電子(上海)有限公司) from August 2010 to April 2015, during which he was responsible for managing the expansion and business development of IMEC Microelectronics (Shanghai) Co., Ltd. in China. From May 2015 to August 2023, Dr. Gao served as the senior deputy general manager of the Shanghai Industrial Technology Research

Institute ("**SITRI**") (上海微技術工業研究院), an organization co-founded by, among others, the Shanghai City Science Technology Committee (上海市科學技術委員會) of the Shanghai Government. During his tenure at SITRI, Dr. Gao served as the president of SITRI's affiliated entity, namely Fuzhou Internet of Things Open Lab (FIoT-LAB) (福州物聯網開放實驗室) from March 2017 to July 2023. From August 2023 to July 2024, Dr. Gao served as the deputy general manager of Zhejiang ICsprout Semiconductor Co., Ltd.* (浙江創芯集成電路有限公司), responsible for strategic management related matter.

Dr. Gao received a bachelor's degree in Automatic Control from the Southeast University (東南大學) in July 1991, a master's degree in Engineering and a doctoral degree in Applied Sciences from Catholic University of Leuven (KU Leuven) in June 1995 and September 2000, respectively, and a degree of Master of Business Administration from China Europe International Business School (中歐國際工商學院), the only business school in China co-founded by the Chinese Government and the European Union, in January 2014.

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as of the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial shareholders of our Company as of the Latest Practicable Date; and (iii) did not hold any other directorships in listed companies in the three years prior to the date of this prospectus.

Immediately following completion of the Global Offering, save for the interests in the Shares which are disclosed in the sections headed "Substantial Shareholders" and "Statutory and General Information" in this prospectus, each of our Directors will not have any interest in the Shares within the meaning of Part XV of the SFO or is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of our Company.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 9, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

DISCLOSURE UNDER RULE 8.10(2) OF THE LISTING RULES

As of the Latest Practicable Date, none of our Directors had interests in any business, which competes directly or indirectly with our business for the purpose of Rule 8.10(2) of the Listing Rules.

SENIOR MANAGEMENT

The following table shows the key information of our senior management as at the date of this prospectus:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as senior management member	Relationship with other Directors and senior management
Dr. WANG Xinyang 王欣洋博士	46	Chairman, General Manager, Chief Executive Officer, Executive Director	Leading overall strategic planning, business development, and operational management of our Group	September 3, 2012	September 3, 2012	Spouse of Dr. Zhang
Dr. ZHANG Yanxia 張艷霞博士	46	Deputy General Manager Board Secretary, Chief Operation Officer, Executive Director, Joint Company Secretary	Overseeing and managing day-to-day operations, strategic planning and business development of our Group	February 28, 2013	December 16, 2022	Spouse of Dr. Wang
Ms. WU Qinyun 鄔勤耘女士	39	Deputy General Manager, Chief Financial Officer Head of Finance, Executive Director	Responsible for the overall financial strategy, accounting, tax, treasury related matters and finance business of our Group	May 6, 2021	May 30, 2022	N/A
Dr. MA Cheng 馬成博士	38	Deputy General Manager, Director of R&D	Responsible for overseeing the Group's product development and technological innovation	November 8, 2012	December 16, 2022	N/A

Our executive Directors, namely, Dr. Wang, Dr. Zhang and Ms. WU Qinyun, concurrently hold senior management positions in our Group. For each of their biographies, please see "— Directors — Executive Directors" in the subsection above.

Dr. MA Cheng (馬成博士), aged 38, has been serving as the Deputy General Manager and the director of R&D of our Company since December 2022 and November 2012, respectively. He is responsible for overseeing the Group's product development and technological innovation.

Dr. Ma currently also serves as a director of R&D and supervisor of Gpixel Hangzhou, and a supervisor of Gpixel Dalian, both of which are subsidiaries of our Company. Prior to joining our Group in November 2012, he was a design engineer at CMOSIS NV from September 2010 to October 2012. Between November 2012 and March 2021, he also worked successively as an assistance researcher and associate researcher at State Key Laboratory of Luminescence and Applications (發光學及應用國家重點實驗室) of CIOMP.

Dr. Ma received a bachelor's degree in Electronic Information Engineering from Huazhong University of Science and Technology (華中科技大學) in June 2008, a master's degree in Electrical Engineering from Delft University of Technology in September 2010, and a doctoral degree in Circuits and Systems from Jilin University (吉林大學) in June 2019. Dr. Ma obtained the First Prize of the Jilin Provincial Science and Technology Award (吉林省科學技術一等獎) in November 2021 as a result of his outstanding contribution in manufacturing and application of CMOS image sensors.

JOINT COMPANY SECRETARIES

Dr. ZHANG Yanxia (張艷霞博士), aged 46, was appointed as our joint company secretary on June 5, 2025. For details of her background, see "— Directors — Executive Directors" above.

Ms. PUN Kim Ying (潘劍瑩女士) was appointed as the other joint company secretary of our Company on March 26, 2026.

Ms. Pun is currently an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司), a professional services provider specialising in corporate services, where she is mainly responsible for the company secretarial and compliance work for companies listed on the Stock Exchange. Ms. Pun has over 6 years of experience in corporate secretarial field. She is a member of both The Hong Kong Chartered Governance Institute (香港公司治理公會) and The Chartered Governance Institute in the United Kingdom (英國特許公司治理公會). In addition, she holds a Bachelor's degree in Business Administration in Corporate Administration and a Master's degree in Corporate Governance.

Pursuant to Rule 3.28 of the Listing Rules, an issuer must appoint as its company secretary 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.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules, with regards to the qualifications of company secretary. For further details of the waiver application, please see "Waivers from Strict Compliance with the Listing Rules" in this prospectus.

BOARD COMMITTEES

We have established four Board Committees in accordance with the relevant laws and regulations in Chinese Mainland, the Articles and the code of corporate governance practices under the Listing Rules, namely the audit committee, the remuneration and appraisal committee, the nomination committee and the strategy committee. The functions of the four committees are summarized as follows:

Audit Committee

We have established an audit committee in compliance with Rule 3.21 of the Listing Rules and with written terms of reference in compliance with paragraph D.3 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of our audit committee are to (i) provide an independent view of the effectiveness of our financial reporting, risk management and internal control systems, (ii) oversee our audit process, develop and review policies; and (iii) perform other duties and responsibilities as assigned by our Board.

Our audit committee comprises three members, namely Dr. WANG Xinlu, Dr. XIE Ning and Dr. XIONG Jingying. Dr. WANG Xinlu is the chairman of the audit committee, who is an independent non-executive Director with the appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established a remuneration and appraisal committee in compliance with Rule 3.25 of the Listing Rules and with written terms of reference in compliance in compliance with paragraph E.1 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of the remuneration and appraisal committee are to (i) establish, review and make recommendations to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determine the terms of the specific remuneration package of each executive Director and senior management; (iii) review and approve performance-based remuneration with reference to corporate goals and objectives resolved by our Board from time to time; and (iv) approve matters relating to share schemes under chapter 17 of the Listing Rules.

Our remuneration and appraisal committee comprises three members, namely Dr. XIE Ning, Dr. WANG Xinlu, and Dr. Zhang. Dr. XIE Ning is the chairwoman of the remuneration and appraisal committee.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of the nomination committee are to (i) review the structure, size and composition of our Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations regarding any proposed changes to its composition; (ii) identify, select or make recommendations to our Board on the selection of nominees for directorship; (iii) ensure the diversity of our Board; (iv) assess the independence of our independent non-executive Directors; (v) make recommendations to our Board on relevant matters relating to the appointment, re-appointment, removal and succession of our Directors and (vi) support our Company's regular evaluation of the Board's performance.

Our nomination committee comprises three members, namely Dr. Wang, Dr. XIE Ning and Dr. WANG Xinlu. Dr. Wang is the chairman of the nomination committee.

Strategy Committee

We have established a strategy committee with written terms of reference. The primary duties of the strategy committee are to make recommendations to our Board on the long-term development strategy and the Company's major investments and projects.

Our Strategy Committee comprises three members, namely Dr. Wang, Dr. Zhang and Ms. WU Qinyun. Dr. Wang is the chairman of the Strategy Committee.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract talents and to retain and motivate employees. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels.

Our Directors have a balanced mix of knowledge and skills, including in management, strategic and business development, research and development, sales and marketing, legal compliance and corporate finance. The ages of our Directors range from 36 years old to 55 years old, and we have female directors constituting more than half of members on the Board. Our nomination committee will review and assesses the composition of the Board and make recommendations to the Board on appointment of members of the Board. Meanwhile, our nomination committee will consider the benefits of all aspects of diversity, including but without limitation, professional experience, skills, knowledge, education background, age, gender, cultural and ethnicity and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on the Board.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members, in particular, members of our nomination committee, to recommend female candidate directors and take other actions to help foster board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meeting. This will allow our Board to have a better understanding of potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our compliance advisor upon the Listing pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise us when we consult our compliance advisor in the following circumstances: (i) before the publication of any regulatory announcement, circular or financial report; (ii) where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated by our Group, including share issues and share repurchases; (iii) where our Group proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this prospectus; and (iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares.

The terms of appointment of the compliance advisor shall commence on the Listing Date and end on the date on which our Group complies 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 and such appointment may be subject to extension by mutual agreement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Wang is currently the Chairman, General Manager and Chief Executive Officer of our Company. In view of the fact that Dr. Wang has been assuming the responsibilities in the overall management and supervision of the daily operations of our Group since September 2012, our Board believes that it is in the best interest of our Group to have Dr. Wang taking up both roles for effective management and operations.

Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committee, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

Save as disclosed above, we expect to comply with the code provisions stated in the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules after the Listing. Our Company is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

REMUNERATION POLICY

The aggregate amounts of remuneration (including fees, salaries, bonuses, allowances, share-based payments and pension scheme contributions) for our Directors and supervisors for the three years ended December 31, 2025 was approximately RMB6.9 million, RMB6.8 million and RMB6.3 million, respectively. There was no arrangement under which our Directors waived or agreed to waive any remuneration during the aforesaid periods.

For the three years ended December 31, 2025, the five highest paid individuals of our Company included nil, nil and nil Director, respectively. The aggregate remuneration (including salaries, bonuses, allowances, share-based payments and pension scheme contributions) paid to our Group's five highest remuneration individuals were approximately RMB37.0 million, RMB44.5 million and RMB48.6 million, respectively.

Under the current arrangement, the aggregate remuneration payable to the Directors for the year ending December 31, 2026 are estimated to be approximately RMB6.1 million.

During the Track Record Period, no emolument was paid by our Group to any of our Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining our Group or as compensation for loss of office.

Save as disclosed above, no other payments of remuneration have been made, or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of our Directors.

For further details of the remuneration of our Directors, please see note 8 to Appendix I to this prospectus.

So far as our Directors are aware, (i) as of the Latest Practicable Date, and (ii) immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the following persons are expected to have or be deemed or taken to have an interest and/or a short position in our Shares or the underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or indirectly, interested in 10% or more of the number of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Name of Shareholder	Nature of interest	Description of Shares[1]	Shares held in the total share capital of our Company as of the Latest Practicable Date and immediately prior to the Global Offering		Shares held in the total share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)	
			Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding
Dr. Wang	Beneficial owner/ interest in controlled corporation/ interest of spouse	Unlisted Shares (L)	183,267,000	49.53%	64,143,450	14.74%
		H Shares (L)	—	—	119,123,550	27.37%
Dr. Zhang	Beneficial owner/ interest of spouse	Unlisted Shares (L)	183,267,000	49.53%	64,143,450	14.74%
		H Shares (L)	—	—	119,123,550	27.37%
Hangzhou Qixin	Interest in controlled corporation	Unlisted Shares (L)	75,000,000	20.27%	26,250,000	6.03%
		H Shares (L)	—	—	48,750,000	11.20%
Zhuhai Yunchen	Beneficial owner	Unlisted Shares (L)	52,800,000	14.27%	18,480,000	4.25%
		H Shares (L)	—	—	34,320,000	7.88%
Zhuhai Xuchen	Beneficial owner	Unlisted Shares (L)	22,200,000	6.00%	7,770,000	1.79%
		H Shares (L)	—	—	14,430,000	3.32%
UP OPTOTECH	Beneficial owner	Unlisted Shares (L)	94,571,000	25.56%	33,099,850	7.60%
		H Shares (L)	—	—	61,471,150	14.12%
Luster	Beneficial owner	Unlisted Shares (L)	37,829,000	10.22%	13,240,150	3.04%
		H Shares (L)	—	—	24,588,850	5.65%
YAO Yi[2]	Interest in controlled corporation/Interest of spouse	Unlisted Shares (L)	37,829,000	10.22%	13,240,150	3.04%
		H Shares (L)	—	—	24,588,850	5.65%
YANG Yi[2]	Interest in controlled corporation/Interest of spouse	Unlisted Shares (L)	37,829,000	10.22%	13,240,150	3.04%
		H Shares (L)	—	—	24,588,850	5.65%

Notes:

(1) The Letter "L" denotes the person's long position in our Shares.

(2) According to the publicly available information, Mr. YAO Yi (spouse of Ms. YANG Yi) and Ms. YANG Yi (our non-executive Director) directly held 41.78% and 4.91% interests in Luster, respectively. Under the SFO, Mr. YAO Yi is deemed to be interested in the Shares held by Luster in our Company. Ms. YANG Yi is the spouse of Mr. YAO Yi. Under the SFO, Ms. YANG Yi and Mr. YAO are deemed to be interested in the Shares held by each other.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), have an interest or a short positions in any Shares or underlying Shares, which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly interested in 10% or more of the issued voting shares of our Company.

THE CORNERSTONE PLACING

The Company has entered into cornerstone investment agreements ("**Cornerstone Investment Agreements**") with relevant cornerstone investors (the "**Cornerstone Investors**") set out below in this section, pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price, for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of approximately US$166 million (or approximately HK$1,301 million, calculated based on an exchange rate of US$1.00 to HK$7.8324) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee (the "**Cornerstone Placing**").

Pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules, at least 40% of the total number of Offer Shares initially offered in the Global Offering must be allocated to investors in the placing tranche (other than the Cornerstone Investors). As the Company is initially offering approximately 10% of the total number of Offer Shares in the Hong Kong Public Offering, no more than 50% of the total number of the Offer Shares initially offered in the Global Offering can be allocated to all Cornerstone Investors (the "**Cornerstone Placing Allocation Limit**"). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the Company, the Joint Sponsors and the Overall Coordinators shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around April 16, 2026.

The following tables set out details of the Cornerstone Placing with the Offer Price being HK$39.88 per Share.

Cornerstone Investor[1]	Investment amount in US dollar[2]	Approximate investment amount in Hong Kong dollar[3]	Number of Offer Shares[4]	Approximate % of the International Offer Shares		Approximate % of total number of Offer Shares		Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering	
				Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercise in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercise in full
CPE Peepal	15,000,000.00	117,486,000.00	2,945,900	5.01%	4.30%	4.51%	3.92%	0.68%	0.66%
HHLRA	15,000,000.00	117,486,000.00	2,945,900	5.01%	4.30%	4.51%	3.92%	0.68%	0.66%
UBS AM Singapore	15,000,000.00	117,486,000.00	2,945,900	5.01%	4.30%	4.51%	3.92%	0.68%	0.66%
Arc Avenue	10,000,000.00	78,324,000.00	1,963,900	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
Boyu	10,000,000.00	78,324,000.00	1,963,900	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
Fullgoal	10,000,000.00	78,324,000.00	1,963,900	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
— Fullgoal HK	3,340,000.00	26,160,216.00	655,900	1.12%	0.96%	1.00%	0.87%	0.15%	0.15%
— Fullgoal Fund	6,660,000.00	52,163,784.00	1,308,000	2.23%	1.91%	2.00%	1.74%	0.30%	0.29%
GF Fund	10,000,000.00	78,324,000.00	1,963,800	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
— GF Fund HK	4,000,000.00	31,329,600.00	785,500	1.34%	1.15%	1.20%	1.05%	0.18%	0.18%
— GF Fund Management	6,000,000.00	46,994,400.00	1,178,300	2.01%	1.72%	1.80%	1.57%	0.27%	0.26%
Greenwoods	10,000,000.00	78,324,000.00	1,963,900	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
— Shanghai Greenwoods and HTCI	5,661,979.52	44,346,888.39	1,112,000	1.89%	1.62%	1.70%	1.48%	0.26%	0.25%
— HK Greenwoods	4,338,020.48	33,977,111.61	851,900	1.45%	1.24%	1.30%	1.13%	0.20%	0.19%
Mirae HK	10,000,000.00	78,324,000.00	1,963,900	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
Perseverance Asset Management	10,000,000.00	78,324,000.00	1,963,900	3.34%	2.86%	3.01%	2.62%	0.45%	0.44%
Yield Royal Investment	7,500,000.00	58,743,000.00	1,472,900	2.51%	2.15%	2.26%	1.96%	0.34%	0.33%
3W Fund	5,000,000.00	39,162,000.00	981,900	1.67%	1.43%	1.50%	1.31%	0.23%	0.22%
Eastern Bell Capital VIII	5,000,000.00	39,162,000.00	981,900	1.67%	1.43%	1.50%	1.31%	0.23%	0.22%
ICBC Wealth	5,000,000.00	39,162,000.00	981,900	1.67%	1.43%	1.50%	1.31%	0.23%	0.22%
Protium Capital Limited	5,000,000.00	39,162,000.00	981,900	1.67%	1.43%	1.50%	1.31%	0.23%	0.22%
Source Code Capital	5,000,000.00	39,162,000.00	981,900	1.67%	1.43%	1.50%	1.31%	0.23%	0.22%
— SCC Foresight Ventures Ltd.	1,600,000.00	12,531,840.00	314,200	0.53%	0.46%	0.48%	0.42%	0.07%	0.07%
— Voyage42 Master Fund	3,400,000.00	26,630,160.00	667,700	1.14%	0.97%	1.02%	0.89%	0.15%	0.15%
WT Asset Management	5,000,000.00	39,162,000.00	981,900	1.67%	1.43%	1.50%	1.31%	0.23%	0.22%
E Fund	3,000,000.00	23,497,200.00	589,000	1.00%	0.86%	0.90%	0.78%	0.14%	0.13%
— E Fund HK	2,500,000.00	19,581,000.00	490,900	0.84%	0.72%	0.75%	0.65%	0.11%	0.11%
— E Fund Management	500,000.00	3,916,200.00	98,100	0.17%	0.14%	0.15%	0.13%	0.02%	0.02%
China AMC	2,000,000.00	15,664,800.00	392,700	0.67%	0.57%	0.60%	0.52%	0.09%	0.09%
Cithara Fund	2,000,000.00	15,664,800.00	392,700	0.67%	0.57%	0.60%	0.52%	0.09%	0.09%

Cornerstone Investor[1]	Investment amount in US dollar[2]	Approximate investment amount in Hong Kong dollar[3]	Number of Offer Shares[4]	Approximate % of the International Offer Shares		Approximate % of total number of Offer Shares		Approximate shareholding percentage in our Company immediately upon the completion of the Global Offering	
				Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercise in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercise in full
Panjing Fund	2,000,000.00	15,664,800.00	392,700	0.67%	0.57%	0.60%	0.52%	0.09%	0.09%
Value Partners	2,000,000.00	15,664,800.00	392,600	0.67%	0.57%	0.60%	0.52%	0.09%	0.09%
— Value Partners Hong Kong Limited	1,750,000.00	13,706,700.00	343,600	0.58%	0.50%	0.53%	0.46%	0.08%	0.08%
— Value Partners Limited	250,000.00	1,958,100.00	49,000	0.08%	0.07%	0.08%	0.07%	0.01%	0.01%
China Orient Multi-Strategy Master Fund	1,731,168.00	13,559,200.24	340,000	0.58%	0.50%	0.52%	0.45%	0.08%	0.08%
CMSIM	1,000,000.00	7,832,400.00	196,300	0.33%	0.29%	0.30%	0.26%	0.05%	0.04%
Total:	**166,231,168**	**1,301,989,000**	**32,645,200**	**55.55%**	**47.62%**	**50.00%**	**43.48%**	**7.50%**	**7.33%**

Notes:

\# All share numbers and percentages in this table are for illustrative purpose only.

(1) Please see "Information of the Cornerstone Investors" below for the full name of each Cornerstone Investor.

(2) Exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%.

(3) Calculated based on the exchange rates of US$1.00 to HK$7.8324. The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(4) Subject to rounding down to the nearest whole board lot of 100 H Shares.

The Company believes that the Cornerstone Placing demonstrates the Cornerstone Investors' confidence in the Company and its business prospect, and that the Cornerstone Placing will help raise the profile of the Company. The Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's business partners or the Underwriters in the Global Offering.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering and will be counted towards the public float of the Company under Rule 8.08 of the 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 the Company, and none of the Cornerstone Investors and their close associates will become a substantial Shareholder. Other than a guaranteed allocation of the relevant Offer Shares at the 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. There are no side arrangements or agreements between the Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge and belief of the Company, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to taking instructions from the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates; (iv) each Cornerstone Investor will be utilizing its internal financial resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares, and each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (v) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. In addition, to the best knowledge of the Company, save as otherwise disclosed, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed for before dealings in the H Shares commence on the Stock Exchange. Certain Cornerstone Investors have also agreed that, the Company, the Joint Sponsors and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe for on a date later than the Listing Date. 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, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. Accordingly, there will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of the Company to be published on or around April 16, 2026.

INFORMATION OF THE CORNERSTONE INVESTORS

The information about the Cornerstone Investors sets forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

CPE Peepal

CPE Peepal Investment Limited ("**CPE Peepal**") is a business company incorporated under the laws of the BVI and its primary business activity is investment holding. It is a subsidiary of CPE Global Opportunities Fund II, L.P.("**CPE GOF II**"), an exempted limited partnership formed under the laws of the Cayman Islands. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom holds 30% or more interests in CPE Management International II Limited. CPE GOF II's investor base comprises both corporate and entrepreneurial investors, none of the limited partners hold 30% or more interest in CPE GOF II.

HHLRA

HHLR Advisors, Ltd. ("**HHLRA**"), part of the Hillhouse Group, is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the "**HHLRA Funds**"), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds. HHLRA intends to hold the Offer Shares through one of the HHLRA Funds, namely HACF, L.P.. HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions.

UBS AM Singapore

UBS Asset Management (Singapore) Ltd. ("**UBS AM Singapore**"), a company incorporated in Singapore in December 1993, has entered into a Cornerstone Investment Agreement with the Company and the Joint Sponsors, in its capacity as the investment manager for and on behalf of the underlying clients of the following funds: (i) UBS (Lux) Equity Fund—Greater China (USD); (ii) UBS (Lux) Equity Fund—China Opportunity (USD); (iii) UBS (HK) Fund Series—China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV—All China (USD); (v) UBS (Lux) Investment SICAV – China A

Opportunity (USD); (vi) UBS (CAY) China A Opportunity; and (vii) certain other segregated accounts and mandates. UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS). No single ultimate beneficial owner holds 30% or more interests in those funds.

Arc Avenue

Arc Avenue Asset Management Pte. Ltd. ("**Arc Avenue**") is a fund management company incorporated in Singapore and regulated by the Monetary Authority of Singapore ("**MAS**"). It holds an Accredited/Institutional Licensed Fund Management Company (A/I LFMC) license, authorizing it to manage investment funds exclusively for accredited and institutional investors. It specializes in asset management, with a primary focus on equity investment funds. Arc Avenue has a market-renowned investment team, focusing on investments in industries such as AI, TMT, consumer, healthcare, and advanced manufacturing, aiming to identify outstanding companies that transform industry business models and the most forward-thinking entrepreneurs through in-depth industry analysis and accurate grasp of emerging technology and consumer trends. Arc Avenue will subscribe for the Offer Shares as cornerstone investor in its capacity as the discretionary investment managers of Enreal China Master Fund and Forreal China Value Fund under its management. These two funds pursue investment opportunities in the Greater China market, primarily through equities listed in Hong Kong and Chinese Mainland, as well as ADRs. The ultimate beneficial owner of Enreal China Master Fund and Forreal China Value Fund holding 30% or more of its interest is a global institutional investor with several hundred billion US dollar of assets under management rather than an individual investor.

Boyu

Supercluster Universe Limited is a company incorporated under the laws of the Cayman Islands and a controlled subsidiary of Boyu Capital Opportunities Master Fund. Boyu Capital Opportunities Master Fund is an exempted company incorporated under the laws of the Cayman Island and an investment fund managed by Boyu Capital Management (Singapore) Pte. Ltd. ("**Boyu**"). Boyu holds a capital markets services license and is regulated by the Monetary Authority of Singapore and provides catalytic capital and strategic support for leading companies in sectors including high technology, healthcare, consumer and sustainable energy. Boyu is 100% indirectly owned by Boyu Group, LLC, which is in turn ultimately controlled by Mr. Xiaomeng Tong, an Independent Third Party. There is no single investor holding 30% or more interest in Supercluster Universe Limited through Boyu Capital Opportunities Master Fund.

Fullgoal

Fullgoal Asset Management (HK) Limited ("**Fullgoal HK**") was established in 2012 in Hong Kong and is licensed for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities by the SFC. No ultimate beneficial owner of any single client contributed 30% or more of the total funds used for the Cornerstone Investment made by Fullgoal HK. Fullgoal HK is a wholly owned subsidiary of Fullgoal Fund Management Co., Ltd. ("**Fullgoal Fund**"). Fullgoal HK will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement on behalf of its clients who are Independent Third Parties on a discretionary basis.

Fullgoal Fund is a fund management company established in China in April 1999, and is one of the first ten fund management companies authorized by the CSRC and other regulatory authorities to obtain full licenses to provide asset management services in the PRC. Fullgoal Fund has a registered capital of RMB520 million and its main scope of business includes the provision of traditional fund management services, fund raising, fund sale and asset management solutions to both domestic and overseas clients. Fullgoal Fund is a QDII approved by the relevant PRC authority and is also the first fund management company with foreign equity participation among the first ten fund management companies in China. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal Fund are open-ended publicly raised securities investment funds registered with the CSRC. The shareholders of Fullgoal Fund include (i) Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) (stock code: 2611.HK/601211.SH) ("**Guotai Haitong**") holding 27.775% in Fullgoal Fund; (ii) Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司) holding 27.775% in Fullgoal Fund; (iii) Bank of Montreal holding 27.775% in Fullgoal Fund, and (iv) Shandong Financial Asset Management Co., Ltd. (山東省金融資產管理股份有限公司), holding 16.675% in Fullgoal Fund. Fullgoal Fund will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement on behalf of its clients who are Independent Third Parties. No ultimate beneficial owner of any single client contributed 30% or more of the total funds used for the Cornerstone Investment made by Fullgoal Fund.

Given that (i) Fullgoal Fund is owned as to 27.775% by Guotai Haitong and (ii) Guotai Junan Securities (Hong Kong) Limited ("**GTJA Securities**"), one of the Overall Coordinators and Underwriters of the Global Offering, is a subsidiary of Guotai Haitong, each of Fullgoal HK and Fullgoal Fund therefore is considered as a member of the same group of companies as GTJA Securities and therefore is a "connected client" of GTJA Securities for the purpose of paragraph 1B of Appendix F1 to the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to Fullgoal HK and Fullgoal Fund. See "Waivers from Strict Compliance with the Listing Rules — Consent in respect of the Proposed Subscription of Offer Shares by Connected Clients."

GF Fund

GF Fund Management Co., Ltd. ("**GF Fund Management**") and GF International Investment Management Limited (廣發國際資產管理有限公司) ("**GF Fund HK**", together with GF Fund Management, "**GF Fund**") have respectively entered into Cornerstone Investment Agreements with our Company. GF Fund Management was established on August 5, 2003. As of December 31, 2025, its assets under management exceeded RMB 2 trillion. It offers a comprehensive range of product offerings, covering active equity, bonds, money market, overseas investments, passive investments, FOF, and quantitative hedging, among others, to meet the diversified investment needs of domestic and international clients. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. ("**GF Securities**"), a company limited by shares listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), holding a 54.53% equity interest in GF Fund Management. Apart from GF Securities, no other shareholder holds 30% or more of the equity in GF Fund Management.

GF Fund HK is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central entity number of its Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. It is licensed by the SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. Acting as GF Fund Management's overseas window company, GF Fund HK strategically connects the Chinese and overseas markets. Leveraging the investment and research capabilities of GF Fund Management and its competitive advantages in the overseas market, GF Fund HK provides comprehensive and high-quality services to its clients.

GF Fund Management and GF Fund HK will subscribe for the Offer Shares as cornerstone investors in their capacity as the discretionary investment managers of a total of 13 funds under their management. To the best knowledge of GF Fund Management and GF Fund HK, each fund is an Independent Third Party, and no ultimate beneficial owner holds 30% or more of the interest.

Greenwoods

Huatai Capital Investment Limited ("**HTCI**") and Huatai Securities Company Limited ("**HTSC**") will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Greenwoods OTC Swaps**") with each other and their ultimate clients (the "**HTCI Ultimate Clients (Greenwoods)**"), pursuant to which HTCI will hold the beneficial interest of the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the HTCI Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the HTCI Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by HTCI will be ultimately passed to the HTCI Ultimate Clients (Greenwoods) and all economic loss shall be borne by the HTCI Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares, subject to customary fees and commissions. The Greenwoods OTC Swaps are linked to the Offer Shares and the HTCI Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the Cornerstone Investment Agreement entered into among HTCI, the Company, the Joint Sponsors and the Overall Coordinators, and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which HTCI may dispose of the Offer Shares on the secondary market and the HTCI Ultimate Clients (Greenwoods) will receive a final settlement amount of the Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that HTCI 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 Greenwoods OTC Swaps according to its internal policy. To the best of HTCI's knowledge after having made all reasonable inquiries, each of the HTCI Ultimate Clients (Greenwoods) is an Independent Third Party of the Company, the connected persons or associates thereof.

During the life of the Greenwoods OTC Swaps, HTCI may continue to hold the Offer Shares in its custodian account, or to hold some or all of the Offer Shares in a prime brokerage account for stock borrowing purpose, which is consistent with market practice to lower its finance cost, provided that the economic interests are ultimately passed to the HTCI Ultimate Clients (Greenwoods).

HTCI is indirect wholly-owned subsidiaries of HTSC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). The HTCI Ultimate Clients (Greenwoods) are certain domestic private funds managed by Shanghai Greenwoods Asset Management Co., Ltd. (上海景林資產管理有限公司) ("**Shanghai Greenwoods**") (including Greenwoods Select Private Fund (景林優選私募基金), Greenwoods Jingtai Select Private Securities Investment Fund (景林景泰優選私募證券投資基金), Greenwoods Harvest No. 2 Fund (景林豐收2號基金), Greenwoods Harvest No. 6 Private Securities Investment Fund) (景林豐收6號私募證券投資基金), Greenwoods Harvest No. 3 Private Fund (景林豐收3號私募基金) and Greenwoods Jingtai Harvest Private Securities Investment Fund (景林景泰豐收私募證券投資基金), and no single ultimate beneficial owner holds 30% or more interests in each of such funds) in its capacity as a fund manager. Shanghai Greenwoods is a private fund management company with the registration under the Asset Management Association of China (AMAC). Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai

Greenwoods include institutional investors and high-net-worth individuals professional investors. As confirmed by Shanghai Greenwoods, the subscription of such number of Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through total return swap mechanism. Mr. Jiang Jinzhi is the Chairman and the ultimate beneficial owner of Shanghai Greenwoods. Save as Mr. Jiang Jinzhi, no other shareholder holds 30% or more interest in Shanghai Greenwoods.

Greenwoods Asset Management Hong Kong Limited ("**HK Greenwoods**", together with Shanghai Greenwoods, "**Greenwoods Asset Management**") is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, HK Greenwoods is one of the largest and earliest China-focused asset managers mainly specializing in investing into companies in the Greater China region. HK Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by HK Greenwoods includes institutional investors and high-net-worth individuals professional investors. As confirmed by HK Greenwoods, the subscription of the Offer Shares as a cornerstone investor will be made by HK Greenwoods in its capacity as the investment manager of Golden China Master Fund and Greenwoods Value Income Fund. As of 28 February, 2026, (i) no single ultimate beneficial owner holds 30% or more interest in the Golden China Master Fund; (ii) no single ultimate beneficial owner other than Mr. Yang Xianxiang holds 30% or more interest in the Greenwoods Value Income Fund. HK Greenwoods and Shanghai Greenwoods are affiliate of each other. Mr. Jiang Jinzhi is the Chairman and the ultimate beneficial owner of HK Greenwoods. Save as Mr. Jiang Jinzhi, no other shareholder holds 30% or more interest in HK Greenwoods.

Mirae HK

Mirae Asset Securities (HK) Limited ("**Mirae HK**"), a wholly owned subsidiary of Mirae Asset Securities Co., Ltd. ("**Mirae Asset Securities**"), was established in Hong Kong in July 2005 and is licensed by the SFC to carry on type 9 (asset management) regulated activity. Mirae Asset Securities is one of the largest investment banks in the Republic of Korea, providing a comprehensive range of financial services, including brokerage, wealth management, investment banking, sales & trading, and principal investments. It is ultimately controlled by Mirae Asset Capital Co., Ltd., a financial investment company in the Republic of Korea. Mirae Asset Securities is listed on the Korea Exchange under stock code 006800.KS. Mirae HK is the fund manager of, and subscribe for the Offer Shares on behalf of, a discretionary fund, Mirae Asset Visionary X Fund. All of the investors in such fund are Independent Third Parties and none of the investors hold 30% or more interest in the fund.

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. ("**Perseverance Asset Management**") acts as the investment advisor or investment manager on a discretionary basis of no more than six investment funds and/or separated managed accounts (collectively the "**Perseverance Funds**"). No single ultimate beneficial owner holds 30% or more interest in each of the Perseverance Funds. Each of the Perseverance Funds is an Independent Third Party. Perseverance Asset Management is a private limited company incorporated in Singapore in October 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an Independent Third Party. Certain investments funds for which Perseverance Asset Management acts as the investment advisor or investment manager invested in ZIJIN GOLD INTERNATIONAL COMPANY LIMITED (紫金黃金國際有限公司) (stock code: 2259.HK), Contemporary Amperex Technology Co. and Limited (寧德時代新能源科技股份有限公司) (stock code: 3750.HK) and Acotec Scientific Holdings Limited (先瑞達醫療科技

控股有限公司) (stock code: 6669.HK) as cornerstone investor. Perseverance Asset Management is entering into the Cornerstone Investment Agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

Yield Royal Investment

Yield Royal Investment Holding (Singapore) PTE. LTD. ("**Yield Royal Investment**") is a company incorporated in Singapore and is primarily engaged in international commodity trading and conducts global capital market investments. It boasts a team of experienced industry and regional experts who leverage their specialized expertise and focused approach to identify leading targets for long-term investment. Currently, its investments span various industries, including TMT, advanced manufacturing, new economy, and bio-pharmaceuticals, among others. Yield Royal Investment possesses strong resilience against market cycle fluctuations and aims to achieve long-term and stable value returns. Leveraging on Southeast Asia's unique geographical advantages, Yield Royal Investment will continue to pursue a twin-engine strategy combining capital support and resource integration, empowering high-quality enterprises from the Asia-Pacific region and Chinese Mainland to accelerate their global expansion. Yield Royal Investment is wholly owned by Gallantlion Resources PTE. LTD., which is in turn wholly owned by Chang Hongna (常紅娜), an Independent Third Party.

3W Fund

3W Fund Management Limited ("**3W Fund**") is incorporated in Hong Kong with limited liability and licensed by the Hong Kong SFC to carry out type 9 (asset management) regulated activity. 3W Fund is ultimately wholly owned by Mr. WU Weiwei, an Independent Third Party. 3W Fund has agreed to procure 3W Global Fund, over which 3W Fund has discretionary investment management power, to subscribe for such number of the Offer Shares. 3W Global Fund pursues to maximize absolute return and seek long-term capital growth primarily through fundamental investment principle with value approach. No single investor holds 30% or more interests in 3W Global Fund.

Eastern Bell Capital VIII

Eastern Bell Capital VIII Investment Limited ("**Eastern Bell Capital VIII**") is a company incorporated in Hong Kong and a wholly owned subsidiary of Eastern Bell Capital Fund II, L.P., a limited partnership formed under the laws of the Cayman Islands ("**Eastern Bell Capital Fund II**"). The general partner of Eastern Bell Capital Fund II is Eastern Bell Capital II Limited ("**Eastern Bell Capital II**"). Eastern Bell Capital II is a leading investor focusing on early and growth stage investments. There is no individual limited partner investor who holds an economic interest or limited partnership interest of 30% or more in Eastern Bell Capital Fund II.

ICBC Wealth

ICBC Wealth Management Co., Ltd. ("**ICBC Wealth**") was established in May 2019 in Beijing, with a registered capital of RMB16 billion. It is a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited, a company listed on the Shanghai Stock Exchange (stock code: 601398) and the Stock Exchange (stock code: 1398). The business scope of ICBC Wealth is public issuance of wealth management products to the general public, investment and management of entrusted assets for investors; non-public issuance of wealth management products to qualified investors, investment and management of entrusted assets for investors; wealth management advisory and consulting services; and other businesses as approved by the banking regulatory authority under the State Council.

Protium Capital Limited

Protium Capital Limited, established in 2023, is an investment management firm focused on equity opportunities in the Greater China market, with particular emphasis on the industrial, consumer, internet, and technology sectors. Protium Capital Limited is licensed by the Securities and Futures Commission for Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Protium Capital Limited is beneficially and directly owned as to 100% by Lu Ning, an Independent Third Party. Protium Capital Limited acts as investment manager on behalf of its underlying clients, of which no single ultimate beneficial owner holds 30% or more interests.

Source Code Capital

Voyage42 Master Fund is a company incorporated in the Cayman Islands. It is controlled by its management shareholder, Source Code Gringotts Ltd., and owned by Whealth Holdings Limited as to the majority of its participating shares. Source Code Gringotts Ltd. is indirectly wholly owned by Source Code Super Holdings Co. ("**Source Code Capital**"). To the best knowledge of Source Code Capital, save for Whealth Holdings Limited, no single beneficial owner holds 30% or more interest in Voyage42 Master Fund.

SCC Foresight Ventures Ltd. is a company incorporated in the Cayman Islands and is wholly-owned by Source Code Capital.

Source Code Capital is beneficially owned by Whealth Holdings Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Enlightenment Trust. Enlightenment Trust is a trust established under the laws of the Island of Jersey, with Mr. Charlie Cao and his family members as beneficiaries. Mr. Charlie Cao's ultimately controlled entity holds approximately 35.99% limited partnership interests as a limited partner in Guoce Xiangchi, an existing Shareholder of the Company. The general partner of Guoce Xiangchi is responsible for the management, operation and decision making of Guoce Xingchi, and Mr. Cao is an Independent Third Party of the general partner. Therefore, Mr. Cao is unable to control Guoce Xiangchi. As such, neither Voyage42 Master Fund nor SCC Foresight Ventures Ltd. is considered as a close associate of an existing Shareholder.

Founded in 2014, Source Code Capital focuses on investing in artificial intelligence and robotics, intelligent manufacturing, internet and consumption, healthcare and biotech+, and has invested in over 300 startup companies.

WT Asset Management

WT Asset Management Limited ("**WT Asset Management**") is a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 9 (asset management) regulated activity. WT Asset Management is beneficially owned as to 100% by Tongshu Wang (王通書), who is an Independent Third Party. WT Asset Management has agreed to procure certain investors, namely WT China Fund Limited, WT China Focus Fund, WT Growth Fund and a segregated management account (investment portfolio professionally managed by WT Asset Management (as investment manager) where the investor owns the underlying investments directly) (collectively, the "**WT Funds**"), that WT Asset Management has discretionary investment management power over, to subscribe for such number of the Offer Shares. The WT Funds pursue to achieve absolute return and long-term capital appreciation by investing primarily in the listed securities of companies which have great exposure or material impact by the PRC. Investors of the WT Funds include but are not limited to pension funds, fund of funds, family offices and other sophisticated institutional investors. Save for Tongshu Wang (王通書) who hold over 30% interests in WT Growth Fund and WT China Focus Fund, and the single ultimate beneficial owner of the segregated management account which is a pension fund based in North America respectively, no other single ultimate beneficial owner holds 30% or more interests in the WT Funds. Each of the WT Funds is an Independent Third Party.

E Fund

E Fund Management Co., Ltd. ("**E Fund Management**"), is a leading comprehensive asset management company in the PRC. E Fund Management is a QDII approved by the relevant PRC authority and targets at companies with competitive edge over its competitors. E Fund Management is a fund manager managing assets on behalf of its underlying clients. The shareholders of E Fund Management include (i) Guangdong Finance Trust Co., Ltd. (廣東粵財信託有限公司), which is ultimately owned by The People's Government of Guangzhou Municipality (廣東省人民政府), (ii) GF Securities, which is listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), and (iii) Infore Group Co., Ltd (盈峰集團有限公司), which is ultimately owned by He Jianfeng (何劍鋒), each holding approximately 22.65% in E Fund Management and an Independent Third Party. None of the remaining shareholders of E Fund Management owns 30% or more equity interest therein. The approval of the shareholders of GF Securities, the Stock Exchange or the Shenzhen Stock Exchange is not required for the subscription of the Offer Shares pursuant to the Cornerstone Investment Agreement.

E Fund Management (Hong Kong) Co., Ltd. (易方達資產管理(香港)有限公司) ("**E Fund HK**", together with E Fund Management, "**E Fund**"), a company incorporated in Hong Kong in August 2008, is a wholly-owned subsidiary of E Fund Management. E Fund HK is licensed for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities by the SFC. E Fund HK serves as the global investment and business platform for its parent company, E Fund Management. As E Fund Management's gateway company overseas, E Fund HK strategically connects China with the overseas market. E Fund HK leverages the investment and research capabilities of E Fund Management and its competitive advantage in the overseas market to provide comprehensive and quality service to its clients.

China AMC

China Asset Management (Hong Kong) Limited (華夏基金(香港)有限公司) ("**China AMC (HK)**") is a wholly-owned subsidiary of China Asset Management Co., Ltd., (**"China AMC**"), which is owned as to 62.2% by CITIC Securities Company Limited (a company listed on the Shanghai Stock Exchange (stock code 600030) and on the Stock Exchange (stock code 6030)). Save for CITIC Securities Company Limited, no other shareholder holds 30% or more equity interests in China AMC. As a top Chinese fund management company in Hong Kong, China AMC (HK) is committed to developing offshore and cross-border asset management businesses by leveraging the expertise of its experienced investment and research teams and its shareholder companies' resources, services and connections in Chinese Mainland. China AMC provides a full range of services to retail and institutional investors home and abroad, covering equity, fixed income, money markets, etc. With more than RMB3.03 trillion in assets under management (including that of subsidiaries) as of June 30, 2025, it is one of the largest asset managers in China. China AMC provides services to National Social Security Fund, corporate pensions, separate accounts, sovereign funds in Europe, America, and Asia, central banks, pensions, banks, asset managers, securities companies and other overseas institutional clients. China AMC (HK) will hold the Offer Shares subscribed through the Cornerstone Placing on behalf of funds managed by it on a discretionary basis. No single beneficial owner holds 30% or more interest in any of the underlying funds of China AMC(HK). To the best knowledge of China AMC (HK), the underlying investors of such funds are Independent Third Parties.

Given that (i) CLSA Limited, one of the Overall Coordinators and Underwriters the Global Offering, is an indirect wholly-owned subsidiary of CITIC Securities Company Limited; and (ii) China AMC, as a member of the same group of companies as CLSA Limited, China AMC (HK) is a "connected client" of CLSA Limited for the purpose of paragraph 1B of Appendix F1 to the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to China AMC. See "Waivers and from Strict Compliance with the Listing Rules — Consent in respect of the Proposed Subscription of Offer Shares by Connected Clients."

Cithara Fund

Cithara Global Multi-Strategy SPC – Disruptive Innovation Investment Fund SP ("**Cithara Fund**") is an exempted segregated portfolio company established in the Cayman Islands in 2021. The Cithara Fund's objective is to deliver risk adjusted absolute return with a focus on long-term capital preservation. The investment manager of Cithara Fund is Cithara Investment International Limited ("**Cithara**"), a company established in Hong Kong in 2016 and licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) of the regulated activities by the SFC. Cithara is ultimately wholly owned by Zhang Jun who is an Independent Third Party. Save as Song Yan, an Independent Third Party and an ultimate beneficial owner of Cithara Fund with 30% or more of beneficial interest, no other ultimate beneficial owner of Cithara Fund holds 30% or more of beneficial interest.

Panjing Fund

Panjing Harbourview Investment Fund (盤京港景投資基金) ("**Panjing Fund**") is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Act of the Cayman Islands. Panjing Fund is managed solely by its Investment Manager, Harbourview Investment Pte. Ltd. ("Harbourview Investment"), who holds a Capital Markets Services Licence issued by the Monetary Authority of Singapore. Harbourview Investment pursues a long-short investment strategy in managing the assets of Panjing Fund and focuses on equities which are temporarily under-appreciated by the market but whose companies display great upside potential. Panjing Fund invests in a diverse portfolio comprising global listed equity securities and equity-related securities. Panjing Fund's investments are not subject to any geographic limitation.

XIAO Jian, an Independent Third Party, is the ultimate beneficial owner of Panjing Fund, holding 100% of its interest. XIAO Jian and HUANG Jinwei, each an Independent Third Party, are the ultimate beneficial owners of Harbourview Investment, holding 60% and 40% of its interests, respectively. As confirmed by Panjing Fund, no sub-fund is involved in this subscription of Offer Shares under its Cornerstone Investment Agreement.

Value Partners

Each of Value Partners Hong Kong Limited (incorporated in Hong Kong in 1999) and Value Partners Limited (incorporated in the British Virgin Islands in 1991) has agreed to procure certain investment funds that it has actual discretionary investment management power over, to subscribe for relevant number of Shares. The investment funds that Value Partners Limited intends to procure include Value Partners Intelligent Funds – Chinese Mainland Focus Fund, Value Partners Intelligent Funds — China Convergence Fund, Value Partners China Greenchip Fund Limited, and the investment funds Value Partners Hong Kong Limited intends to procure include Value Partners Multi-Asset Fund, Value Partners Fund Series — Value Partners Asian Income Fund, Value Partners Fund Series — Value Partners Asian Innovation Opportunities Fund, Value Partners High-Dividend Stocks Fund, Value Partners Classic Fund, Value Partners Funds SPC — Value Partners China A-Share Innovation Fund SP and Value Partners Ireland Fund ICAV – Value Partners Asia Ex-Japan Equity Fund. Each of Value Partners Hong Kong Limited and Value Partners Limited (together with other subsidiaries under Value

Partners Group Limited ("**Value Partners**")), acts as investment manager or investment advisor to certain investment funds. Both Value Partners Hong Kong Limited and Value Partners Limited are wholly-owned subsidiaries of Value Partners Group Limited, a company listed on the Stock Exchange (stock code: 806). Value Partners is a major independent Asian asset manager. It is headquartered in Hong Kong and operates in Shanghai, Shenzhen and Singapore. Value Partners' investment strategies cover equities, fixed income, multi-asset, quantitative investment solutions and alternatives for institutional and individual clients in the Asia Pacific and Europe. As of December 31, 2025, it has asset-under-management of approximately US$6.2 billion.

China Orient Multi-Strategy Master Fund

China Orient International Asset Management Limited — China Orient Multi-Strategy Master Fund ("**China Orient Multi-Strategy Master Fund**") is a company incorporated in the Cayman Islands and is managed by China Orient International Asset Management Limited. China Orient International Asset Management Limited was incorporated in Hong Kong with limited liability and is licensed with the SFC to carry on business in Type 1 (dealing on securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. China Orient International Fund Management Limited, a company incorporated in the Cayman Islands with limited liability, is the sole management shareholder of China Orient Multi-Strategy Master Fund. China Orient Asset Management (International) Holding Limited holds 30% or more interests in the fund. Both China Orient International Fund Management Limited and China Orient International Asset Management Limited are wholly-owned subsidiaries of China Orient Asset Management (International) Holding Limited. China Orient Asset Management (International) Holding Limited is ultimately controlled by Central Huijin Investment Ltd, a state-owned investment company, established in December 2003 and mandated to exercise the rights and the obligations as an investor in major state-owned financial enterprises, on behalf of the PRC. China Orient Asset Management (International) Holding Limited primarily engages in investments related to distressed assets, special opportunities, and primary and secondary markets.

CMSIM

China Merchants Securities Investment Management (Hong Kong) Company Limited ("**CMSIM**") was incorporated in Hong Kong in 2006. Its business scope primarily includes proprietary investment. CMSIM is a wholly-owned subsidiary of China Merchants Securities International Company Limited ("**CMSI**"). CMSI is a wholly-owned subsidiary of China Merchants Securities Co., Ltd., whose A shares are listed on the Shanghai Stock Exchange (stock code: 600999) and H shares are listed on the Stock Exchange (stock code: 6099). CMSIM serves as the primary platform for CMSI's overseas proprietary investment business.

CMSI, through its Hong Kong subsidiaries (together, the "**CMSI Group**"), engages in a comprehensive range of integrated financial services, including securities and futures brokerage, corporate finance, securities sales and trading, asset management, private equity, and over-the-counter derivatives. CMSI Group have maintained multiple licenses, including licenses for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), and Type 9 (asset management) regulated activities as defined under the SFO.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(ii) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters);

(iii) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares to be subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(iv) no laws shall have been enacted or promulgated by any governmental authorities which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

SHARE CAPITAL

Immediately before the Global Offering

As of the Latest Practicable Date, our share capital was RMB370,000,000, divided into 370,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

Upon the Completion of the Global Offering

Immediately following the completion of the Global Offering assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the share capital
Unlisted Shares in issue[1]	144,155,700	33.12%
H Shares converted from Unlisted Shares[1]	225,844,300	51.88%
H Shares to be issued pursuant to the Global Offering	65,294,200	15.00%
Total	**435,294,200**	**100.00%**

Assuming the Over-allotment Option is exercised in full, the share capital of our Company upon completion of the Global Offering will be as follows:

Description of Shares	Number of Shares	Approximate % of the share capital
Unlisted Shares in issue[1]	144,155,700	32.39%
H Shares converted from Unlisted Shares[1]	225,844,300	50.74%
H Shares to be issued pursuant to the Global Offering	75,088,300	16.87%
Total	**445,088,300**	**100.00%**

Note:

(1) See "History, Development and Corporate Structure — Conversion of Unlisted Shares to H Shares for details of the Unlisted Shares and the H Shares converted from Unlisted Shares".

SHARES OF OUR COMPANY

The H Shares, to be issued following the completion of the Global Offering and converted from the Unlisted Shares, and the Unlisted Shares are ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, investors of the PRC. H Shares may only be subscribed for and traded in Hong Kong dollars.

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in the paragraph headed "Conversion of Unlisted Shares to H Shares" and "Capitalization of our Company" in the History, Development and Corporate Structure section in this prospectus and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the approvals of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, before any proposed conversion after the Global Offering, we will apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the listing of additional Shares after the Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our listing in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

RESTRICTIONS OF SHARE TRANSFER

The PRC Company Law provides that in relation to the public share offering of a company, the shares of the company which have been issued prior to the offering shall not be transferred within one year from the date of the listing. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and shall not be transferred for a period of one year from the Listing Date.

Our Directors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the Shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of our Company.

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see "Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering — Undertaking to the Stock Exchange pursuant to the Listing Rules — Undertaking by our Controlling Shareholders".

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which our general Shareholders' meeting is required, see "Appendix V — Summary of Articles of Association".

You should read the following discussion and analysis of our financial conditions and results of operations in conjunction with our consolidated financial statements as of and for each of the years ended December 31, 2023, 2024 and 2025, and the accompanying notes included in the Accountants' Report set out in Appendix I to this prospectus. The Accountants' Report has been prepared in accordance with HKFRS. Potential investors should read the Accountants' Report set out in Appendix I to this prospectus in its entirety and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see "Risk Factors."

OVERVIEW

We are a provider of CMOS image sensors. Since our establishment, we have been focusing on the research and development of CMOS image sensors, offering nine major product series widely applicable to advanced technology fields such as industrial imaging, scientific imaging, professional photography and video, and medical imaging. Our products play a vital role in enhancing the performance and imaging quality of industrial cameras, scientific cameras, professional cinema cameras, and other imaging devices. According to Frost & Sullivan, the global CIS market is projected to accelerate its growth from 2024 to 2029, with total revenue expected to rise from RMB139.1 billion in 2024 to RMB210.3 billion in 2029, corresponding to a CAGR of approximately 8.6%. According to Frost & Sullivan, in terms of industrial imaging revenue in 2024, we ranked third among global CIS companies, accounting for 15.2% of the global market share. In addition, in terms of scientific imaging revenue in 2024, we ranked third among global CIS companies, accounting for 16.3% of the global market share. The industrial imaging and scientific imaging CIS markets are dominated by a few international and regional leaders. In terms of revenue in 2024, industrial imaging and scientific imaging CIS markets accounted for approximately 2.1% and 0.8% of the global CIS market, respectively.

During the Track Record Period, we achieved revenue growth and profitability. Our revenue increased by 11.3% from RMB604.8 million in 2023 to RMB673.0 million in 2024, and further increased by 27.3% to RMB856.5 million in 2025. For the three years ended December 31, 2025, we recorded a gross profit of RMB384.0 million, RMB396.9 million and RMB573.3 million, respectively, with gross profit margin of 63.5%, 59.0% and 66.9%, respectively. We recorded net profits of RMB169.8 million, RMB197.0 million and RMB293.1 million, for the three years ended December 31, 2025. Our operating cash flow remained consistently positive with steady growth, increasing from RMB208.3 million in 2023 to RMB224.8 million in 2024, and further to RMB466.3 million in 2025.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025 together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information. The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which have been measured at fair value.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATION

The following factors are the principal factors that have affected and will continue to affect our business, financial condition, results of operations and prospects.

Our continuous investment in R&D facilities and talents

Leveraging our robust R&D team and technology platform which has undergone continual iterations and refinement, we consistently dedicated ourselves to the development and design of CMOS image sensors. Through our in-house R&D efforts, we have mastered a range of mature technologies and know-how covering the entire product lifecycle, from design and validation testing to quality control and mass production. Our R&D team have long been engaged in the development of CMOS image sensors and have undertaken and successfully completed numerous national and provincial-level research projects, accumulating extensive experience in both the R&D and industrialization of CMOS image sensor technologies. As a technology-driven company, we have dedicated, and will continue to dedicate, significant resources in research and development, to keep pace with technological developments, evolving standards and competition in the CMOS image sensor market. In 2023, 2024 and 2025, we incurred R&D expenses of RMB131.5 million, RMB130.2 million and RMB186.2 million, respectively, accounting for 21.7%, 19.3% and 21.7%, respectively, of our revenue for the corresponding periods. Going forward, we will continue to invest resources in R&D to support the long-term growth of our business.

The growth of our business depends largely on our R&D talents. We are supported by a robust R&D team comprising industry veterans with extensive experience in the industry. Our R&D teams in Changchun, Hangzhou, and Dalian maintain a highly collaborative and synergistic working relationship, leveraging their respective expertise to drive innovation in advanced imaging technologies. In addition, we established Gpixel Japan in 2016 and Gpixel Belgium in 2018, enabling us to expand our R&D capabilities by recruiting local professionals and closely integrating them with our domestic teams. Through these efforts, we have built an international R&D department that provides a solid foundation for the continuous advancement of our technologies and products. As of December 31, 2025, our R&D team is comprised of 226 members, representing approximately 48.6% of our total employees. All of our R&D members hold a bachelor's degree or higher, and 73.9% hold a master's degree or higher with most specializing in electronic engineering. We will continue to invest resources to attract more talented R&D personnel and further improve our sensor design capabilities.

Our product offerings and diversification of our product mix

We offer a comprehensive range of CMOS image sensors products and customized sensor solutions, catering to the needs of enterprise customers. As of the Latest Practicable Date, we had developed nine series of CMOS image sensors primarily designed for high-tech applications such as industrial imaging, scientific imaging, professional photography and video, and medical imaging. In 2023, 2024 and 2025, our revenue attributable to sales of CMOS image sensors amounted to RMB505.0 million, RMB510.3 million and RMB794.7 million, respectively, and accounted for approximately 83.5%, 75.8% and 92.8% of our total revenue for the corresponding periods. To meet the specialized requirements of some of industry-leading customers, we also offer customized CMOS image sensor solutions. These tailored services encompass feasibility studies, detailed sensor design, ceramic packaging design, electronic system development, prototype fabrication, functional testing, and reliability verification. In 2023, 2024 and 2025, our revenue attributable to customized sensor solutions amounted to RMB98.4 million, RMB162.2 million and RMB61.2 million, respectively, and accounted for approximately 16.3%, 24.1% and 7.1% of our total revenue for the corresponding periods.

The scale of our business and the growth of our total revenue are largely driven by the expansion, breadth and diversification of our product offerings. Within each product line, we strive to continually expand and upgrade our offerings to provide comprehensive and high-quality solutions for our customers. During the Track Record Period, fluctuations in our gross profit margin were partially attributable to changes in our product mix, the scale of our product offerings and the iterations and upgrades of our products. By leveraging our diversified product offerings and our business model, equipped with end-to-end operational capabilities, we are able to offer customers a variety of product combinations, which we expect to create potential business growth opportunities. We anticipate that our results of operations and profitability will continue to be influenced by the growth and mix of our product offerings.

Our ability to expand the application scenarios of our products

Our CMOS image sensors serve a broad range of applications, currently covering four major application scenarios, including industrial imaging, scientific imaging, professional photography and video and medical imaging, with continuous expansion into new scenarios. Our industrial imaging solutions emphasize on market-driven optimization, where we tailor sensors for specific industrial use cases (e.g., semiconductor inspection, high-speed production lines, etc.), balancing speed, power efficiency and robustness. Our scientific imaging solutions are focused on pushing technological boundaries where we prioritize breakthrough innovations (e.g., ultra-low-light detection) to serve advanced research and instrumentation. Our professional photography and video have core R&D focus on wide dynamic range, low-light performance and color fidelity, enabling high-quality imaging in challenging environments. Our medical imaging solutions focus on sensor customization for endoscopy and medical X ray applications. Revenue from industrial imaging solutions amounted to RMB327.5 million in 2023, RMB446.6 million in 2024 and RMB639.0 million in 2025, accounting for 54.2%, 66.3% and 74.6% of our total revenue for the respective periods. Revenue from scientific imaging solutions amounted to RMB254.0 million in 2023, RMB192.4 million in 2024 and RMB204.3 million in the 2025, accounting for 42.0%, 28.6% and 23.9% of our total revenue for the respective periods. While our professional photography and video, and medical imaging still contribute relatively small portion of our revenue, we expect these and other specialized imaging applications across high-tech industries will contribute more to our revenue as our market shares in these scenarios increase.

Our ability to manage and improve our operational efficiency

Our ability to manage and improve our operational efficiency significantly affects our profitability and results of operations. Our operating expenses primarily comprised research and development expenses, selling expenses and administrative expenses.

The effectiveness of our branding and marketing activities is critical to our financial performance. In terms of sales and marketing strategy, we employ a primarily direct sales supplemented by distributorship model. Given the high technology nature of our products, which require deep technical understanding, we primarily leverage our dedicated sales team to engage with end customers directly, particularly in industrial imaging, scientific imaging, as well as other specialized imaging applications across high-tech industries. Our selling expenses increased from RMB22.7 million in 2023 to RMB27.9 million in 2024, and further increased to RMB29.4 million in 2025. As we expand the scale and scope of our business, we anticipate that our selling expenses will continue to increase in absolute amounts. We are committed to continuously improving our selling and distribution efficiency and benefiting from economies of scale.

The effectiveness of management activities is crucial to the success of our business. Our administrative expenses amounted to RMB62.2 million, RMB64.7 million and RMB84.1 million in 2023, 2024 and 2025, respectively. We aim to further optimize our management structure to enhance our operational and management efficiencies, ultimately improving our financial performance.

Our relationship with our major suppliers

We operate under a fabless business model, which means we focus exclusively on the design, development, and sales of CMOS image sensors while outsourcing the manufacturing processes to world-class production partners. Please see "Business — Production and Procurement" for details of our relationship with our production partners. Therefore, our ability to maintain long-term stable business relationship with our production partners to provide us with quality and price competitive foundry-manufactured wafers on a timely basis is crucial for our business development and results of operations. By partnering with world-class wafer manufacturers like Tower and DB HiTek, we avoid substantial capital expenditures and operational complexities associated with owning and maintaining fabrication facilities. This model also allows us to benefit from the advanced technologies and economies of scale that our suppliers bring to the table, ensuring that our CMOS image sensors remain competitive in a rapidly evolving market. The purchases from our top five suppliers in each year during the Track Record Period amounted to approximately RMB240.5 million, RMB120.6 million and RMB274.7 million, representing approximately 74.7%, 63.7% and 70.5% of our total purchase amount for the respective year.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 2.3 to the Accountants' Report in Appendix I to this prospectus sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating 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 results of operations. For details, see Note 3 to the Accountants' Report in Appendix I to this prospectus.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss, with line items in absolute amounts and as percentages of our revenue for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Revenue	604,835	100.0	673,048	100.0	856,513	100.0
Cost of sales	(220,881)	(36.5)	(276,186)	(41.0)	(283,232)	(33.1)
Gross profit	383,954	63.5	396,862	59.0	573,281	66.9
Other income and gains	29,542	4.9	55,161	8.2	58,150	6.8
Selling expenses	(22,653)	(3.7)	(27,858)	(4.1)	(29,446)	(3.4)
Administrative expenses	(62,196)	(10.3)	(64,721)	(9.6)	(84,060)	(9.8)
Research and development expenses	(131,546)	(21.7)	(130,215)	(19.3)	(186,168)	(21.7)
Impairment losses on trade receivables, net	(1,948)	(0.3)	(2,128)	(0.3)	(6,276)	(0.7)
Other expenses	(919)	(0.2)	(3,154)	(0.5)	(9)	(0.0)
Finance costs	(1,372)	(0.2)	(868)	(0.1)	(790)	(0.1)
Share of losses of associates	(2,371)	(0.4)	(2,243)	(0.3)	(561)	(0.1)
Profit before tax	190,491	31.5	220,836	32.8	324,121	37.8
Income tax expense	(20,644)	(3.4)	(23,854)	(3.5)	(30,975)	(3.6)
Profit and total comprehensive income attributable to the:						
Profit for the year	169,847	28.1	196,982	29.3	293,146	34.2
Owners of the parent	174,199	28.8	198,675	29.5	294,182	34.3
Non-controlling interests	(4,352)	(0.7)	(1,693)	(0.3)	(1,036)	(0.1)

NON-HKFRS MEASURE

To supplement our consolidated financial statements presented in accordance with HKFRS, we also use a non-HKFRS measure, namely adjusted net profit (non-HKFRS measure), as an additional financial measure, which is not required by or presented in accordance with HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under HKFRS.

We define adjusted net profit (non-HKFRS measure) as profit excluding the effects of share-based payments expense and listing expenses. Share-based payments expense is non-cash in nature and are employee related expenses arising from grant of shares under our employee incentive scheme. The adjustments have been consistently made during the Track Record Period. The following table sets forth the reconciliation of net profit to adjusted net profit (non-HKFRS measure) for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	169,847	196,982	293,146
Add:			
Share-based payments expense	52,877	52,252	60,310
Listing expenses	—	—	15,815
Adjusted net profit (non-HKFRS measure)	**222,724**	**249,234**	**369,271**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue primarily from sales of CMOS image sensors and customized sensor solutions to our customers. The following table sets forth a breakdown of our revenue by pixel arrangement and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
CMOS Image Sensors[(1)]	**505,038**	**83.5**	**510,330**	**75.8**	**794,663**	**92.8**
Area array sensors	409,569	67.7	414,862	61.6	621,390	72.5
Linear array sensors	87,169	14.4	81,790	12.2	132,625	15.5
Other components	8,300	1.4	13,678	2.0	40,648	4.8
Customized Sensor Solutions	**98,366**	**16.3**	**162,197**	**24.1**	**61,182**	**7.1**
Others[(2)]	**1,431**	**0.2**	**521**	**0.1**	**668**	**0.1**
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note:

(1) CMOS Image Sensor refers to our standard product.

(2) Others include sale of raw materials and provision of other CIS aging test and other testing services as required by customers from time to time. At the request of some customers, we occasionally sell small number of raw materials such as sockets, connectors and packaging materials to them that are used for post-processing of CIS and R&D purposes. For the years ended December 31, 2023, 2024 and 2025, revenue from the sale of raw materials amounted to RMB1.4 million, RMB0.3 million and RMB0.5 million, while revenue from other services for the same periods was RMB18,645, RMB0.2 million and RMB0.1 million, respectively. The fluctuations in our revenue from others were driven by the change in customer demand, and the amount of our other income is expected to remain low in the future.

CMOS image sensors. We have developed a comprehensive portfolio of CMOS image sensors. The sales of CMOS image sensors represent our primary source of revenue. For the three years ended December 31, 2025, our revenue attributable to sales of high-performance CMOS image sensors amounted to RMB505.0 million, RMB510.3 million and RMB794.7 million, respectively, and accounted for approximately 83.5%, 75.8% and 92.8% of our total revenue.

Customized sensor solutions. To meet the specialized requirements of some of our industry-leading customers, we also offer customized CMOS image sensor solutions. For the three years ended December 31, 2025, our revenue attributable to customized sensor solutions amounted to RMB98.4 million, RMB162.2 million and RMB61.2 million, respectively, and accounted for approximately 16.3%, 24.1% and 7.1% of our total revenue.

The following table presents the sales volume in thousand units and average selling price per unit of our CMOS image sensors during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume (thousand units)	*Average Selling Price (RMB per unit)*	*Sales volume (thousand units)*	*Average Selling Price (RMB per unit)*	*Sales volume (thousand units)*	*Average selling price (RMB per unit)*
Area array sensors	129	3,175	206	2,014	392	1,585
Optical format ≤1”	39	792	118	442	204	315
1″< optical format ≤ APS-C	75	2,665	74	2,135	162	1,489
Optical format ＞APS-C	15	11,920	14	14,626	26	12,145
Linear array sensors	84	1,038	155	528	200	663
Other components	3	2,767	33	414	23	1,767
Total	**216**	**2,338**	**394**	**1,295**	**615**	**1,292**

Sales volume of our CMOS image sensors increased during the Track Record Period, primarily due to the strong demand in downstream application scenarios. The average selling price for our CMOS image sensors experienced a decrease during the Track Record Period, primarily due to the variations of product mix. For example, with respect to area array sensors, we launched certain GMAX series sensor in November 2022, which has lower cost and thus lower selling price compared to the average selling price of our area array sensors, targeting to mainstream applications such as factory automation, positioning, barcode, and automatic number plate recognition applications. The decrease in the average selling price of our area array sensors was further driven by our offering of bulk pricing discount as our customers purchased more of our sensors. In particular, during the Track Record Period, the average selling price of our area array sensors with optical format less than or equal to 1” amounted to RMB792, RMB442 and RMB315 respectively, while the sales volume of our area array sensors with optical format less than or equal to 1” amounted to 39 thousand units, 118 thousand units and 204 thousand units, respectively. During the Track Record Period, the average selling price of our area array sensors with optical format less than or equal to APS-C amounted to RMB2,665, RMB2,135 and RMB1,489 respectively, while the sales volume of our area array sensors with optical format less than or equal to APS-C amounted to 75 thousand units, 74 thousand units and 162 thousand units, respectively. During the Track Record Period, the average selling price of our area array sensors with optical format greater than APS-C amounted to RMB11,920, RMB14,626 and RMB12,145, respectively, while the sales volume of our area array sensors with optical format greater than APS-C amounted to 15 thousand units, 14 thousand units and 26 thousand units, respectively.

The decrease in the average selling price of our linear array sensors from 2023 to 2024 was primarily driven by the increased sales volume of our newly-launched linear array sensors, particularly an 8K sensor addressing the needs of lithium battery and PCB inspection applications, and a 2K sensor for color sorting application, which have lower cost and thus lower selling price compared to previous average selling price of linear array sensors.

The following table presents the number of projects and average selling price of each project of our customized sensor solutions during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	Number of projects	*Average Selling Price (RMB'000 per project)*	*Number of projects*	*Average Selling Price (RMB'000 per project)*	*Number of projects*	*Average Selling Price (RMB'000 per project)*
Customized sensor solutions	**21**	**4,684**	**28**	**5,793**	**16**	**3,824**

The number of projects of our completed customized sensor solutions increased from 2023 to 2024, as our experienced CMOS image sensor design and development team closely collaborate with leading industry players in customizing sensor design with diverse technical specifications and application scenarios. The average selling price per project increased from 2023 to 2024. The increase in the average selling price per project of 2024 was mainly due to six projects with each contract amount over RMB10 million in 2024. The number of projects completed decreased to 16 in 2025 and the average selling price per project decreased from 5,793 thousand in 2024 to 3,824 thousand in 2025, primarily because that the progress of customized sensor solution is subject to period-to-period uncertainty, which has only two projects with each contract amount exceeding RMB10 million in 2025, and more research and development resources was allocated in research and development projects in 2025. As of February 28, 2026, the aggregate backlog of our customized sensor solution project was approximately RMB299.9 million.

Revenue by geographical locations

The following table sets forth our revenue breakdown by geographical location, each expressed in absolute amount and as a percentage of our total revenue, for the period indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	424,367	70.2	497,844	74.0	659,968	77.1
Europe[(1)]	73,760	12.2	69,658	10.3	84,898	9.9
Japan	32,592	5.4	34,434	5.1	30,495	3.6
Canada	32,724	5.4	25,327	3.8	30,827	3.6
South Korea	8,910	1.5	23,111	3.4	20,793	2.4
U.S.	19,141	3.2	16,995	2.5	23,411	2.7
Others[(2)]	13,341	2.1	5,679	0.8	6,121	0.7
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Notes:

(1) Germany, the U.K. and the Netherlands are our major markets in Europe.

(2) Include Hong Kong, Israel, Taiwan and other countries/regions.

The Chinese Mainland market has been a focus in our business development since inception. Sales from the Chinese Mainland market increased from RMB424.4 million in 2023 to RMB497.8 million in 2024, and increased to RMB660.0 million in 2025, accounting for 70.2%, 74.0% and 77.1% of our total revenue for the respective periods.

Revenue by application scenarios

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Industrial imaging	327,524	54.2	446,550	66.3	638,980	74.6
Scientific imaging	253,952	42.0	192,405	28.6	204,304	23.9
Professional photography and video	13,629	2.3	9,807	1.5	9,517	1.1
Medical imaging	—	—	20,236	3.0	474	0.1
Others *(Note)*	9,730	1.5	4,050	0.6	3,238	0.3
Total	**604,835**	**100.0**	**673,048**	**100.0**	**856,513**	**100.0**

Note: Include sales of evaluation boards, wafers and other raw materials, and provision of testing services.

Revenue from industrial imaging solutions amounted to RMB327.5 million in 2023, RMB446.6 million in 2024 and RMB639.0 million in 2025, accounting for 54.2%, 66.3% and 74.6% of our total revenue for the respective periods. The increases in our revenue from industrial imaging solutions are primarily driven by the strong demand in downstream industrial imaging applications. Revenue from scientific imaging solutions amounted to RMB254.0 million in 2023, RMB192.4 million in 2024 and RMB204.3 million in 2025, accounting for 42.0%, 28.6% and 23.9% of our total revenue for the respective periods. The decreases in our revenue from scientific imaging solutions are primarily as a result of demand fluctuations of research institution customers. Revenue from professional photography and video solutions amounted to RMB13.6 million in 2023, RMB9.8 million in 2024 and RMB9.5 million in 2025, accounting for 2.3%, 1.5% and 1.1% of our total revenue for the respective periods. Revenue from medical imaging solutions amounted to nil in 2023, RMB20.2 million in 2024 and RMB474 thousand in 2025, accounting for nil, 3.0% and 0.1% of our total revenue for the respective periods.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated both in absolute amount and as a percentage of our total cost of sales, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Raw materials	137,534	62.3	169,734	61.5	202,843	71.6
Employee compensation and benefits	30,778	13.9	60,588	21.9	25,385	9.0
Outsourced services	25,154	11.4	21,721	7.9	30,337	10.7
Impairment losses on inventories	20,996	9.5	10,743	3.9	18,087	6.4
Other costs	6,419	2.9	13,400	4.8	6,580	2.3
Total	**220,881**	**100.0**	**276,186**	**100.0**	**283,232**	**100.0**

The following table sets forth a breakdown of our cost of sales by product type for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
CMOS						
Image Sensors	**160,823**	**72.8**	**177,186**	**64.2**	**254,250**	**89.8**
Area array sensors	117,323	53.1	135,839	49.2	201,174	71.0
Linear array sensors	40,532	18.4	37,586	13.6	44,691	15.8
Other components	2,968	1.3	3,761	1.4	8,385	3.0
Customized Sensor Solutions	**59,038**	**26.7**	**98,805**	**35.7**	**28,769**	**10.1**
Others	**1,020**	**0.5**	**195**	**0.1**	**213**	**0.1**
Total	**220,881**	**100.0**	**276,186**	**100.0**	**283,232**	**100.0**

Gross Profit and Gross Profit Margin

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*Gross profit margin (%)*	*RMB'000*	*Gross profit margin (%)*	*RMB'000*	*Gross profit margin (%)*
CMOS						
Image Sensors	**344,215**	**68.2**	**333,144**	**65.3**	**540,413**	**68.0**
Area array sensors	292,246	71.4	279,023	67.3	420,216	67.6
Linear array sensors	46,637	53.5	44,204	54.0	87,934	66.3
Other components	5,332	64.2	9,917	72.5	32,263	79.4
Customized Sensor Solutions	**39,328**	**40.0**	**63,392**	**39.1**	**32,413**	**53.0**
Others	**411**	**28.7**	**326**	**62.6**	**455**	**68.1**
Total	**383,954**	**63.5**	**396,862**	**59.0**	**573,281**	**66.9**

Our gross profit amounted to RMB384.0 million, RMB396.9 million and RMB573.3 million in 2023, 2024 and 2025, respectively. Our gross profit margin for 2023, 2024 and 2025 was 63.5%, 59.0% and 66.9% respectively.

Our gross profit margin remained at a relatively high level through the Track Record Period. Our gross profit margin of sales of CMOS image sensors decreased from 68.2% in 2023 to 65.3% in 2024, primarily due to (i) our offering of bulk pricing discount as our customers purchased more products. Such bulk pricing discounts arise from our established tier-based pricing mechanism under which unit prices decrease in accordance with pre-determined quantity tiers (e.g., 1–19 units, 20–99 units, 100–199 units, 200–499 units, 500–999 units and 1,000–5,000 units and result in an effective discount of around 8% for highest-volume purchases compared with lowest-volume purchase); and (ii) the relatively low profit margin of certain products addressing mainstream applications due to lower market barriers and more intense price competition. The decrease in gross profit margin from 2023 to 2024 was also attributable to our expansion from high-end market to mainstream market, including areas such as factory automation, positioning and barcode reader *(Note)*. For each year during the Track Record Period, the sales volume of mainstream products were 83,911 units, 231,025 units and 392,691 units, and revenue generated from sales of mainstream products amounted to RMB20.6 million, RMB43.1 million and RMB89.7 million, representing approximately 3.4%, 6.4% and 10.5% of our total revenue for the respective periods. Our gross profit margin of sales of CMOS image sensors increased from 65.3% in 2024 to 68.0% in 2025, primarily due to increase in gross profit margin from linear array sensors as we delivered more high-end linear array sensors with higher average selling price in 2025.

Our gross profit margin of sales of customized sensor solutions remained relatively stable at 40.0% in 2023 and 39.1% in 2024. Our gross profit margin of sales of customized sensor solutions increased from 39.1% in 2024 to 53.0% in 2025, primarily due to the completion of two major projects with high gross profit margins in October 2025.

Our gross profit margin of sales in Chinese Mainland amounted to 61.0%, 54.8% and 65.7% for the years ended December 31, 2023, 2024 and 2025. Our gross profit margin of sales from other regions were largely consistent, and amounted to 69.4%, 70.7% and 71.0% for the years ended December 31, 2023, 2024 and 2025.

The following table sets forth our gross profit and gross profit margin breakdown by our major application scenarios during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit (RMB'000)	*Gross profit margin %*	*Gross profit (RMB'000)*	*Gross profit margin %*	*Gross profit (RMB'000)*	*Gross profit margin %*
Industrial imaging	191,128	58.4	244,331	54.7	406,802	63.7
Scientific imaging	179,725	70.8	141,421	73.5	158,691	77.7
Professional photography and video & Medical imaging	8,242	60.5	8,935	29.7	6,260	62.7
Others	4,859	49.9	2,175	53.7	1,528	47.2
Total	**383,954**	**63.5**	**396,862**	**59.0**	**573,281**	**66.9**

Note:

The rationale for expanding into the mainstream market was to increase our sales volume, and thereby boost our revenue and support financial growth. To this end, we are upgrading our packaging and testing capabilities through automation, expanding its engineering team, and increasing procurement from key suppliers to enhance supply chain relationships, quality and operational efficiency for future market expansion.

Other Income and Gains

The following table sets forth a breakdown of the components of our other income and gains in absolute amounts for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Government grants	15,843	53.6	33,151	60.1	33,984	58.4
Bank interest income	11,213	38.0	12,995	23.6	13,064	22.5
Investment income from financial assets at fair value through profit or loss	1,262	4.3	3,607	6.5	6,278	10.8
Other gains	667	2.3	4,680	8.5	4,632	7.9
Others	557	1.9	728	1.3	192	0.4
Total	**29,542**	**100.0**	**55,161**	**100.0**	**58,150**	**100.0**

During the Track Record Period, our government grants amounted to RMB15.8 million, RMB33.2 million and RMB34.0 million, respectively. The increase in our government grants in 2024 was due to a number of innovation, research and development subsidies and other grants received by us, primarily including (i) a research and development subsidy received by Gpixel Belgium; (ii) a value-added tax additional deductions received by our Company; (iii) an industrial support subsidy received by Gpixel Hangzhou; and (iv) a government grant received by our Company.

Selling Expenses

Our selling expenses amounted to RMB22.7 million, RMB27.9 million and RMB29.4 million in 2023, 2024 and 2025, respectively. Our selling expenses represented 3.7%, 4.1% and 3.4% of our revenue in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of the major components of our selling expenses, in absolute amounts and as percentages of our total selling expenses, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Salaries and bonus	8,419	37.2	10,971	39.4	12,283	41.7
Professional service fees	6,373	28.1	5,672	20.4	6,654	22.6
Share-based payments expense	4,300	19.0	6,714	24.1	6,700	22.8
Marketing expenses	1,929	8.5	2,577	9.3	1,840	6.2
Depreciation and amortization expenses	436	1.9	614	2.2	696	2.4
Others	1,196	5.3	1,310	4.6	1,273	4.3
Total	**22,653**	**100.0**	**27,858**	**100.0**	**29,446**	**100.0**

Administrative Expenses

Our administrative expenses amounted to RMB62.2 million, RMB64.7 million and RMB84.1 million in 2023, 2024 and 2025, respectively. Our administrative expenses represented 10.3%, 9.6% and 9.8% of our revenue in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of the components of our administrative expenses, in absolute amounts and as percentages of our total administrative expenses, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Salaries and bonus	25,983	41.8	28,986	44.8	32,129	38.2
Listing expenses	—	—	—	—	15,815	18.8
Share-based payments expense	10,293	16.5	11,599	17.9	12,459	14.8
Depreciation and amortization expenses	5,041	8.1	5,372	8.3	5,378	6.4
Professional service fees	6,904	11.1	4,299	6.6	1,926	2.3
Office and travel expenses	3,791	6.1	2,397	3.7	2,430	2.9
Lease expenses	756	1.2	574	0.9	386	0.5
Taxes and charges	3,801	6.1	5,847	9.0	8,599	10.2
Others	5,627	9.1	5,647	8.8	4,938	5.9
Total	**62,196**	**100.0**	**64,721**	**100.0**	**84,060**	**100.0**

Research and Development Expenses

Our research and development expenses amounted to RMB131.5 million, RMB130.2 million and RMB186.2 million in 2023, 2024 and 2025, respectively. Our research and development expenses represented 21.7%, 19.3% and 21.7% of our revenue in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of the components of our research and development expenses, in absolute amounts and as percentages of our total research and development expenses, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Salaries and bonus	56,706	43.1	68,397	52.5	93,234	50.1
Share-based payments expense	25,810	19.6	24,331	18.7	35,436	19.0
Mask and tooling charges	21,922	16.7	11,688	9.0	15,731	8.4
Depreciation and amortization expenses	10,440	7.9	10,786	8.3	16,018	8.6
Materials expenses	9,250	7.0	5,293	4.1	10,152	5.5
Professional service fees	4,345	3.3	3,391	2.6	6,419	3.4
Others	3,073	2.4	6,329	4.8	9,178	5.0
Total	**131,546**	**100.0**	**130,215**	**100.0**	**186,168**	**100.0**

Impairment losses on trade receivables

We recorded impairment losses on trade receivables, net of RMB1.9 million, RMB2.1 million and RMB6.3 million in 2023, 2024 and 2025, respectively.

Other expenses

Our other expenses primarily relate to foreign exchange losses, net. Our other expenses amounted to RMB0.9 million, RMB3.2 million and RMB9 thousand in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs amounted to RMB1.4 million, RMB0.9 million and RMB0.8 million in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of the major components of our finance costs, in absolute amounts and as percentages of our finance costs, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Interest on discounted notes receivable	729	53.1	236	27.2	427	54.1
Interest on lease liabilities	643	46.9	632	72.8	363	45.9
Total	**1,372**	**100.0**	**868**	**100.0**	**790**	**100.0**

Share of losses of associates

Share of losses of associate primarily our share of losses from our investments in unlisted companies. We recorded share of losses of associates of RMB2.4 million, RMB2.2 million and RMB0.6 million in 2023, 2024 and 2025, respectively.

Income Tax Expense

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. We recorded income tax expense of RMB20.6 million, RMB23.9 million and RMB31.0 million in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, we did not have any disputes with any tax authorities.

We are subject to income tax at the entity level based on profits arising in, or derived from, the jurisdictions in which members of the Group are domiciled and operate. For a detailed discussion of the applicable income tax of the entities within our Group, please refer to Note 10 to the Accountants' Report in Appendix I of this prospectus.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2025

Revenue

Our total revenue increased by 27.3% from RMB673.0 million in 2024 to RMB856.5 million in 2025, primarily due to (i) increase in revenue from sales of area array sensors driven by the strong demand in the industrial imaging applications; and (ii) increase in revenue from sales of linear array sensors resulting from a higher sales volume as well as a higher average selling price as more high-end linear array sensors were delivered in 2025.

Sales of CMOS image sensors

Revenue from our sales of CMOS image sensor increased by 55.7% from RMB510.3 million in 2024 to RMB794.7 million in 2025.

Revenue from our sales of our area array sensors increased by 49.8% from RMB414.9 million in 2024 to RMB621.4 million in 2025, primarily due to the increase in sales volume from 206 thousand units in 2024 to 392 thousand units in 2025, offsetting the decrease in average selling price from RMB2,014 in 2024 to RMB1,585 in 2025. The increase in sales of volume of our area array sensors was primarily as a result of the increased demand in industrial imaging applications, such as high-end industrial inspection, lithium battery inspection and logistics bar code scanning. Revenue from our sales of our linear array sensors increased by 62.1% from RMB81.8 million in 2024 to RMB132.6 million in 2025, primarily due to the increase in sales volume from 155 thousand units in 2024 to 200 thousand units in 2025 and the increase in average selling price from RMB528 in 2024 to RMB663 in 2025.

Customized sensor solutions

Revenue from our customized sensor solutions decreased by 62.3% from RMB162.2 million in 2024 to RMB61.2 million in 2025, primarily due to the number of projects of our customized sensor solutions and average selling price per project both decreased. The number of projects of our customized sensor solutions decreased from 28 projects in 2024 to 16 projects in 2025, as we allocated substantial research and development resources to the development of new standard products. The average selling price per project decreased from RMB5,793 thousand in 2024 to RMB3,824 thousand in 2025, primarily because only two projects with each contract amount exceeding RMB10 million in 2025, and more research and development resources was allocated in research and development projects in 2025.

Cost of Sales

Our cost of sales remained relatively stable at RMB276.2 million and RMB283.2 million in 2024 and 2025, respectively.

Gross Profit and Gross Margin

We recorded gross profit of RMB396.9 million in 2024 and RMB573.3 million in 2025. We recorded overall gross profit margin of 59.0% in 2024 and 66.9% in 2025.

Our gross profit margin of sales of CMOS image sensors increased from 65.3% in 2024 to 68.0% in 2025, primarily due to increase in gross profit margin from linear array sensors. Our gross profit margin of sales of area array sensors remained relatively stable at 67.3% in 2024 and 67.6% in 2025. Our gross profit of sales of linear array sensors increased from 54.0% in 2024 to 66.3% in 2025 primarily because a higher proportion of revenue was generated from sales of high-end products in 2025, with average selling price increased from RMB528 per unit to RMB663 per unit. Our gross profit margin of sales of customized sensor solutions increased from 39.1% in 2024 with higher average selling price to 53.0% in 2025, primarily due to the completion of two major projects with high gross profit margins in October 2025.

Other Income and Gains

Our other income and gains remained relatively stable at RMB55.2 million in 2024 and RMB58.2 million in 2025.

Selling Expenses

Our selling expenses remained relatively stable at RMB27.9 million in 2024 and RMB29.4 million in 2025.

Administrative Expenses

Our administrative expenses increased by 30.0% from RMB64.7 million in 2024 to RMB84.1 million in 2025, primarily due to an increase of RMB15.8 million in listing expenses.

Research and Development Expenses

Our research and development expenses increased by 43.0% from RMB130.2 million in 2024 to RMB186.2 million in 2025, primarily due to (i) an increase of RMB24.8 million in salaries and bonuses resulting from higher average compensation and an increase in the number of R&D personnel; and (ii) an increase of RMB11.1 million in share-based payments expense.

Impairment Losses on Trade Receivables

Our impairment losses on trade receivable increased by 200.0% from RMB2.1 million in 2024 to RMB6.3 million in 2025, primarily due to a long payment process by certain research institution customers as some research institution customers have longer project cycles.

Other Expenses

Our other expenses decreased by 99.7% from RMB3.2 million in 2024 to 9 thousand in 2025, primarily due to decrease in foreign exchange losses.

Finance Costs

Our finance costs remained relatively stable at RMB0.9 million in 2024 to RMB0.8 million in 2025.

Income Tax Expenses

Our income tax expenses increased by 29.7% from RMB23.9 million in 2024 to RMB31.0 million in 2025, primarily due to increase in profit before tax.

Profit for the Period

As a result of the foregoing, particularly the increase in our gross margin further driven by the growth in our revenue, our net profit increased from RMB197.0 million in 2024 to RMB293.1 million in 2025.

Adjusted Net Profit for the Period (non-HKFRS Measure)

As a result of the foregoing, particularly the increase in our profit, our adjusted net profit (non-HKFRS measure) increased by 48.2% from RMB249.2 million in 2024 to RMB369.3 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our total revenue increased by 11.3% from RMB604.8 million in 2023 to RMB673.0 million in 2024, primarily due to (i) the increase in our revenue from customized sensor solutions as we provided more customized services to customers and we completed six customized solution projects with each contract amount over RMB10 million in 2024 and (ii) the increase in our revenue from industrial imaging solutions further driven by the strong demand in downstream industrial imaging applications.

Sales of CMOS image sensors

Revenue from our sales of CMOS image sensors remained relatively stable at RMB510.3 million in 2024 compared to RMB505.0 million in 2023.

Revenue from our sales of our area array sensors remained relatively stable at RMB414.9 million in 2024 compared to RMB409.6 million in 2023. Revenue from our sales of our linear array sensors decreased by 6.2% from RMB87.2 million in 2023 to RMB81.8 million in 2024, primarily due to the decrease in average selling price of linear array sensors from approximately RMB1,038 per unit in 2023 to approximately RMB528 per unit in 2024, as a result of a variations of production mix, particularly the selling of certain sensors with low selling prices. The decrease of average selling price of our linear array sensors was partially offset by an increase of sales volume from approximately 84 thousand units in 2023 to approximately 155 thousand units in 2024.

Customized sensor solutions

Revenue from our customized sensor solutions increased by 64.9% from RMB98.4 million in 2023 to RMB162.2 million in 2024, primarily due to increase demand in downstream application of industrial imaging and medical imaging solutions as a result of our close collaboration with customers of customized sensor solutions. The number of customized sensor solutions we delivered increased from 21 in 2023 to 28 in 2024 while the average selling price per project also increased significantly from RMB4.7 million to RMB5.8 million.

Cost of Sales

Our cost of sales increased by 25.0% from RMB220.9 million in 2023 to RMB276.2 million in 2024, primarily due to (i) an increase of RMB29.8 million in employee compensation and benefits as a result of business expansion of our customized sensor solutions, and (ii) an increase of RMB32.2 million in raw materials cost as our business expansion resulted in higher sales volume, particularly the growth in the sales volume of area array sensors from approximately 129,000 units in 2023 to 206,000 units in 2024.

Gross Profit and Gross Margin

We recorded gross profit of RMB384.0 million in 2023 and RMB396.9 million in 2024. We recorded overall gross profit margin of 63.5% in 2023 and 59.0% in 2024.

Our gross profit margin of sales of CMOS image sensors decreased slightly from 68.2% in 2023 to 65.3% in 2024 as gross profit margins from our area array sensors decreased. Our gross profit margin of sales of area array sensors decreased slightly from 71.4% in 2023 to 67.3% in 2024 primarily due to the effect of bulk pricing discount as our customers purchased more products under our tier-based pricing mechanism. Such impact was amplified by the significant increase in sales volume of our area array sensors with optical format less than or equal to 1” from 39 thousand units in 2023 to 118 thousand units in 2024. The decrease in gross profit margin of sales of area array sensors is also due to the increased sales volume of certain products addressing mainstream applications with relatively low profit margins. Our gross profit margin of sales of linear array sensors remained relatively stable at 54.0% in 2024 compared to 53.5% in 2023. Our gross profit margin of sales of customized sensor solutions remained relatively stable at 39.1% in 2024 compared to 40.0% in 2023. For details, please see “Business — Our Products and Solutions” in this prospectus.

Other Income and Gains

Our other income and gains increased by 86.7% from RMB29.5 million in 2023 to RMB55.2 million in 2024, which was primarily attributable to (i) the increase of RMB17.3 million in government grants, (ii) the increase of RMB3.7 million in net gains on fair value change of financial assets at fair value through profit or loss and (iii) the increase of RMB2.3 million in investment income from financial assets at fair value through profit or loss.

Selling Expenses

Our selling expenses increased by 23.0% from RMB22.7 million in 2023 to RMB27.9 million in 2024, primarily due to (i) an increase of RMB2.6 million in salaries and bonus further due to the increase in the average compensation, (ii) an increase of RMB2.4 million in share-based payments expense, and (iii) an increase of RMB0.6 million in marketing expenses further due to our distribution of sample products to potential customers and our participation of exhibitions.

Administrative Expenses

Our administrative expenses slightly increased by 4.1% from RMB62.2 million in 2023 to RMB64.7 million in 2024, mainly due to an increase of RMB3.0 million in salaries and bonus further due to the increase in the number of our administrative personnel and average compensation.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB130.2 million in 2024 compared to RMB131.5 million in 2023.

Impairment Loss on trade receivables

Our impairment loss on trade receivables, net increased by 9.2% from RMB1.9 million in 2023 to RMB2.1 million in 2024.

Other Expenses

Our other expenses increased by 243.2% from RMB0.9 million in 2023 to RMB3.2 million in 2024, primarily due to the increase in foreign exchange loss.

Finance Costs

Our finance costs decreased by 36.7% from RMB1.4 million in 2023 to RMB0.9 million in 2024, primarily due to a decrease of RMB0.5 million in our interest on discounted notes receivables.

Income Tax Expenses

Our income tax expenses increased by 15.5% from RMB20.6 million in 2023 to RMB23.9 million in 2024, primarily due to the increase in our profit before tax.

Profit for the Period

As a result of the foregoing, particularly the increase in our revenue and the increase in our other income and gains, our net profit increased by 16.0% from RMB169.8 million in 2023 to RMB197.0 million in 2024.

Adjusted net profit for the Period (non-HKFRS measure)

As a result of the foregoing, our adjusted net profit (non-HKFRS measure) increased from RMB222.7 million in 2023 to RMB249.2 million in 2024, primarily due to the increase in our profit.

DISCUSSION OF CERTAIN KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

Property, Plant and Equipment

Our property, plant and equipment are comprised of (i) leasehold improvements, (ii) buildings, (iii) plant and machinery, (iv) electronic devices, (v) motor vehicles, (vi) office equipment, and (vii) construction in progress, which refers to renovation of our offices and the building of clean rooms for testing purposes.

The following table sets forth the key components of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Leasehold improvements	15,629	11,739	11,721
Buildings	1,554	1,484	1,414
Plant and machinery	24,075	26,794	32,571
Electronic devices	5,269	4,873	5,714
Motor vehicles	850	1,146	1,113
Office equipment	1,262	1,174	1,472
Construction in progress	667	4,422	526
Total	**49,306**	**51,632**	**54,531**

Our property, plant and equipment increased from RMB49.3 million as of December 31, 2023 to RMB51.6 million as of December 31, 2024, primarily because (i) the increase in construction in progress of our operations in Belgium and (ii) we acquired new machinery and equipment in 2023. Our property, plant and equipment increased from RMB51.6 million as of December 31, 2024 to RMB54.5 million as of December 31, 2025, primarily because we acquired new machinery in 2025.

Right-of-use Assets

Our right-of-use assets represent office premises. Our right-of-use assets decreased from RMB11.7 million as of December 31, 2023 to RMB10.0 million as of December 31, 2024 and further to RMB3.2 million as of December 31, 2025, primarily due to early termination of some leases and the depreciation charges during the relevant periods.

Investment in Associates

Our investment in associates refers to our equity interests in unlisted companies, amounting to RMB6.8 million, RMB11.4 million and RMB10.9 million as of December 31, 2023, 2024 and 2025, respectively.

Other Intangible Assets

Our other intangible assets are (i) software, and (ii) patents.

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Software	11,043	6,179	21,298
Patents	2,350	2,050	1,750
Total	**13,393**	**8,229**	**23,048**

Our intangible assets decreased from RMB13.4 million as of December 31, 2023 to RMB8.2 million as of December 31, 2024, primarily due to the amortization charges during the relevant periods. Our intangible assets increased from RMB8.2 million as of December 31, 2024 to RMB23.0 million as of December 31, 2025, primarily due to the increase in license fees for our sensor design software.

Inventories

The value of our inventories accounted for 32.8%, 21.9% and 19.2% of our total current assets as of December 31, 2023, 2024 and 2025, respectively. The following table sets forth the key components of our inventories as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	94,609	42,358	66,378
Work in progress	83,043	56,569	118,239
Finished goods	110,874	116,361	73,265
Costs to fulfil a contract	84,617	71,393	95,104
Total	**373,143**	**286,681**	**352,986**

Our inventories decreased from RMB373.1 million as of December 31, 2023 to RMB286.7 million in as of December 31, 2024, primarily due to (i) a decrease in raw materials procurement in 2024, (ii) a decrease of RMB26.5 million in work in progress as they were utilized and turned into finished goods, and (iii) a decrease of RMB13.2 million in costs to fulfil a contract, primarily due to the significant growth in revenue from our customized sensor solutions in 2024 and the corresponding cost recognition. As of December 31, 2025, our inventories increased to RMB353.0 million, primarily due to (i) an increase of RMB61.7 million in work in progress and RMB24.0 million in raw materials to meet the increase in customer demand; and (ii) an increase of RMB23.7 million in costs to fulfil a contract, which was incurred from ongoing customized sensor solution projects, and was partially offset by a decrease of RMB43.1 million in finished goods.

The following table sets forth our inventory turnover days for the years indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
Inventory turnover days[(1)]	559	436	412

Note:

(1) Calculated based on the net carrying amount of average balance of inventory divided by the cost of sales for the relevant year multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year). The net carrying amount of average balance of inventory is calculated as the sum of the beginning balance and ending balance for the relevant year divided by two.

Our inventory turnover days decreased from 559 days in 2023 to 436 days in 2024, and further to 412 days in 2025, primarily due to our improved inventory utilization efficiency as a result of growth in our revenue. Our inventory turnover days were affected by our raw materials procurement and production cycles, which is in line with industry practice. The procurement cycles of our raw materials, including wafers, ceramic packages and cover glass, generally ranged from two to eight months, and the production cycle, including wafer testing, sensor packaging and sensor testing, generally ranged from two to five months. Given that (i) our products generally have no expiration date and are mainly used in high-tech fields, such as industrial imaging, scientific imaging and professional photography and video, which have long life cycle; and (ii) our raw materials procurement and production cycles are relatively long, we maintained a relatively high inventory level of raw materials and finished goods to meet the dynamic customer demands.

The original value and impairment amount of our inventories are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	101,833	52,877	84,513
Work in progress	85,050	59,887	121,740
Finished goods	119,238	126,023	86,733
Costs to fulfil a contract	96,521	80,680	106,334
Gross carrying amount	402,642	319,467	399,320
Impairment of inventories	(29,499)	(32,786)	(46,334)
Net carrying amount	**373,143**	**286,681**	**352,986**

Our policy of the impairment for inventories is as follows:

Products

Our inventories are stated at the lower of cost and net realisable value ("**NRV**"). Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and other costs. As at the end of each Track Record Period, for raw materials, work in progress and finished goods, the NRV is estimated based on the recent or estimated market selling price of the relevant products in the ordinary course of business, less the estimated costs of completion, the estimated selling expenses and related taxes.

Costs to fulfil a contract

For costs to fulfil a contract, we continuously monitor the execution of related customized services and analyzes whether the economic benefits to be received can cover the overall expenditures of the customized projects. We charge impairment to costs to fulfil a contract where actual costs incurred to the date plus estimated future costs exceed the contract amount.

After we have made impairment for inventories in accordance with the above-mentioned inventory impairment policy, the aging of our inventories is as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Products			
Within 1 year	251,827	165,882	218,623
1 to 2 years	33,003	41,063	28,924
2 to 3 years	3,696	8,343	10,335
Over 3 years	—	—	—
Subtotal	**288,526**	**215,288**	**257,882**
Costs to fulfil a contract			
Within 1 year	56,919	48,015	34,006
Over 1 year	27,698	23,378	61,098
Subtotal	**84,617**	**71,393**	**95,104**
Total	**373,143**	**286,681**	**352,986**

Our products generally have no expiration date and are mainly used in high-tech fields such as industrial imaging, scientific imaging and professional photography and video with long life cycle. Our products have consistently maintained high gross profit margins. Procurement and production cycles of our products are relatively long and we arrange our procurement and production based on the forecasts, meaning market fluctuations may lead to an extended aging of some inventories. Inventories aged over one year are continuously consumed or sold due to long life cycle. These characteristics result in a longer consumption cycle for our products, but the risk of inventory write-downs remains low.

As of February 28, 2026, RMB99.3 million, or 38.5% of our inventories (excluding costs to fulfil a contract) as of December 31, 2025, had been used, consumed or sold subsequent to December 31, 2025. Based on subsequent sales, the selling price is higher than the carrying amount at December 31, 2025, and maintains a reasonable profit margin. There is no significant change in the market of our products.

Our Group has established internal control policies governing inventory impairment, and conducts regular reviews of inventory status, estimated net realizable value, inventory analysis and subsequent utilization to ensure that the provisions for inventory impairment are sufficient. Based on the results of these assessments, appropriate provisions for inventory impairment are made in accordance with applicable accounting standards.

Given the nature of our products and industry, which is characterized by the no expiration dates, long product life cycles, and extended raw material procurement periods, our business generally experiences relatively long inventory turnover days.

Based on the above analysis, our Directors confirm that sufficient provision has been made in accordance with our provision for inventory write-down policy.

Trade and Notes Receivables

Trade and notes receivables represent outstanding amounts due from our customers for our products and services performed in the ordinary course of business. A trade receivable is recorded when we have an unconditional right to receive consideration.

The following table sets forth our trade and notes receivables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	117,555	186,156	239,674
Notes receivables	159	3,744	6,860
Less: Impairment of trade receivables	(3,030)	(5,154)	(11,198)
Net carrying amount	**114,684**	**184,746**	**235,336**

Our trade and notes receivables increased from RMB114.7 million as of December 31, 2023 to RMB184.7 million as of December 31, 2024 and further to RMB235.3 million as of December 31, 2025, primarily due to growth in our revenue.

The following table sets forth the turnover days of our trade and notes receivables for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Turnover days of our trade and notes receivables[(1)]	69	81	90

Note:

(1) Turnover days of our trade and notes receivables for the Track Record Period is calculated based on the average of the beginning and ending balances of our trade and notes receivables (after impairment) for that period divided by revenue for that period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year).

The turnover days of our trade and notes receivables increased from 69 days in 2023, further to 81 days in 2024, and further to 90 days, primarily due to the increase in our trade and notes receivables further due to a long payment process by certain research institution customers as some research institution customers have longer payment approval process and longer project cycles.

We normally allow a credit period of 30 to 60 days to our major customers. The turnover days of our trade and notes receivables were longer than the normal credit terms agreed with customers due to the long payment approval process of some research institution customers. The following table is an aging analysis of the gross carrying amount of our trade receivables during the Track Record Period:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	77,650	145,542	189,368
6 to 12 months	34,736	15,875	16,863
1 to 2 years	5,169	23,661	21,133
2 to 3 years	—	1,078	11,925
Over 3 years	—	—	385
Total	**117,555**	**186,156**	**239,674**

Our trade receivables increased from RMB117.6 million as of December 31, 2023 to RMB186.2 million as of December 31, 2024 mainly due to the increase of trade receivables aged within six months from RMB77.7 million as of December 31, 2023 to RMB145.5 million as of December 31, 2024. Our trade receivables increased from RMB186.2 million as of December 31, 2024 to RMB239.7 million as of December 31, 2025 mainly due to the increase of trade receivables aged over six months as some research institution customers had long payment approval process.

We have set up credit control policies and procedures to minimize our credit risk and maintain control over our outstanding receivables. Our senior management regularly reviews our overdue balances, and we actively follow up with customers with past due trade receivables. We apply the simplified approach in HKFRS 9 to measures loss allowances for trade receivables at lifetime expected credit loss, or ECL. We recorded provision for impairment of trade receivables based on ECL model of RMB3.0 million, RMB5.2 million and RMB11.2 million as of December 31, 2023, 2024 and 2025, respectively. For more details, please see Note 19 to Accountants' Report set forth in Appendix I to this document. We believe that we have made sufficient provision for our trade receivables during the Track Record Period.

As of February 28, 2026, RMB164.4 million, or 66.7% of our trade and notes receivables as of December 31, 2025, had been subsequently settled.

Prepayments, other receivables and other assets

The following table sets forth the key components of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	8,886	9,952	17,933
Prepayments for property, plant and equipment and other assets	454	1,259	2,504
Deposits and other receivables	7,015	4,061	6,706
Deferred listing expense	—	—	3,938
Deductible input value-added tax	12,769	6,949	4,897
Total	**29,124**	**22,221**	**35,978**
Analyzed into:			
Current portion	28,670	20,962	33,474
Non-current portion	454	1,259	2,504

Prepayments primarily include prepayment for raw material and outsourced R&D service fees. Prepayments increased from RMB8.9 million as of December 31, 2023 to RMB10.0 million as of December 31, 2024 and further to RMB17.9 million as of December 31, 2025 primarily due to the increase in our purchase from wafer manufacturers.

Prepayments for property, plant and equipment and other assets increased from RMB0.5 million as of December 31, 2023 to RMB1.3 million as of December 31, 2024 and further increased to RMB2.5 million as of December 31, 2025.

Deposits and other receivables decreased from RMB7.0 million as of December 31, 2023 to RMB4.1 million as of December 31, 2024. Deposits and other receivables increased from RMB4.1 million as of December 31, 2024 to RMB6.7 million as of December 31, 2025.

Deductible input value-added tax decreased from RMB12.8 million as of December 31, 2023 to RMB6.9 million as of December 31, 2024. As of December 31, 2025, our deductible input value-added tax amounted to RMB4.9 million.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss consist of (i) unlisted equity investments in Shanghai Zhusi Enterprise Management Center (Limited Partnership) ("**Shanghai Zhusi**") and Jacal Electronic (Wuxi) Co, Ltd. ("**Jacal**") and (ii) other unlisted investments. Other unlisted investments are structured deposits and wealth management product issued by banks in China with a maturity period within one year for the purposes of enhancing the efficiency of corporate fund utilization. According to the Fund Management Policy, which governs internal fund control (such as cash receipts/payments, bank borrowing, bank deposit and wealth management products) of our Group, the purchase of structured deposits or wealth management products requires review and approvals by chief financial officer and chief operations officer. Our financial assets at fair value through profit or loss increased from RMB105.8 million as of December 31, 2023 to RMB119.6 million as of December 31, 2024 and further to RMB291.5 million as of December 31, 2025, mainly due to our increased investment in structured deposits.

Investments in financial assets after the Listing will be subject to the compliance with Chapter 14 of the Listing Rules.

The following table sets forth a breakdown of our financial assets through profit or loss as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Unlisted equity investments, at fair value	15,127	18,700	20,301
Shanghai Zhusi	5,000	5,000	4,379
Jacal	10,127	13,700	15,922
Other unlisted investments, at fair value	90,625	100,894	271,197
Total	**105,752**	**119,594**	**291,498**

Note 21 to the Accountants' Report in Appendix I to this prospectus sets forth the nature of unlisted equity investments. Our other unlisted investments were structured deposits issued by banks in Chinese Mainland with a maturity period within one year. The fair values of the financial assets approximate to their costs plus expected interest. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Fund Management Policy has been put in place to standardize the management of investments product, under which: (1) the finance department is responsible for conducting a feasibility analysis of the funding source, investment scale, and expected returns of the wealth management products, as well as reviewing and assessing the trustee's creditworthiness and the types of investment involved; (2) purchase of investment products may require prior approval from the Board or Shareholders in accordance with our Company's Articles of Association and the "Outbound Investment Management System"; and (3) approval from the Chief Financial Officer and Chief Operation Officer shall be obtained prior to purchase of investment products. Once approval is granted, staff in the finance department will proceed with the purchase of the investment product.

In line with the usual practice of our Group, any external investment would be subject to satisfactory legal and financial due diligence and approval by the Chief Executive Officer. In addition, according to the External Investment Management Policy, which governs external investments (such as equity investment, securities investment, entrusted wealth management, derivatives) of our Group, any external investment that meets the following criteria must be approved by our Board before implementation: (a) the investment value accounts for more than 10% of our total assets in the most recent audited financial year; (b) the revenue generated from the investment accounts for more than 10% of our revenue in the most recent audited financial year and exceeds RMB10.0 million; (c) the profit attributable to the investment accounts for more than 10% of our net profit in the most recent audited financial year and exceeds RMB1.0 million; and (d) the net profit attributable to the investment accounts for more than 10% of our net profit in the most recent audited financial year and exceeds RMB1.0 million. We will continue to monitor our external investments through quarterly review and analysis.

Trade and Notes Payables

Our trade and notes payables mainly represent payables to our suppliers. Trade and notes payables decreased from RMB62.2 million as of December 31, 2023 to RMB30.3 million as of December 31, 2024, primarily due to the decrease in raw material procurement amounts in 2024, which was driven by our relatively conservative sales forecast and efforts to optimize inventory management. As of December 31, 2025, our trade and notes payables amounted to RMB81.2 million.

The following table sets forth our trade and notes payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	62,185	27,401	81,158
Notes payables	—	2,933	—
Net carrying amount	62,185	30,334	81,158

The following table sets forth an aging analysis of our trade and notes payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	60,513	24,526	76,949
1 to 2 years	1,354	5,175	3,256
2 to 3 years	318	503	953
Over 3 years	—	130	—
Total	**62,185**	**30,334**	**81,158**

The following table sets forth the turnover days of our trade and notes payables for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Trade payables and notes turnover days(1)	73	61	72

Note:

(1) Trade payables turnover days are calculated based on the average of the beginning and ending trade and notes payables balances, divided by total cost of sales for that year, multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year).

The turnover days of our trade and notes payables decreased from 73 days in 2023 to 61 days in 2024 and further to 72 days in 2025, primarily because some suppliers required prepayment.

As of February 28, 2026, RMB49.1 million, 60.5% of our trade and notes payables as of December 31, 2025 had been settled.

Other Payables and Accruals

As of December 31, 2023, 2024 and 2025, our other payables and accruals amounted to RMB261.0 million, RMB221.2 million and RMB405.2 million, respectively.

The following table sets forth the key components of our other payables and accrued expenses as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	120,727	82,577	230,264
Other payables and accruals	115,260	104,388	122,003
Taxes payable other than corporate income tax	4,237	7,808	19,502
Payroll payable	19,848	24,161	30,447
Deferred income	898	2,218	2,961
Total	**260,970**	**221,152**	**405,177**

Contract liabilities primarily include advances received to deliver products and services. Contract liabilities decreased from RMB120.7 million as of December 31, 2023 to RMB82.6 million as of December 31, 2024, primarily because we completed a number of customized sensor projects by the end of 2024. Contract liabilities increased to RMB230.3 million as of December 31, 2025.

As at Feburary 28, 2026, RMB7.3 million, or 3.2% of our contract liabilities related to product sales as of December 31, 2025 had been recognized as revenue. As at February 28, 2026, none of our contract liabilities related to customized sensor solutions as of December 31, 2025, had been recognized as revenue.

Other payables primarily include payables to a minority shareholder of Gpixel Hangzhou. Other payables remained relatively stable at RMB115.3 million, RMB104.4 million and RMB122.0 million as of December 31, 2023, 2024 and 2025, respectively.

Taxes payable other than corporate income tax primarily include value-added tax payables. Taxes payable other than corporate income tax amounted to RMB4.2 million, RMB7.8 million and RMB19.5 million as of December 31, 2023, 2024 and 2025, respectively.

Payroll payable increased from RMB19.8 million as of December 31, 2023 to RMB24.2 million as of December 31, 2024 and further increased to RMB30.4 million as of December 31, 2025. The general increase of payroll payable from 2023 to 2024 was primarily due to the increase in the number of our employees as a result of our business expansion.

Deferred income is in connection with government grants. Deferred income amounted to RMB0.9 million, RMB2.2 million and RMB3.0 million as of December 31, 2023, 2024 and 2025, respectively.

RELATED-PARTY TRANSACTIONS

The following table sets forth a breakdown of our outstanding balances with related parties as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables (trade):			
Customer A	39,407	41,159	43,700
LUSTER	473	1,221	1,652
Beijing Haomo	—	—	229
	39,880	**42,380**	**45,581**
Contract liabilities (trade):			
Customer A	9,684	5,916	19,868
LUSTER	1,016	—	—
	10,700	**5,916**	**19,868**

We enter into transactions with our related parties from time to time. Our Directors believe that each of the related-party transactions set out in Note 34 in the Accountants' Report in Appendix I to this prospectus was conducted in the ordinary course of business on an arm's-length basis between the relevant parties and was entered into on normal commercial terms. Our Directors are also of the view that our related-party transactions during the Track Record Period would not distort our track record results or make our historical results not indicative of our future performance.

INDEBTEDNESS AND CONTINGENT LIABILITIES

The following table sets forth the components of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current				
Interest-bearing bank borrowings	2,000	—	—	—
Lease liabilities	4,273	7,810	5,803	6,557
Subtotal	**6,273**	**7,810**	**5,803**	**6,557**
Non-current				
Lease liabilities	10,720	6,307	519	495
Total	**16,993**	**14,117**	**6,322**	**7,052**

Interest-Bearing Bank Borrowings

Our interest-bearing bank borrowings represent short term discounted bills repayable. We recorded interest-bearing bank borrowings of RMB2.0 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively. The average effective interest rates on our borrowings are at 1.3% per annum, and are denominated in RMB.

As of February 28, 2026, we had unutilized banking facilities of RMB100.0 million.

Our Directors confirm that there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease liabilities

We lease properties to operate our business and our lease liabilities relate to the lease of office premises. Our lease liabilities decreased from RMB15.0 million as of December 31, 2023 to RMB14.1 million as of December 31, 2024, and further to RMB6.3 million as of December 31, 2025, primarily attributable to the lease payment made.

The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current	4,273	7,810	5,803	6,557
Non-current	10,720	6,307	519	495
Total	**14,993**	**14,117**	**6,322**	**7,052**

Except as disclosed above and apart from normal trade and other payables, intra-group liabilities and tax payable, as of the Latest Practicable Date, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, hire purchase commitments, guarantees or contingent liabilities.

Since February 28, 2026 and up to the date of this prospectus, there has not been any material change in our indebtedness and contingent liabilities, and our Directors confirm that we did not have any external financing plans as of the Latest Practicable Date. Our Directors do not foresee any potential difficulty in obtaining bank facilities should the need arise.

Contingent Liabilities

As of the Latest Practicable Date, we did not have any material contingent liabilities.

Net Current Assets

The following table sets forth selected information from our current assets and liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current assets				
Inventories	373,143	286,681	352,986	356,785
Trade and notes receivables	114,684	184,746	235,336	224,583
Prepayments, other receivables and other assets	2,670	20,962	34,474	54,926
Tax recoverable	—	654	9	—
Financial assets at fair value through profit or loss	90,625	100,894	271,197	366,197
Restricted cash	3,278	2,167	489	56,104
Cash and cash equivalents	92,713	402,984	236,305	134,609
Time deposits	434,719	309,782	708,029	698,444
Total current assets	**1,137,832**	**1,308,870**	**1,837,825**	**1,891,648**
Current liabilities				
Trade and notes payables	62,185	30,334	81,158	54,575
Other payables and accruals	121,189	91,753	293,747	326,604
Interest-bearing bank borrowings	2,000	—	—	—
Derivative financial instruments	—	199	—	—
Provision	2,525	2,553	3,973	4,639
Lease liabilities	4,273	7,810	5,803	6,557
Tax payable	8,067	10,715	18,678	10,004
Total current liabilities	**200,239**	**143,364**	**403,359**	**402,379**
Net current assets	**937,593**	**1,165,506**	**1,434,466**	**1,489,269**

We had net current assets of RMB937.6 million, RMB1,165.5 million, RMB1,434.5 million as of December 31, 2023, 2024, and 2025, respectively.

Our net current assets slightly increased from RMB1,434.5 million as of December 31, 2025 to RMB1,489.3 million as of February 28, 2026, primarily due to an increase of RMB95.0 million in financial assets at fair value through profit or loss, and partially offset by increase of RMB32.9 million in other payables and accruals.

Our net current assets increased from RMB1,165.5 million as of December 31, 2024 to RMB1,434.5 million as of December 31, 2025, primarily due to (i) an increase of RMB170.3 million in financial assets at fair value through profit or loss, (ii) an increase of RMB398.2 million in time deposits, and (iii) an increase of RMB50.6 million in trade and notes receivables, partially offset by (i) a decrease of RMB166.7 million in cash and cash equivalents; and (ii) an increase of RMB202.0 million in other payables and accruals.

Our net current assets increased from RMB937.6 million as of December 31, 2023 to RMB1,165.5 million as of December 31, 2024, primarily due to (i) an increase of RMB310.3 million in cash and cash equivalents, (ii) an increase of RMB70.1 million in trade and notes receivables, and (iii) a decrease of RMB29.4 million in other payables and accruals, partially offset by (i) a decrease of RMB124.9 million in time deposits and (ii) a decrease of RMB86.5 million in inventories.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations, and shareholder equity contribution. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations and bank borrowings, together with the net proceeds from the Global Offering. We do not anticipate any changes to the availability of financing to fund our operations in the future.

We manage our cash flow and working capital by closely monitoring and managing, among other things, (i) the level of our account payables and receivables as well as amounts of contract assets, receivables under service concession arrangements and contract liabilities; and (ii) our ability to obtain external financing. We also diligently review future cash flow requirements and assess our ability to meet debt repayment schedules, and if necessary, adjust our investment, financing and dividend payout plans to ensure we maintain sufficient working capital.

We had cash and cash equivalents of RMB92.7 million, RMB403.0 million and RMB236.3 million as of December 31, 2023, 2024 and 2025, respectively.

Consolidated Statements of Cash Flows

The table below sets forth the selected cash flow data from the consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash generated from operations	226,243	245,158	489,112
Income tax paid	(17,985)	(20,317)	(22,766)
Net cash flows from operating activities	208,258	224,841	466,346
Net cash flows (used in)/from investing activities	(407,940)	92,134	(603,726)
Net cash flows from/(used in) financing activities	(7,729)	(4,745)	(27,423)
Net increase/(decrease) in cash and cash equivalents	(207,411)	312,230	(164,803)
Cash and cash equivalents at the beginning of the year	299,369	92,713	402,984
Effect of foreign exchange differences, net	755	(1,959)	(1,876)
Cash and cash equivalents at the end of the year	**92,713**	**402,984**	**236,305**

Net Cash Flows From Operating Activities

We derive our cash inflows from operations principally from the receipts in respect of the sales of our products and services. Our cash outflows from operations are principally payments for cost of sales, including raw materials and outsourced services, selling expenses, administrative expenses and research and development expenses. We maintain stable operating cash flow primarily through (i) stockpiling of certain raw materials in anticipation of supply chain disruption; (ii) improvement of our inventory management and efficiency; and (iii) our enhanced receivable collection efforts.

Cash generated from operations reflects our profit before income tax, adjusted for (i) non-cash and non-operating items, such as depreciation and amortization and impairment allowances and (ii) the effects of changes in our working capital, such as changes in inventories, trade and notes receivables and prepayments, other receivables and other assets, and (iii) other cash items, such as income tax paid.

For the year ended December 31, 2025, our net cash from operating activities amounted to RMB466.3 million. During this year, our operating cash inflow before working capital changes but after adjustments for non-cash and non-operating income and expenses were RMB423.9 million. Our cash flow was further positively affected by working capital adjustments primarily including (i) an increase in contract liabilities of RMB147.7 million, (ii) an increase in trade and notes payables of RMB46.2 million. This was partially offset by an increase in inventories of RMB84.7 million and an increase in trade and notes receivables of RMB61.7 million.

For the year ended December 31, 2024, our net cash from operating activities amounted to RMB224.8 million. During this year, our operating cash inflow before working capital changes but after adjustments for non-cash and non-operating income and expenses were RMB299.0 million. Our cash flow was further negatively affected by working capital adjustments primarily including (i) an increase in trade and notes receivables of RMB72.4 million, (ii) a decrease in accrued contract liabilities of RMB38.2 million, and (iii) a decrease in trade and notes payables of RMB31.9 million. This was partially offset by the decrease in inventories of RMB75.7 million.

For the year ended December 31, 2023, our net cash from operating activities amounted to RMB208.3 million. During this year, our operating cash inflow before working capital changes but after adjustments for non-cash and non-operating income and expenses were RMB283.1 million. Our cash flow was further negatively affected by working capital adjustments primarily including (i) an increase in inventories of RMB90.4 million and (ii) an increase in prepayments, other receivables and other assets of RMB10.9 million. This was partially offset by an increase in trade and notes payables of RMB36.3 million.

Net Cash Flows (Used In)/From in Investing Activities

Our cash used in investing activities consists primarily of (i) purchase of items of property, plant and equipment, (ii) purchase of other intangible assets, and (iii) purchases of financial assets at fair value through profit or loss. Our cash generated from investing activities consists primarily of repayment of financial assets at fair value through profit or loss.

For the year ended December 31, 2025, our net cash flows used in investing activities were RMB603.7 million, primarily attributable to (i) purchases of financial assets at fair value through profit or loss of RMB1,828.0 million and (ii) placement of time deposits of RMB460.0 million. This was partially offset by repayment of financial assets at fair value through profit or loss of RMB1,658.2 million.

For the year ended December 31, 2024, our net cash flows from investing activities were RMB92.1 million, primarily attributable to (i) repayment of financial assets at fair value through profit or loss of RMB1,125.1 million and (ii) withdrawal of time deposits of RMB490.0 million. This was partially offset by purchases of financial assets at fair value through profit or loss of RMB1,135.0 million.

For the year ended December 31, 2023, our net cash flows used in investing activities were RMB407.9 million, primarily attributable to (i) placement of time deposits of RMB600.0 million and (ii) purchases of financial assets at fair value through profit or loss of RMB297.0 million. This was partially offset by (i) withdrawal of time deposits of RMB322.0 million and (ii) repayment of financial assets at fair value through profit or loss of RMB227.0 million.

Net Cash Flows (Used In) Financing Activities

Our cash from financing activities consists primarily of (i) proceeds from issue of shares, (ii) capital injection from shareholders and (iii) proceeds from bank borrowings. Our cash used in financing activities consists primarily of (i) Repayment of bank borrowings, (ii) acquisition of equity interests from the shareholders of a subsidiary and (iii) repayment of principal portion of lease liabilities.

For the year ended December 31, 2025, our net cash flows used in financing activities were RMB27.4 million, primarily attributable to (i) dividend paid of RMB18.5 million and (ii) repayment of principal portion of lease liabilities of RMB5.7 million.

For the year ended December 31, 2024, our net cash flows used in financing activities were RMB4.7 million, primarily attributable to (i) repayment of principal portion of lease liabilities of RMB4.6 million and (ii) repayment of bank borrowings of RMB2.0 million.

For the year ended December 31, 2023, our net cash flows used in financing activities were RMB7.7 million, primarily attributable to (i) repayment of principal portion of lease liabilities of RMB2.6 million and (ii) repayment of bank borrowings of RMB1.5 million. This was partially offset by proceeds from bank borrowings of RMB2.0 million.

KEY FINANCIAL RATIOS

The following table sets forth a summary of our key financial ratios for the periods indicated.

	As of and for the year ended December 31,		
	2023	2024	2025
Gross profit margin(1)	63.5%	59.0%	66.9%
Adjusted net profit margin (non-HKFRS measure)(2)	36.8%	37.0%	43.1%
Return on equity(3)	19.9%	18.1%	21.1%
Return on total assets(4)	14.4%	14.0%	16.4%
Current ratio(5)	5.7	9.1	4.6
Quick ratio(6)	3.7	7.0	3.6
Gearing ratio(7)	1.8%	1.2%	0.4%

Notes:

(1) The calculation of gross profit margin is based on gross profit for the period divided by revenue for the respective period and multiplied by 100%.

(2) The calculation of adjusted net profit margin (non-HKFRS measure) is based on adjusted net profit (non-HKFRS measure), for the period divided by revenue for the respective period and multiplied by 100%.

(3) The calculation of return on equity is based on net profit for the period divided by average total equity as of the beginning and end of the period and multiplied by 100%.

(4) The calculation of return on total assets is based on net profit for the period divided by the average total assets as of the beginning and end of the period and multiplied by 100%.

(5) The calculation of current ratio is based on current assets divided by current liabilities as of the relevant period end.

(6) Quick ratio equals total current assets minus inventory and current portion of prepayments, other receivables and other assets divided by current liabilities as of the relevant period end.

(7) Gearing ratio equals interest-bearing bank borrowings and lease liabilities divided by total equity multiplied by 100%.

CAPITAL EXPENDITURES

Our capital expenditures primarily consist of expenditures for (i) property, plant and equipment, and (ii) software. Our capital expenditures for the years ending December 31, 2023, 2024 and 2025 was RMB28.1 million, RMB28.8 million and RMB24.5 million.

During the Track Record Period, we funded our capital expenditure mainly from cash generated from our operating activities. We expect to fund these capital expenditures through a combination of cash generated from our operations, the net proceeds received from the Global Offering, and other equity or debt financings.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Capital Commitments

As of December 31, 2023, 2024 and 2025, we did not have any significant contractual and capital commitments. On February 28, 2026, Gpixel Hangzhou entered into an asset acquisition agreement, pursuant to which Gpixel Hangzhou agreed to purchase an office building at approximately RMB48.7 million. Save as disclosed, during the Track Record Period and up to the Latest Practicable Date, there was no material change to our indebtedness and capital commitments.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks: credit risk, liquidity risk and foreign currency risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our Group's financial performance. For a detailed discussion of our Group's financial risk, see note 37 to the Accountants' Report of Appendix I to this prospectus.

DIVIDEND

We may distribute dividends by way of cash or by other means that we consider appropriate. In June 2025, we declared a dividend of RMB18.5 million, which was paid in August 2025. Currently, we do not have a formal dividend policy or a pre-determined dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account of factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends.

WORKING CAPITAL CONFIRMATION

Taking into account our cash and cash equivalents, operating cash flows, the available bank facilities, and the estimated net proceeds available to us from the Global Offering, our Directors believe that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had RMB450.9 million of retained profits available for distribution to our Shareholders.

LISTING EXPENSES

The total listing expenses borne or to be borne by us are estimated to be approximately RMB88.7 million (equivalent to approximately HK$100.4 million) (comprising (i) underwriting commission of approximately RMB58.6 million, and (ii) non-underwriting related expenses of approximately RMB30.1 million, which consist of fees and expenses of legal advisors and reporting accountants of approximately RMB21.1 million and other fees and expenses of approximately RMB9.0 million), accounting for approximately 3.9% of the gross proceeds of the Global Offering, based on the Offer Price of HK$39.88 per Share and assuming that the Over-allotment Option is not exercised. We expect that (i) approximately RMB24.2 million (equivalent to approximately HK$27.4 million) will be charged to our statements of profit or loss as listing expenses of which approximately RMB15.8 million (equivalent to approximately HK$17.9 million) had been expensed during the Track Record Period and the remaining amount of RMB8.4 million (equivalent to approximately HK$9.5 million) is expected to be expensed prior to the Listing; and (ii) approximately RMB64.5 million (equivalent to approximately HK$73.0 million) will be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such listing expenses to have a material adverse impact on our results of operation for the year ending December 31, 2026. Approximately RMB15.8 million (equivalent to approximately HK$17.9 million) was charged to our consolidated statements of profit or loss for the year ended December 31, 2025.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details of our unaudited pro forma adjusted consolidated 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 December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Development Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$2,503.6 million from the Global Offering, after deducting the estimated underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, based on the Offer Price of HK$39.88 per Share and assuming that the Over-allotment Option is not exercised.

We intend to use the aforementioned net proceeds as follows:

- Approximately 55.0%, or HK$1,377.0 million, is expected to be used for increasing our R&D investments to drive continuous innovation and support product iterations across our major application scenarios, namely, industrial imaging, scientific imaging, professional photography and video, and medical imaging solutions. Our R&D focus will center on continuous advancement in pixel design and circuit architecture, enabling next-generation products that push the boundaries of performance parameters such as quantum efficiency, readout speed, and dynamic range. Our investments will be primarily made to procure additional R&D equipment (including wafer prober, optoelectronic testing instruments, electron microscopes, 3D measuring instruments, quantum efficiency testing instruments, and high- and low-temperature test chambers), IT hardware and software (including IT servers, storage systems, data backup systems, uninterruptible power supplies (UPS), and monitors), wafer mask, glass tooling, and ceramic package tooling, optimize IT infrastructure and system, support validation and reliability tests, as well as maintain R&D and related workforce. We are committed to allocate further resources to existing and evolving application scenarios. During the Track Record Period, we primarily focused in industrial imaging and scientific instrumentation and have earned widespread market and customer recognition. Moving forward, in addition to further consolidating our presence in these two application scenarios, we are accelerating expansion into medical imaging and professional photography and video sectors over the next five years, which present higher technical challenges and require greater R&D investment. Specifically, with respect to each of our major application scenario:

  i. *Industrial imaging:* Leveraging our core technologies such as global shutter pixels, TDI pixels, HDR technology, and high-speed readout circuitry, we plan to use 20.0%, or HK$500.7 million, to develop and commercialize several new products under this application scenario which will have diverse applications in new energy, semiconductors and PCB/FPD panel inspection. We plan to carry out advanced iterative upgrades focused on core technologies such as global shutter pixels, high-speed readout circuit, 3D imaging sensor, and TDI image sensor. We aim to develop a range of CMOS image sensors, which will feature high shutter efficiency (capturing sharp images of fast-moving objects), large full well capacity (preventing pixel saturation under strong light conditions), low noise levels (enhancing image clarity), and high frame rates (supporting real-time inspection), thereby providing more accurate and efficient visual solutions for industrial imaging application, such as defect detection in LCD panels, crack identification in photovoltaic wafers, texture analysis of lithium battery electrodes, and semiconductor particle inspection.

  ii. *Scientific imaging:* Building upon our core technologies including BSI sensors, HDR pixels, and low-noise circuitry, we plan to use 10.0%, or HK$250.4 million, to develop and commercialize several new products under this application scenario which will have applications spanning life sciences, astronomy observation, spectroscopy, and microscopy. We plan to carry out advanced iterative upgrades focused on core technologies such as high-sensitivity pixels, wide dynamic range pixels, high dynamic circuit, low-noise circuitry, and back-illuminated image sensor. We aim to develop a range of CMOS image sensors, which will feature broad spectral response (covering a wide range of wavelength), high quantum efficiency (enhancing light-to-signal conversion), low noise performance (ensuring accuracy in detecting weak signals), high frame rate, and large full well capacity, thereby providing a more reliable imaging solutions for applications in life science microscopy, deep space exploration, and spectrometer analysis.

iii. *Professional photography and video:* Utilizing core technologies like rolling shutter pixels, high-speed readout circuitry HDR technology, and low-noise circuitry, we plan to use 15.0%, or HK$375.5 million, to develop and commercialize several new full frame and APS-C frame products under this application scenario targeting DSLR, and video and broadcasting. We plan to carry out advanced iterative upgrades focused on core technologies such as high dynamic range pixels, high dynamic circuit, high-performance ADC, and 3D-stacked image sensor. We aim to develop a new range of high-end full-frame and APS-C CMOS image sensors. These new products not only support 8K ultra-high-definition resolution but also feature high quantum efficiency (enhancing low-light performance), low noise (preserving fine image details), high frame rates (capturing fast-moving scenes), and large full well capacity (improving highlight detail), delivering high imaging capabilities for DSLR, mirrorless cameras, professional video cameras, as well as drone imaging equipment, thereby fulfilling professional creators' pursuit of outstanding image quality.

iv. *Medical imaging:* Leveraging core technologies such as high-sensitivity pixels, and low-noise circuitry, we plan to use 10.0%, or HK$250.4 million, to engage in R&D to develop and commercialize several new products under this application scenario focused on CT and X-ray equipment. We plan to optimize and upgrade core technologies such as high-sensitivity pixels, low-noise circuitry, back-illuminated image sensor, and 3D-stacked image sensor to develop a range of specialized CMOS image sensors. These new products will integrate high quantum efficiency (enhancing the detection of weak light signals), low noise (ensuring image clarity), high frame rates (enabling real-time visualization of dynamic physiological processes), and large full well capacity. These new products will deliver clearer and more reliable imaging data for medical application such as disposable endoscopes for in vivo microscopic imaging and precise lesion visualization in medical X-ray imaging, thereby enhancing the accuracy and efficiency of clinical diagnoses. Medical imaging is a new strategic growth areas for us.

We plan to develop 19 new CMOS image sensor products across the abovementioned four major application scenarios and complete four pixel development projects over the next five years. To support such developments, we plan to involve a total of 555 current and new R&D personnel (in terms of man-year) with varying levels of seniority, all holding a master's degree or higher and having work experience ranging from zero to over seven years; the total remuneration (including basic salary, social insurance and housing fund) is expected to be approximately RMB375.3 million over the next five years. For sales and management functions, we plan to involve a total of 125 current and new personnel (in terms of man-year) with varying levels of seniority, all holding a bachelor's degree or higher and having work experience ranging from zero to over eight years; the total remuneration (including basic salary, social insurance and housing fund) is expected to be approximately RMB60.6 million over the next five years. In particular, we plan to recruit 32, 56, 19 and 15 additional R&D personnel in 2026, 2027, 2028 and 2029, and 10, 16 and 7 additional sales and management personnel in 2026, 2027 and 2028, respectively. Sales staff will be responsible for formulating initial product concepts and providing market feedback during trial production to refine product specifications; R&D staff will (i) undertake the entire sensor R&D process, including circuit, analog and layout design, system software design, testing and validation, reliability testing and preparation of technical specifications; and (ii) focus on the design and optimisation of pixel structures and wafer processes, as well as optoelectronic performance testing; and management staff will be responsible for administrative, financial and human resources management related to each project.

- Approximately 21.0%, or HK$525.8 million, is expected to be used for establishing an advanced CMOS image sensor R&D center, including (i) the acquisition and maintenance of an office building to serve as our R&D innovation hub and regional headquarters; (ii) the design and renovation of the premise to meet advanced semiconductor research requirements; (iii) the procurement and installation of research equipment, testing instruments, and supporting infrastructure; and (iv) the establishment of R&D and related teams. The new R&D center, to be established through our subsidiary in Hangzhou as the southern regional center, will expand our sensor R&D, testing and storage functions previously concentrated at our Changchun headquarter. It will also provide dual data and facility backup to improve operational safety and ensure business continuity against potential disruptions. The new R&D center will focus on high-performance pixel architecture and advanced technology such as short-wave infrared image sensors based on InGaAs materials, expanding our technological scope and accelerating the commercialization of next-generation CMOS image sensors. Leveraging Hangzhou's strong industrial and talent resources, the R&D center will facilitate closer collaboration with supply chain partners, improve research efficiency and help attract high-caliber professionals to support our long-term growth. Our Directors consider that acquiring an office building instead of leasing is more commercially justifiable because: (i) the expanded, self-built clean room facilities will allow us to meet a broader range of R&D needs and advance our technologies; (ii) the expanded, self-built pixel and verification platforms will enhance our platform development and raise technical barriers; (iii) owning the property protects us from future rental increase; (iv) a showroom can be built to showcase our product design process and achievements, providing a platform for technical exchange, product validation and customer engagement, thereby further enhancing our market presence and brand influence; and (v) it will help attract top talent and improve employee satisfaction.

  To support the establishment of the advanced CMOS image sensor R&D center, we plan to involve a total of 142 current and new R&D personnel (in terms of man-year) and 28 current and new management personnel (in terms of man-year) over the next five years. In particular, we plan to recruit 13, 6, 21 and 2 additional R&D personnel and 2, 2, 2 and 1 additional management personnel in 2026, 2027, 2028 and 2029, respectively. The new hires are essential to ensure the effective operation of the R&D center; R&D personnel will be responsible for product design, verification and testing, forming the core team driving technological innovation, as well as pixel and wafer process design and the establishment of new process platforms, which are critical to developing next-generation CMOS image sensor products; and management and administrative staff will oversee the center's administrative, financial and human resources functions to ensure smooth coordination and compliance across operations.

  On February 28, 2026, Gpixel Hangzhou entered into an asset acquisition agreement with Hangzhou High-tech Industrial Development Zone Asset Management Co., Ltd.* (杭州高新技術產業開發區資產經營有限公司) (the "**Vendor**"), pursuant to which Gpixel Hangzhou agreed to acquire and the Vendor agreed to sell, among others, an office building with gross floor area of approximately 3,856 sq.m. in Hangzhou (the "**Property**") at a consideration of

RMB48.7 million. The Property will be used for establishing an advanced CMOS image sensor R&D center and part of the proceeds from the Global Offering will be used to settle the consideration of the said acquisition.

- Approximately 4.0%, or HK$100.1 million, is expected to be used for expanding our packaging and testing production lines, including (i) establishment of additional packaging facility for the expansion of clean room facilities to meet advanced manufacturing requirements; (ii) the procurement and installation of packaging and testing equipment to enhance production capacity and quality control; and (iii) the deployment, recruitment and training of skilled personnel to support our expanded operations. As the quality of our packaged products, on-time delivery rate and assembly yield rate continue to improve, we plan to further expand our internal production capacity to strengthen supply chain security, improve production controllability and enhance our resilience against operational risks. In addition, the expanded capabilities will allow us to achieve cost reduction and efficiency improvement through internal packaging operations and to better serve our customers with faster time-to-market and more competitive offerings, which is expected to enhance our overall profitability. By further integrating upstream and downstream production processes within the industry chain, we aim to consolidate our core competitive advantages and reinforce our long-term strategic positioning. Our internal packaging production capacity during the Track Record Period was approximately 25,000 units per month, respectively. The new packaging production lines are expected to be completed in 2026 or 2027, expanding our production capacity to 55,000 units per month.

  For equipment procurement, we will obtain and compare quotations based on our specific needs and technical requirements, and test and inspect the equipment before use. For factory renovation, we will design layout plans according to our specific needs, obtain and compare quotations, carry out the renovation and perform final inspections.

  We intend to procure a range of packaging and testing equipment for sensor mounting, wire-bonding, glass-bonding, in-process inspection and wafer thinning, with an expected useful life of five to ten years. We currently use similar equipment for sensor mounting, wire-bonding, glass-bonding and in-process inspection, which have a remaining useful life of four to nine years; however, we do not possess comparable equipment for wafer thinning.

  To ensure efficient, reliable and high-quality operations as production capacity expands, we plan to recruit approximately 12 additional production operators in 2026, with four to six more per year thereafter over the next five years, to handle increased packaging, testing and inspection work. We will also enhance facility support by forming a dedicated management team comprising engineers and technicians, adding approximately 4 facility support staff in 2026 and four annually thereafter to ensure stable operation of utilities and cleanroom systems. In addition, approximately 4 R&D personnel will be added in 2026, with three to four annually over the next five years, to provide process engineering support, optimise mass production processes, improve yield and facilitate new technology introduction.

- Approximately 10.0%, or HK$250.4 million, is expected to be used for enhancing our overseas operations through strategic geographic expansion, including (i) establishment of new subsidiary in Hong Kong and recruitment of personnel for the new office; (ii) expansion of sales team to support our overseas sales and marketing efforts and expand our footprint worldwide, including Hong Kong, South Korea and Japan; (iii) increased participation in international industry events and trade shows; and (iv) expansion of overseas R&D presence. We expect these initiatives will broaden our customer network and strengthen our market position in the CMOS image sensor industry, and in turn solidify our position, drive revenue growth and increase our global market share. Our Directors are of the view, and the Joint Sponsors concur, that our overseas expansion plan is feasible as (i) the new Hong Kong subsidiary will streamline overseas sales collection, settlement and supply chain payments, reducing exchange rate risks and enhancing logistics efficiency. It will also serve as a platform to attract skilled R&D, sales and management talent from Hong Kong and abroad, supporting our technical development and overseas expansion. As at the Latest Practicable Date, we had completed the relevant overseas direct investment filings for its Hong Kong subsidiary; (ii) sales from South Korea and Japan accounted for approximately 20% to 35% of our overseas revenue during the Track Record Period, and we intend to continue expanding its sales efforts in these Asian markets; and (iii) given that professional photography and videography (P&V) customers are primarily based in Japan, we plan to further strengthen its R&D presence in Japan by recruiting experienced P&V engineers, in order to enhance its technical capability and responsiveness to customer needs.

To support overseas expansion, we plan to gradually increase our overseas sales team to approximately 8 to 20 staff members over the next five years, by recruiting 3 to 4 additional sales staff per year, to enhance customer coverage and local service capabilities. In addition, we plan to deploy approximately three management personnel to be responsible for daily administrative, financial and operational management of the overseas business activities.

- Approximately 10.0%, or HK$250.4 million, is expected to be used for working capital and general corporate purposes.

Other than the associated cash outflow for acquisition of office building, purchase of equipment and the additional depreciation, our Directors, after having made all reasonable enquiries and to the best of their knowledge and belief, believe that the implementation plan will not materially alter our cost structure, gross profit margin and risk profile.

Assuming the Over-allotment Option is not exercised, the net proceeds from the Global Offering, after deducting underwriting fees, commissions, and estimated expenses, are expected to be approximately HK$2,503.6 million based on the Offer Price of HK$39.88 per Offer Share.

If the Over-allotment Option is fully exercised, the additional net proceeds that we will receive will be approximately HK$379.8 million (based on the Offer Price of HK$39.88 per Share. In the event that the Over-allotment Option is exercised, we intend to apply the additional net proceeds to the above purposes on a pro rata basis.

To the extent that our proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. If the net proceeds of the Global Offering are not immediately applied to the above purposes, we will only deposit those net proceeds into short-term interest-bearing accounts at licensed commercial banks, and/or other authorized financial institutions as defined under the SFO or applicable laws and regulations in other jurisdictions. We will issue an appropriate announcement if there is any change to the above proposed use of proceeds.

The table below sets forth the expected implementation timetable of our planned use of our proceeds:

	Allocation Proportion	For the year ending December 31,					
		2026	2027	2028	2029	2030	Total
	(%)	(HK$ in millions)	(HK$ in millions)	(HK$ in millions)	(HK$ in millions)	(HK$ in millions)	(HK$ in millions)
Increasing our R&D investments to drive continuous innovation and support product iterations across our major application scenarios	55.0	184.1	422.7	356.4	270.5	143.3	1,377.0
i. Industrial imaging	20.0	59.8	139.6	116.3	123.0	62.0	500.7
ii. Scientific imaging	10.0	40.8	82.8	65.6	38.8	22.3	250.4
iii. Professional photography and video	15.0	45.2	123.6	82.2	78.1	46.5	375.5
iv. Medical imaging	10.0	38.2	76.7	92.4	30.5	12.5	250.4
Establishing an advanced CMOS image sensor R&D center	**21.0**	**100.8**	**109.7**	**131.6**	**121.1**	**62.6**	**525.8**
Expanding our packaging and testing production lines to enhance our capabilities	**4.0**	**42.7**	**8.4**	**12.0**	**16.1**	**21.0**	**100.1**
Enhancing our overseas operations through strategic geographic expansion	**10.0**	**33.0**	**45.2**	**49.1**	**55.4**	**67.6**	**250.4**
Working capital and general corporate purposes	**10.0**	**50.1**	**50.1**	**50.1**	**50.1**	**50.1**	**250.4**
Total	**100.0**	**410.6**	**636.0**	**559.2**	**513.2**	**344.6**	**2,503.6**

HONG KONG UNDERWRITERS

CLSA Limited
Guotai Junan Securities (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.

The Global Offering comprises the Hong Kong Public Offering of initially 6,529,500 Hong Kong Offer Shares and the International Offering of initially 58,764,700 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

The 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 on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option, the Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme and the H Shares to be converted from Unlisted Shares) as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been revoked prior to the commencement of trading of 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

If any of the events set out below occurs at any time prior to 8:00 a.m. on the Listing Date, the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their sole and absolute discretion may, by notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there shall develop, occur, exist or come into force: (i) any local, national, regional or international event or circumstance or series of events or circumstances in the nature of force majeure, including any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak, mutation, aggravation or escalations of disease (including but not limited to Severe Acute Respiratory Syndromes (SARS), swine or avian flu, H1N1, H5N1, H1N7, H7N9, Ebola virus, MERS and COVID-19 and such related/mutated forms), economic sanctions, strikes, labor disputes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, riots, rebellion, severe transport disruption, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war or state of emergency is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations, in or affecting Hong Kong, the PRC, the United States, the United Kingdom, any member of the European Union, Japan, Belgium or any other jurisdiction relevant to any member of our Group or the Global Offering (collectively, the "**Relevant Jurisdictions**"); or (ii) any change, or any development involving a prospective change, or any event or circumstance or series of events or circumstances resulting or likely to result in or representing any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions or equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets, or any member of the European Union announcing, voluntarily or compulsorily, its intention to leave the European Union or the Economic and Monetary Union of the European Union), or a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or Renminbi is linked to any foreign currency or currencies or revaluation of the Hong Kong dollar or Renminbi against any foreign currencies or a change in any other currency exchange rates, in or affecting any Relevant Jurisdictions; or (iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (iv) any general moratorium on commercial banking activities in or affecting the Relevant Jurisdictions (whether imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or (v) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting any of the Relevant Jurisdictions; or (vi) the imposition of economic sanctions or export controls in whatever form, or withdrawal of trading privileges, in whatever form, directly or indirectly, under any sanction laws, or regulations in, Hong Kong, the PRC or any other Relevant Jurisdiction; or (vii) any change or development involving a prospective change or amendment in or affecting taxes or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong

Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or (viii) any litigation, regulatory or disciplinary proceeding, legal action, dispute or claim of any third party being threatened or instigated or announced against any member of our Group or any Director or any senior management member of our Group; or (ix) an authority or a political body or organization in any Relevant Jurisdiction announcing or commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director or any senior management member of our Group or any member of our Group; or (x) a contravention by any member of our Group or any Director or any senior management member of our Group of the Listing Rules or applicable laws; or (xi) any Director or any senior management member of our Group vacating his office; (xii) an order or petition for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or (xiii) any change, development or event involving a prospective change in, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or (xiv) a demand by any creditor for repayment or payment of any indebtedness of any member of our Group in respect of which any member of our Group is liable prior to its stated maturity, which, in any such case, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (1) has or will have or may have a material adverse effect 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 Group as a whole; or (2) has or will have 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 interest under the International Offering or dealings in the Offer Shares in the secondary market; or (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering or to deliver the Offer Shares on the terms and in the manner contemplated by this prospectus; or (4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable or impracticable of performance in accordance with its terms or preventing or delaying 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 Joint Sponsors or the Overall Coordinators that: (i) any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the formal notice, the Operative Documents (as defined in the Hong Kong Underwriting Agreement) and/or in any notices, announcements, advertisements, communications or other documents issued or used in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (collectively, the "**Offer Related Documents**") was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respect or misleading or deceptive in any respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents is not fair and honest and based on reasonable assumptions; 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 misstatement or a material omission from any of the Offer Related Documents; or (iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or (iv) any certificate given by our Company or any of its respective officers under or in connection with the Hong Kong Underwriting Agreement or the Global Offering is false or misleading; or (v) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties pursuant to the Hong Kong Underwriting Agreement; or; (vi) any material adverse change, or any development involving a prospective material adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of any member of our Group; or (vii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the warranties set out in the Hong Kong Underwriting Agreement; or (viii) a Director or a senior management member of our Group being charged with an indictable offense or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or (ix) a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the H Shares (including the H Shares to be issued pursuant to the exercise of the Over-allotment Option), pursuant to the terms of the Global Offering; or (x) non-compliance of this prospectus, the CSRC filings or any other documents used in connection with the contemplated offer and sale of the Offer Shares or any aspect of the Global Offering with the Listing Rules, the CSRC rules or any other applicable laws; or (xi) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents issued or used in connection with the contemplated offer and sale of the Offer Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the CSRC rules or the Listing Rules or any requirement or request of the Stock Exchange, the CSRC and/or the SFC, except with the prior written consent of the Joint Sponsors and Sponsor-OCs; or (xii) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the H Shares to be issued or sold (including any additional H Shares to be issued pursuant to any exercise of the Over-Allotment Option) under the Global Offering 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, qualified (other than by customary conditions) or withheld; or (xiii) our Company withdraws any of the Offer Related Documents or the Global Offering; or (xiv) any person (other than the Joint Sponsors) has withdrawn or is subject to withdrawing its consent to being named in this prospectus or to the issue of any of the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement); or (xv) the investment commitment by any cornerstone investor after signing of agreement with such cornerstone investor having been withdrawn, terminated or cancelled, or a material portion of the orders placed or confirmed in the bookbuilding process having been withdrawn, terminated or cancelled and such withdrawn, terminated or cancelled orders not having been fully covered by other orders or any replacement order having been subsequently withdrawn, terminated or cancelled.

Undertaking to the Stock Exchange pursuant to the Listing Rules

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the Listing Date (whether or not such issue of Shares or securities, or sale or transfer of treasury shares will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering or the Over-allotment Option or the Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme, or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, except pursuant to the Global Offering (including the Over-allotment Option), he/she/it will not and will procure that the relevant registered holder(s) will not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules: (a) in the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-Month Period**"), 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 Shares in respect of which he/she/it is shown by this prospectus to be the beneficial owner (the "**Relevant Securities**"); and (b) in the period of six months from the expiry of the First Six-Month Period, 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 Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, within the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/she/it will: (i) when he/she/it pledges or charges any Relevant Securities or interests in any of the Relevant Securities, whether directly or indirectly, in favor of any 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 of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Relevant Securities so pledged or charged; and(ii) when he/she/it receives indications, either verbal or written, from the pledgee or chargee of any Relevant Securities that any of the pledged or charged securities of our Company will be disposed of, immediately inform our Company of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (i) and (ii) above by any of our Controlling Shareholders and subject to the then applicable requirements of the Listing Rules disclose such matters by way of an announcement.

Each of Dr. Wang and Dr. Zhang has undertaken that he/she will not, in the period of 36 months from the Listing Date, among others, sell, mortgage, charge, pledge, lend, dispose of, or enter into any swap or similar arrangement that transfers in whole or in part the economic interests of ownership in the Shares directly held by each of them upon Listing. For the avoidance of doubt, the aforesaid lock-up undertaking shall not apply to, among others, any lending of Shares by Dr. Wang or Dr. Zhang pursuant to a stock borrowing agreement relating to an over-allotment option or any Shares acquired through open market.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertaking by our Company

Pursuant to the Hong Kong Underwriting Agreement, except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the exercise of the Over-Allotment Option), during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months from the Listing Date (the "**First Six-Month Period**"), our Company undertakes to each of the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters and the Joint Sponsors not to, and to procure each other member of our Group not to, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules (and only after the consent of any relevant PRC authority (if so required) has been obtained): (i) offer, 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 (as defined in the Hong Kong Underwriting Agreement) 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 any H Shares or any other securities of our Company or any shares or other securities of such other member of our Group, as applicable, 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 other equity securities of our Company or any shares or other securities of such other member of our Group, as applicable), or deposit any H Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, with a depositary in connection with the issue of depositary receipts; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any H Shares or any other securities of our Company or any shares or other securities of such other member of our Group, as applicable, 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 other equity securities of our Company or any shares or other securities of such other member of our Group, as applicable); or (iii) enter into or effect any transaction with the same economic effect as any transaction specified in paragraphs (i) or (ii) above; or (iv) offer to, contract to, agree to or announce, or publicly disclose any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above, in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or in cash or otherwise (whether or not the issue of such H Shares or such other securities of our Company or any shares or other securities of such other member of our Group, as applicable will be completed within the First Six-Month Period).

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), our Company enters into any of the transactions specified in paragraphs (i), (ii) or (iii) above or offers to or agrees or contracts to or announces, or publicly discloses, any intention to enter into or effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Each of our Controlling Shareholders undertakes to each of the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries, the Hong Kong Underwriters and the Joint Sponsors to procure our Company to comply with the above undertakings.

Undertaking by our Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of our Controlling Shareholders undertakes to each of our Company, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters and the Joint Sponsors that, except as pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules (and only after the consent of any relevant PRC authority (if so required) has been obtained):

(a) he/she/it will not and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/her/it and the companies controlled by him/it will not, at any time during the First Six-Month Period, (i) offer, sell, offer to sell, contract or agree to sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other equity securities of our Company beneficially owned by him/her/it as of the date of this prospectus or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other equity securities, as applicable or any interest in any of the foregoing) (the "**Locked-up Securities**"), or deposit any Locked-up Securities with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Locked-up Securities, or (iii) enter into or effect any transaction with the same economic effect as any transaction specified in paragraphs (i) or (ii) above, or (iv) offer to, contract to, agree to or announce, or publicly disclose any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above, in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of H Shares or other equity securities of our Company or in cash or otherwise (whether or not the issue of such H Shares or such other equity securities will be completed within the First Six-Month Period); and

(b) he/she/it will not and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/her/it and the companies controlled by him/her/it will not, during the Second Six-Month Period, enter into any of the transactions specified in paragraphs (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, he/she/it will cease to be a "controlling shareholder" (as defined in the Listing Rules) of our Company; and

(c) until the expiry of the Second Six-Month Period, in the event that he/she/it or any of the relevant registered holder(s), any nominee or trustee holding on trust for him/her/it and the companies controlled by him/her/it enters into any of the transactions specified in paragraphs (a)(i), (ii) or (iii) or offers to or agrees to or announces any intention to effect any such transaction, he/she/it will take all reasonable steps to ensure that he/she/it will not create a disorderly or false market in the securities of our Company, provided that, subject to strict compliance with any requirements of applicable laws (including, without limitation and for the avoidance of doubt, the requirements of the Stock Exchange or of the SFC or of the CSRC or of any other relevant authority), nothing in the paragraphs above shall prevent our

Controlling Shareholders from using Locked-up Securities as security in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155) of the laws of Hong Kong) for a bona fide commercial loan provided that our Controlling Shareholders will (i) when they pledge or charge the Locked-up Securities, immediately inform our Company of such pledge or charge together with the number of the Locked-up Securities so pledged or charged; and (ii) when they receive indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Locked-up Securities will be disposed of, immediately inform our Company of such indications.

Our Company agrees and undertakes to each of the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters and the Joint Sponsors that upon receiving such information in writing from our Controlling Shareholders, it shall, as soon as practicable, notify the Stock Exchange and make a public disclosure in relation to such information in accordance with the Listing Rules.

Hong Kong Underwriters' Interests in our Company

As of the Latest Practicable Date, our Company was owned as to 1.10% by Guoce Xiangchi, which Guotai Junan Zhengyu Investment Co., Ltd.* (國泰君安證裕投資有限公司) ("**Zhengyu Investment**") was a limited partner with 45.21% interest in Guoce Xiangchi. For details, please see "History, Development and Corporate Structure — Investment from the Pre-IPO Investors — Information of the Pre-IPO Investors".

Save as disclosed above, and except for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of our Company 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 H Shares or any securities of our Company.

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.

The International Offering

International Underwriting Agreement

In connection with the International Offering, our Company and each of our Controlling Shareholders expect to enter into the International Underwriting Agreement with the Overall Coordinators and the International Underwriters on or around April 15, 2026. 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 initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds to the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or terminated, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering" in this prospectus.

Over-allotment Option

Our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 9,794,100 H Shares, representing not more than 15% of the number of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-allotment Option" for further details.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 2% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the "**Fixed Fee**"), out of which they will pay any sub-underwriting commissions and other fees.

Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or the Capital Market Intermediaries an incentive fee of up to 1% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the "**Discretionary Fee**"). According to the offering size, the ratio of the Fixed Fee and the Discretionary Fee payable to all Underwriters is approximately 63.0:37.0 before the exercise of the Over-allotment Option or 62.3:37.7 after the full exercise of the Over-allotment Option.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable by our Company to the Underwriters in relation to the Global Offering (based on the Offer Price of HK$39.88 per Offer Share, and assuming the full payment of the Discretionary Fee based on the offering size and the full exercise of the Over-allotment Option) will be approximately HK$76.85 million.

The aggregate underwriting commissions and incentive fees together with the Stock Exchange listing fees, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$110.10 million (based on the Offer Price of HK$39.88 per Offer Share, and assuming the full payment of the Discretionary Fee based on the offering size and the full exercise of the Over-allotment Option) and will be paid by our Company.

Joint Sponsors' Fee

An amount of US$250,000 is payable by our Company as sponsor fee to each of the Joint Sponsors.

Indemnity

Each of our Company and our Controlling Shareholders has agreed to indemnify the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters, the Sponsor-Overall Coordinators, the Overall Coordinators, the Capital Market

Intermediaries for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of our Company and our Controlling Shareholders of the Hong Kong Underwriting Agreement.

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, loan financing, 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, co-investments and/or instruments of or with our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Company's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed 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 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 the section headed "Structure of the Global Offering". 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 Stabilizing 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, loan financing and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

JOINT SPONSORS' INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria 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 and Guotai Junan Securities (Hong Kong) Limited are the Overall Coordinators of the Global Offering. The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have 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 in issue and to be issued as mentioned in this Prospectus.

65,294,200 Offer Shares will initially be made available under the Global Offering comprising: (a) the Hong Kong Public Offering of initially 6,529,500 H Shares (subject to reallocation) in Hong Kong as described in the sub-section "— The Hong Kong Public Offering" in this section below; and (b) the International Offering of initially 58,764,700 H Shares (subject to reallocation and the Over-allotment Option) outside the United States (including with professional, institutional, corporate and other investors whom we anticipate may have a reasonable demand for the H Shares in Hong Kong) in offshore transactions in reliance on Regulation S as described in the sub-section headed "— The International Offering" in this section 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. If the Over-allotment Option is exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 16.87% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option. References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 6,529,500 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public 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).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, 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 the sub-section headed "— Conditions of the Global Offering" in this section.

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 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 valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Applicants 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. 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 approximately 50% of the 6,529,500 Offer Shares initially comprised in the Hong Kong Public Offering (that is 3,264,700 Offer Shares) 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 Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators 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 3,264,600 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 9,794,100 Offer Shares, representing approximately 15.0% of the number of Offer Shares initially available under the Global Offering (before exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the

Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

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 Thursday, April 16, 2026. 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).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$39.88 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$4,028.23 for one board lot of 100 H Shares. For details, see "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 58,764,700 H Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 13.50% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option are not exercised).

Allocation

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on behalf of our Company by the International Underwriters or through selling agents appointed by them. The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation of Offer Shares under the International Offering will be effected in accordance with the "book-building" process described in the subsection headed "— Allocation" in this section and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that that investor is likely to buy further H Shares, and/or hold or sell its H Shares, after the Listing. This basis of allocation is intended to result in a distribution of the Offer Shares which is likely to lead to the establishment of a solid and stable professional and institutional shareholder base to the benefit of our Group and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require an investor who has been offered (or has indicated an interest for) 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 the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

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 Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (for themselves 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 Thursday, May 14, 2026, to require our Company to issue up to an aggregate of 9,794,100 additional H Shares, representing not more than 15.0% of the total number of Offer Shares under the Global Offering, at the Offer Price under the International Offering to, cover over-allocations (if any) in the International Offering.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 2.20% of our issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the 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 and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (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 Stabilizing 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 Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilizing 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 of the last day for lodging applications under the Hong Kong Public Offering, being Thursday, May 14, 2026.

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 agreeing to purchase, 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 Stabilizing 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 Stabilizing 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 Stabilizing 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 the 30th day after the last day for lodging applications under the Hong Kong Public Offering, being Thursday, May 14, 2026. 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.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 9,794,100 H Shares representing up to approximately 15.0% of the number of Offer Shares being offered initially under the Global Offering), through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid on the Listing Date.

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 Stabilizing 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 Stabilizing 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.

ALLOCATION

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 Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price 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 a 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 websites of our Company and the Stock Exchange at **www.gpixel.com** and **www.hkexnews.hk**, respectively, an announcement, cancel the offer and relaunch the offer on FINI at the revised number of Offer Shares and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental prospectus or a new prospectus (as appropriate)). Upon issue of such announcement or supplemental prospectus (as appropriate), the number of the Offer Shares offered in the Global Offering will be final and conclusive.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement or supplemental prospectus (as appropriate) of a reduction in the number of Offer Shares may not be made until the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such announcement or cancellation and relaunch of offer, the number of Offer Shares will not be reduced.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering. The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this Prospectus.

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 around Wednesday, April 15, 2026. These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this Prospectus.

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, the H Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme and the H Shares to be converted from the Unlisted Shares) on the Main Board of the Stock Exchange and such approval and permission not subsequently having been withdrawn or revoked prior to the Listing Date; (b) the execution and delivery of the International Underwriting Agreement on or around Wednesday, April 15, 2026; and (c) 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.

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 by our Company on the websites of our Company and the Stock Exchange at **www.gpixel.com** and **www.hkexnews.hk**, respectively, 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 the section headed "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" in this Prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, April 17, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

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 Friday, April 17, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, April 17, 2026. The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 3277.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.gpixel.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for: (a) are 18 years of age or older; (b) have a Hong Kong address *(for the **HK eIPO White Form** service only)*; and (c) 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 or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for: (a) are an existing Shareholder or its close associates; or (b) are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Thursday, April 9, 2026 and end at 12:00 noon on Tuesday, April 14, 2026 (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
HK eIPO White Form service	www.hkeipo.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 a.m. on Thursday, April 9, 2026 to 11:30 a.m. on Tuesday, April 14, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, April 14, 2026, Hong Kong time.

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel . . .	Your broker or custodian who is a HKSCC Participant will submit a **HKSCC 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 **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorised to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorised the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorised 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 **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual 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: i) HKID card; or ii) National identification document; or iii) Passport; and	• Identity document type, with order of priority: i) Legal Entity Identifier ("**LEI**") registration document; or ii) Certificate of incorporation; or iii) Business registration certificate; or iv) Other equivalent document; and
• Identity document number	• Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant 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 an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. 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 account holders on FINI[(1)] is capped at four in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you: (a) control the composition of the board of directors of the company; (b) control more than half of the voting power of the company; or (c) hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agents, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . : 100 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 Offer Price is HK$39.88 per H Share.

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

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **HK eIPO White Form** 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.

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	4,028.23	2,500	100,705.47	30,000	1,208,465.69	600,000	24,169,313.88
200	8,056.44	3,000	120,846.57	40,000	1,611,287.59	700,000	28,197,532.85
300	12,084.66	3,500	140,987.67	50,000	2,014,109.49	800,000	32,225,751.85
400	16,112.87	4,000	161,128.76	60,000	2,416,931.39	900,000	36,253,970.82
500	20,141.10	4,500	181,269.86	70,000	2,819,753.29	1,000,000	40,282,189.80
600	24,169.32	5,000	201,410.95	80,000	3,222,575.19	2,000,000	80,564,379.60
700	28,197.53	6,000	241,693.14	90,000	3,625,397.08	3,264,700[(1)]	131,509,265.04
800	32,225.75	7,000	281,975.33	100,000	4,028,218.98		
900	36,253.97	8,000	322,257.52	200,000	8,056,437.95		
1,000	40,282.19	9,000	362,539.71	300,000	12,084,656.95		
1,500	60,423.29	10,000	402,821.90	400,000	16,112,875.92		
2,000	80,564.38	20,000	805,643.80	500,000	20,141,094.90		

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 **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) 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 the paragraph headed "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

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 documents numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf): (i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, 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 understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them; (iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares; (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application; (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations; (vi) agree that our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market

Intermediaries, the Underwriters, and any of their or our Company's respective directors, officers, employees, partners, agents, advisers, and representatives, and any other parties involved in the Global Offering (collectively, the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it; (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section; (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation; (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section; (x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section; (xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong; (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus; (xiii) 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 our 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 our 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; (xiv) warrant that the information you have provided is true and accurate; (xv) 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; (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application; (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying; (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or HKSCC EIPO channel:		
Website	From the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (alternatively: **www.tricor.com.hk/ipo/result**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Thursday, April 16, 2026 to 12:00 midnight on Wednesday, April 22, 2026 (Hong Kong time).
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** (alternatively: **www.tricor.com.hk/ipo/result**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.gpixel.com** which will provide links to the above-mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, April 16, 2026 (Hong Kong time).
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar.	Between 9:00 a.m. and 6:00 p.m., from Friday, April 17, 2026 to Wednesday, April 22, 2026, (Hong Kong time) on a business day.

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, April 15, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, April 15, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.gpixel.com** by no later than 11:00 p.m. on Thursday, April 16, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the 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: (a) within three weeks from the closing date of the application lists; or (b) 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: (a) you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications; (b) your application instruction is incomplete; (c) your payment (or confirmation of funds, as the case may be) is not made correctly; (d) the Underwriting Agreements do not become unconditional or are terminated; (e) we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If 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.

H Share certificates will only become valid at 8:00 a.m. on the Listing Date, provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds for Termination" has not been exercised. Investors who trade the H Shares on the basis of publicly available allocation details 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:

	HK eIPO White Form service	HKSCC EIPO channel
Dispatch/collection of H Share certificate[1]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Friday, April 17, 2026 (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 authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	
	Note: If you do not collect your 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.	

	HK eIPO White Form service	HKSCC EIPO channel
For application of less than 1,000,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. **Date**: Thursday, April 16, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Friday, April 17, 2026	Subject to the arrangement between you and your broker or custodian.
Responsible party	H Share Registrar.	Your broker or custodian.
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be dispatched to the address as specified in your application instructions by ordinary post at your own risk.	

1. Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or Extreme Conditions in the morning on Thursday, April 16, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "– E. Severe Weather Arrangements" in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, April 14, 2026 if, there is/are:(a) a tropical cyclone warning signal number 8 or above;(b) a black rainstorm warning; and/or(c) Extreme Conditions, (collectively, "**Severe Weather Signals**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, April 14, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.gpixel.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Thursday, April 16, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the HKSCC Depository's service counter so that they would be available for trading on Friday, April 17, 2026.

If a **Severe** Weather Signal is hoisted on Thursday, April 16, 2026, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) 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 Thursday, April 16, 2026 or on Friday, April 17, 2026).

If a **Severe** Weather Signal is hoisted on Friday, April 17, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) 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 Friday, April 17, 2026 or on Monday, April 20, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

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

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

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by 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. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of 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: (a) processing your application and refund cheque and **HK eIPO White Form** e-Auto 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; (b) 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; (c) maintaining or updating the register of members of our Company; (d) verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the Shares; (e) facilitating Hong Kong Offer Shares balloting; (f) establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.; (g) distributing communications from our Company and our subsidiaries; (h) compiling statistical information and profiles of the holder of the H Shares; (i) disclosing relevant information to facilitate claims on entitlements; and (j) 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 and holders of the H Shares and/or regulators and/or any other purposes to which applicants 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: (a) our Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar; (b) 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); (c) 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 operation; (d) the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and (e) 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 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 and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of our company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

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27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GPIXEL CHANGCHUN MICROELECTRONICS INC., CITIC SECURITIES (HONG KONG) LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

INTRODUCTION

We report on the historical financial information of Gpixel Changchun Microelectronics Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-100, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-100 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 9 April 2026 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
9 April 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (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

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	5	604,835	673,048	856,513
Cost of sales		(220,881)	(276,186)	(283,232)
Gross profit		383,954	396,862	573,281
Other income and gains	5	29,542	55,161	58,150
Selling expenses		(22,653)	(27,858)	(29,446)
Administrative expenses		(62,196)	(64,721)	(84,060)
Research and development expenses		(131,546)	(130,215)	(186,168)
Impairment losses on trade receivables, net		(1,948)	(2,128)	(6,276)
Other expenses		(919)	(3,154)	(9)
Finance costs	7	(1,372)	(868)	(790)
Share of losses of associates		(2,371)	(2,243)	(561)
PROFIT BEFORE TAX	6	190,491	220,836	324,121
Income tax expense	10	(20,644)	(23,854)	(30,975)
PROFIT FOR THE YEAR		169,847	196,982	293,146
Attributable to:				
Owners of the parent		174,199	198,675	294,182
Non-controlling interests		(4,352)	(1,693)	(1,036)
		169,847	196,982	293,146
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted *(RMB yuan)*	12	0.47	0.54	0.80

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
PROFIT FOR THE YEAR	169,847	196,982	293,146
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(687)	(2,590)	2,088
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(687)	(2,590)	2,088
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value	—	2,543	25,173
Income tax effect	—	(254)	(2,517)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	—	2,289	22,656
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(687)	(301)	24,744
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	169,160	196,681	317,890
Attributable to:			
Owners of the parent	173,322	198,560	318,467
Non-controlling interests	(4,162)	(1,879)	(577)
	169,160	196,681	317,890

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	49,306	51,632	54,531
Time deposits	22	—	—	30,622
Right-of-use assets	14(a)	11,661	9,963	3,244
Other intangible assets	15	13,393	8,229	23,048
Investment in associates	16	6,785	11,443	10,944
Equity investments designated at fair value through other comprehensive income	17	75,886	78,429	103,602
Financial assets at fair value through profit and loss	21	15,127	18,700	20,301
Prepayments, other receivables and other assets	20	454	1,259	2,504
Deferred tax assets	28	3,444	2,555	437
Total non-current assets		176,056	182,210	249,233
CURRENT ASSETS				
Inventories	18	373,143	286,681	352,986
Trade and notes receivables	19	114,684	184,746	235,336
Prepayments, other receivables and other assets	20	28,670	20,962	33,474
Tax recoverable		—	654	9
Financial assets at fair value through profit or loss	21	90,625	100,894	271,197
Restricted cash	22	3,278	2,167	489
Cash and cash equivalents	22	92,713	402,984	236,305
Time deposits	22	434,719	309,782	708,029
Total current assets		1,137,832	1,308,870	1,837,825
CURRENT LIABILITIES				
Trade and notes payables	23	62,185	30,334	81,158
Other payables and accruals	24	121,189	91,753	293,747
Interest-bearing bank borrowings	26	2,000	—	—
Derivative financial instruments	25	—	199	—
Provision	27	2,525	2,553	3,973
Lease liabilities	14(b)	4,273	7,810	5,803
Tax payable		8,067	10,715	18,678
Total current liabilities		200,239	143,364	403,359
NET CURRENT ASSETS		937,593	1,165,506	1,434,466
TOTAL ASSETS LESS CURRENT LIABILITIES		1,113,649	1,347,716	1,683,699

	Notes	As at 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Other payables and accruals	*24*	139,781	129,399	111,430
Lease liabilities	*14(b)*	10,720	6,307	519
Total non-current liabilities		150,501	135,706	111,949
Net assets		963,148	1,212,010	1,571,750
EQUITY				
Equity attributable to owners of the parent				
Share capital	*29*	370,000	370,000	370,000
Reserves	*31*	581,325	830,976	1,189,738
		951,325	1,200,976	1,559,738
Non-controlling interests		11,823	11,034	12,012
Total equity		963,148	1,212,010	1,571,750

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	Equity reserves*	Statutory surplus reserve*	Share option/award reserve*	Exchange fluctuation reserve*	Accumulated loss*	Total	Non-controlling interests	Total equity
	RMB'000 *(note 29)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 30)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	370,000	569,378	—	11,014	(2,008)	(222,353)	726,031	14,362	740,393
Profit for the year	—	—	—	—	—	174,199	174,199	(4,352)	169,847
Exchange differences on translation of foreign operations	—	—	—	—	(877)	—	(877)	190	(687)
Total comprehensive income for the year	—	—	—	—	(877)	174,199	173,322	(4,162)	169,160
Equity-settled share-based payments arrangement *(note 30)*	—	—	—	51,358	—	—	51,358	1,519	52,877
Transfer to statutory surplus reserve	—	—	2,061	—	—	(2,061)	—	—	—
Share of reserves of associates	—	614	—	—	—	—	614	104	718
At 31 December 2023	370,000	569,992	2,061	62,372	(2,885)	(50,215)	951,325	11,823	963,148

Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital	Equity reserves*	Fair value reserve of financial assets at fair value through other comprehensive income*	Statutory surplus reserve*	Share option/award reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 *(note 29)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000* *(note 31)*	*RMB'000* *(note 30)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	370,000	569,992	—	2,061	62,372	(2,885)	(50,215)	951,325	11,823	963,148
Profit for the year	—	—	—	—	—	—	198,675	198,675	(1,693)	196,982
Exchange differences on translation of foreign operations	—	—	—	—	—	(2,404)	—	(2,404)	(186)	(2,590)
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	2,289	—	—	—	—	2,289	—	2,289
Total comprehensive income for the year	—	—	2,289	—	—	(2,404)	198,675	198,560	(1,879)	196,681
Equity-settled share-based payments arrangement *(note 30)*	—	—	—	—	51,147	—	—	51,147	1,105	52,252
Transfer to statutory surplus reserve	—	—	—	20,782	—	—	(20,782)	—	—	—
Share of reserves of associates	—	(56)	—	—	—	—	—	(56)	(15)	(71)
At 31 December 2024	370,000	569,936	2,289	22,843	113,519	(5,289)	127,678	1,200,976	11,034	1,212,010

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital	Equity reserves*	Fair value reserve of financial assets at fair value through other comprehensive income*	Statutory surplus reserve*	Share option/award reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 *(note 29)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000* *(note 31)*	*RMB'000* *(note 30)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	370,000	569,936	2,289	22,843	113,519	(5,289)	127,678	1,200,976	11,034	1,212,010
Profit for the year	—	—	—	—	—	—	294,182	294,182	(1,036)	293,146
Exchange differences on translation of foreign operations	—	—	—	—	—	1,629	—	1,629	459	2,088
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	22,656	—	—	—	—	22,656	—	22,656
Total comprehensive income for the year	—	—	22,656	—	—	1,629	294,182	318,467	(577)	317,890
Equity-settled share-based payments arrangement *(note 30)*	—	—	—	—	58,755	—	—	58,755	1,555	60,310
Transfer to statutory surplus reserve	—	—	—	29,311	—	—	(29,311)	—	—	—
Dividends declared to shareholders	—	—	—	—	—	—	(18,500)	(18,500)	—	(18,500)
Share of reserves of associates	—	40	—	—	—	—	—	40	—	40
At 31 December 2025	370,000	569,976	24,945	52,154	172,274	(3,660)	374,049	1,559,738	12,012	1,571,750

These reserve accounts comprise the consolidated reserves of RMB581,325,000, RMB830,976,000 and RMB1,189,738,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		190,491	220,836	324,121
Adjustments for:				
Interest income		(8,468)	(10,294)	(10,698)
Finance costs	7	1,372	868	790
Depreciation of property, plant and equipment	13	9,382	10,773	12,243
Amortisation of other intangible assets	15	10,476	12,227	13,460
Depreciation of right-of-use assets	14	4,795	5,859	6,239
Impairment of inventories		20,996	10,743	18,087
Investment income from financial assets at fair value through profit or loss		(1,262)	(3,607)	(6,278)
Loss/(gain) on disposal of property, plant and equipment, net		(3)	358	(59)
Impairment losses on trade receivables, net		1,948	2,128	6,276
Loss/(gain) on derecognition of right-of-use assets		24	(319)	—
Fair value changes of financial assets with the fair value changes through profit or loss		(664)	(4,361)	(2,985)
Dividend income from equity investments at fair value through profit or loss		(248)	(14)	—
Share-based payments expense		52,877	52,252	60,310
Share of losses of associates	16	2,371	2,243	561
Foreign exchange differences, net		(983)	(665)	1,835
		283,104	299,027	423,902
(Increase)/decrease in inventories		(90,370)	75,719	(84,743)
Increase in trade and notes receivables		(4,652)	(72,377)	(61,741)
(Increase)/decrease in prepayments, other receivables and other assets		(10,865)	7,054	(6,732)
Decrease in restricted cash		738	—	70
Increase/(decrease) in trade and notes payables		36,279	(31,851)	46,180
Increase/(decrease) in other payables and accruals		10,814	5,708	23,069
Increase/(decrease) in contract liabilities		1,468	(38,150)	147,687
(Decrease)/increase in provision		(273)	28	1,420
Cash generated from operations		226,243	245,158	489,112
Income tax paid		(17,985)	(20,317)	(22,766)
Net cash flows from operating activities		208,258	224,841	466,346

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	(17,228)	(15,708)	(9,158)
Purchases of other intangible assets	(10,867)	(13,120)	(15,336)
Proceeds from disposal of items of property, plant and equipment	170	42	128
Purchases of financial assets at fair value through profit or loss	(297,000)	(1,135,000)	(1,828,000)
Recovery/(payment) of restricted cash	—	(1,650)	1,650
Purchases of equity investments designated at fair value through other comprehensive income	(39,000)	—	—
Purchase of shareholding of an associate	—	(7,000)	—
Placement of time deposits	(600,000)	(362,715)	(460,000)
Withdrawal of time deposits	322,000	490,000	40,000
Repayment of financial assets at fair value through profit or loss	227,000	1,125,093	1,658,188
Dividend received	248	14	—
Interest received	6,737	12,178	8,802
Net cash flows (used in)/from investing activities	(407,940)	92,134	(603,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	1,987	—	—
Repayment of bank borrowings	(1,500)	(2,045)	—
Payments of professional fees	(1,858)	(212)	—
Payments of listing expenses	—	—	(2,831)
(Payment)/recovery of restricted cash	(3,083)	2,761	—
Repayment of principal portion of lease liabilities	(2,632)	(4,617)	(5,729)
Interest paid	(643)	(632)	(363)
Dividend paid	—	—	(18,500)
Net cash flows used in financing activities	(7,729)	(4,745)	(27,423)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(207,411)	312,230	(164,803)
Cash and cash equivalents at beginning of year	299,369	92,713	402,984
Effect of foreign exchange rate changes, net	755	(1,959)	(1,876)
CASH AND CASH EQUIVALENTS AT END OF YEAR	92,713	402,984	236,305

		Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	*22*	91,980	405,151	236,794
Non-pledged time deposits with original maturity of less than three months when acquired		4,011	—	—
Less: restricted cash	*22*	3,278	2,167	489
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows		92,713	402,984	236,305

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	28,496	28,993	32,206
Time deposits	*22*	—	—	30,622
Right-of-use assets	*14(a)*	2,834	2,452	500
Other intangible assets	*15*	2,841	4,147	5,799
Investments in associates	*16*	5,696	11,220	10,667
Investments in subsidiaries	*38*	101,290	413,251	429,039
Equity investments designated at fair value through other comprehensive income	*17*	75,886	78,429	103,602
Financial asset at fair value through profit and loss	*21*	15,127	18,700	20,301
Prepayments, other receivables and other assets	*20*	386	1,180	2,446
Deferred tax assets	*28*	2,217	1,789	—
Total non-current assets		234,773	560,161	635,182
CURRENT ASSETS				
Inventories	*18*	303,939	218,913	267,825
Trade and notes receivables	*19*	78,296	122,706	95,574
Prepayments, other receivables and other assets	*20*	10,370	5,763	13,794
Financial assets at fair value through profit or loss	*21*	65,292	50,518	45,063
Due from subsidiaries	*39*	306,779	71,691	477,811
Cash and cash equivalents	*22*	26,421	140,311	91,424
Time deposits	*22*	171,200	246,802	373,177
Total current assets		962,297	856,704	1,364,668
CURRENT LIABILITIES				
Trade and notes payables	*23*	59,966	25,912	77,363
Other payables and accruals	*24*	67,314	54,090	175,097
Interest-bearing bank borrowings	*26*	2,000	—	—
Provision	*27*	2,525	2,553	3,664
Lease liabilities	*14(b)*	—	2,109	2,947
Due to subsidiaries	*39*	2,867	13,376	58,628
Tax payable		6,975	10,715	17,657
Total current liabilities		141,647	108,755	335,356
NET CURRENT ASSETS		820,650	747,949	1,029,312
TOTAL ASSETS LESS CURRENT LIABILITIES		1,055,423	1,308,110	1,664,494

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Other payables and accruals	*24*	9,608	1,272	3,278
Lease liabilities	*14(b)*	5,057	3,741	492
Deferred tax liabilities	*28*	—	—	6
Total non-current liabilities		14,665	5,013	3,776
Net assets		1,040,758	1,303,097	1,660,718
EQUITY				
Share capital	*29*	370,000	370,000	370,000
Reserves	*31*	670,758	933,097	1,290,718
Total equity		1,040,758	1,303,097	1,660,718

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People's Republic of China (the "**PRC**") on 3 September 2012. The registered office of the Company is located at Office Buildings 1 and 5, Phase I, Optoelectronic Information Industrial Park, No. 7691, Ziyou Road, Changchun Economic and Technological, Development Zone, Jilin Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the "**Group**") were involved in the research and development, design and sale of CMOS image sensors, as well as related customised services.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of the Company's subsidiaries of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Gpixel Hangzhou Microelectronics Inc.* ("**Gpixel Hangzhou**") (杭州長光辰芯微電子有限公司)	PRC/Chinese mainland 20 July 2020	RMB15,000,000	91.67	—	Research and development, design and sale of CMOS image sensors, as well as related customisation services
Gpixel Dalian Microelectronics Inc.* ("**Gpixel Dalian**") (大連長光辰芯微電子有限公司)	PRC/Chinese mainland 1 December 2021	RMB5,000,000	100	—	Research and development, design and sale of CMOS image sensors, as well as related customisation services
Gpixel Japan 株式會社 ("**Gpixel Japan**")	Japan 7 January 2016	JPY350,350,000	100	—	Module research and development, as well as the procurement of raw materials and packaging services
GPIXEL NV ("**Gpixel Belgium**")	Belgium 9 August 2018	EUR640,000	68.36	—	Research and development, design and sale of CMOS image sensors, as well as related customisation services
Changchun Changguang Yuanxin Integrated Circuit Co., Ltd.* ("**Changguang Yuanxin**") (長春長光圓芯集成電路有限公司)	PRC/Chinese mainland 30 October 2020	RMB25,500,000	50.98	—	Packaging of CMOS image sensors
Gpixel Microelectronics (HK) Limited ("**Gpixel HK**")	Hong Kong 30 December 2025	US$10,000,000	100	—	Research and development, design and sale of CMOS image sensors, as well as related customisation services

* The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025 together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which have been measured at fair value.

Basis of consolidation

The Historical Financial Information include the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be combined until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The

Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new HKFRS Accounting Standard 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. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made. HKFRS 18 will be effective for annual periods beginning on or after 1 January 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 HKFRS 18 on the Group's consolidated financial statements.

Except for the HKFRS 18, the adoption of the above standards and amendments will not expect to have significant impact on the operating results, comprehensive income and financial position of the Group.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of associates, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Fair value measurement

The Group measures its derivative financial instruments, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any amortisation/depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	Estimated benefit period
Buildings	20 to 40 years
Plant and machinery	10 years
Electronic devices	3 to 5 years
Motor vehicles	3 to 5 years
Office equipment	3 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each of the Relevant Periods.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of the authorised period or 10 years, whichever is shorter.

Proprietary technology

Proprietary technology is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 10 years.

Patents

Patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 to 7 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises, motor vehicles and office equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets, which are not capitalised, are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, other payables and accruals, lease liabilities, derivative financial instruments and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign currency options, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain products for general replacement of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of replacements, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) CMOS image sensors

Revenue from the CMOS image sensors is recognised at the point in time when control of products is transferred to the customer, generally on delivery of the goods or upon the receipt of goods of customer. For domestic sales, control of product is transferred upon receipt of goods of customer. For exporting sales, control of product is transferred upon completion of customs clearance procedures and obtaining of the export goods declaration form.

(b) Customised sensor solutions

Revenue from customised sensor solutions is recognised at the point in time when the Group has completed the contractual obligations and obtained customer's acceptance confirmation.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset and presented as inventories if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates an employee shareholding plan and a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is measured at the market value of the shares, further details of which are given in note 30 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in central pension schemes operated by the local municipal government and the central government. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The financial statements is presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

As at 31 December 2023, 2024 and 2025, the Group had tax losses of RMB107,625,000, RMB137,089,000 and RMB161,443,000 carried forward, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets of the Group are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 36 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2023, 2024 and 2025 were RMB91,013,000, RMB97,129,000 and RMB123,903,000, respectively. Further details are included in note 17 and note 21 to the Historical Financial Information.

Net realisable value of inventories

Net realisable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. These estimates, based on the current market condition and the historical experience in selling goods of a similar nature, include but not limited to economic outlook, sales forecasts and the forecast market value for the inventory items. They could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each of the Relevant Periods. The carrying amount of inventories is given in note 18 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their service and products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	424,367	497,844	659,968
Other regions	180,468	175,204	196,545
Total revenue	604,835	673,048	856,513

The revenue information of continuing operations above is based on the delivery destination.

(b) Non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	66,010	69,083	71,645
Other regions	15,589	13,443	22,626
Total non-current assets	81,599	82,526	94,271

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Group A**	110,118	N/A*	N/A*
Group B**	69,322	100,989	142,298

* The corresponding revenue of the customer is not disclosed as the revenue did not individually account for 10% or more of the Group's revenue during the Relevant periods.

** Including sales to a group of entities which are known to be under common control with the same entity.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	604,835	673,048	856,513

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
CMOS image sensors	505,038	510,330	794,663
Customised sensor solutions	98,366	162,197	61,182
Others	1,431	521	668
Total	604,835	673,048	856,513

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Geographical markets			
Chinese mainland	424,367	497,844	659,968
Other regions	180,468	175,204	196,545
Total	604,835	673,048	856,513

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
Goods transferred or services provided at a point in time	604,835	673,048	856,513

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
CMOS image sensors	15,372	11,989	10,930
Customised sensor solutions	55,512	70,988	13,142
Total	70,884	82,977	24,072

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

CMOS image sensors

The performance of obligation is satisfied upon delivery or receipt of customers or customs clearance and payment is usually due within 30 to 60 days from the date of invoice, except for some customers, where payment in advance is required.

Customised sensor solutions

The performance obligation is satisfied upon the completion of service and customer acceptance and instalment payment is generally made according to the agreed development phase.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at end of the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:			
Within one year	152,458	93,958	246,614
After one year	80,840	47,924	24,143
Total	233,298	141,882	270,757

The amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue related to customised sensor solutions. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of the Group's other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Bank interest income	11,213	12,995	13,064
Investment income from financial assets at fair value through profit or loss	1,262	3,607	6,278
Government grants*	15,843	33,151	33,984
Others	557	728	192
Total other income	28,875	50,481	53,518
Gains			
Gain on disposal of items of property, plant and equipment, net	3	—	59
Gain on termination of leases, net	—	319	—
Foreign exchange gain, net	—	—	1,588
Gains on fair value change of financial assets at fair value through profit or loss, net	664	4,361	2,985
Total gains	667	4,680	4,632
Total other income and gains	29,542	55,161	58,150

* The government grants mainly represent incentives awarded by the local governments to support the Group's operation.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold[1]		161,843	177,381	254,463
Cost of services provided[1]		59,038	98,805	28,769
Depreciation of property, plant and equipment[2]	*13*	9,382	10,773	12,243
Depreciation of right-of-use assets[2]	*14*	4,795	5,859	6,239
Amortisation of other intangible assets[3]	*15*	10,476	12,227	13,460
Research and development costs[4]		131,546	130,215	186,168
Bank interest income		(11,213)	(12,995)	(13,064)
Government grants		(15,843)	(33,151)	(33,984)
Share of losses of associates		2,371	2,243	561
Auditor's remuneration		121	55	63
Listing expenses		—	—	15,815
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration *(note 8)*):				
Salaries, bonuses and allowances		113,494	134,892	160,833
Share-based payments expense[5]		51,819	51,483	59,413
Pension scheme contributions (defined contribution scheme)[8]		8,036	9,744	11,594
Total		173,349	196,119	231,840
Impairment of trade receivables, net	*19*	1,948	2,128	6,276
Write-down of inventories to net realisable value[6]		20,996	10,743	18,087
Foreign exchange differences, net[7]		894	2,618	(1,588)

1 The cost of inventories sold and cost of services provided included RMB30,778,000, RMB60,588,000 and RMB25,385,000 relating to employee benefit expense during the years ended 31 December 2023, 2024 and 2025.

2 The depreciation of property, plant and equipment and right-of-use assets is included in "Cost of sales", "Administrative expenses", "Selling expenses" and "Research and development expenses" in the consolidated statement of profit or loss.

3 The amortisation of other intangible assets is included in "Cost of sales", "Administrative expenses", "Selling expenses" and "Research and development expenses" in the consolidated statement of profit or loss.

4 Research and development costs include part of employee benefit expense, share-based payments expense, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets.

5 The share-based payments expense is included in "Cost of sales", "Research and development expenses", "Selling expenses" and "Administrative expenses" in the consolidated statement of profit or loss.

6 The write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.

7 The foreign exchange differences, net is included in "Other expenses" or "Other income and gains" in the consolidated statement of profit or loss.

8 There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Interest on discounted notes receivable		729	236	427
Interest on lease liabilities	*14(b)*	643	632	363
Total		1,372	868	790

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

The remuneration of the Company's directors, chief executive and supervisors is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	300	300	300
Other emoluments:			
Salaries, bonuses and allowances	5,361	5,487	4,960
Share-based payments expense	1,058	769	897
Pension scheme contributions	188	212	179
Subtotal	6,607	6,468	6,036
Total	6,907	6,768	6,336

During the Relevant Periods, certain directors were granted shares under the employee shareholding plan, further details of which are set out in note 30 to the Historical Financial Information. The fair value of such shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the interim comparative financial information are included in the above directors', chief executive's and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Yan Dongming^	100	100	43
Gao Teng^	—	—	57
Dr. Wang Xinlu	100	100	100
Dr. Xie Ning	100	100	100
Total	300	300	300

^ Yan Dongming resigned as an independent non-executive director and Dr. Gao Teng was appointed as an independent non-executive director on 5 June 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and the chief executive

Year ended 31 December 2023	Salaries, bonuses, allowances and share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Executive directors:			
Dr. Wang Xinyang*	1,765	38	1,803
Dr. Zhang Yanxia	1,564	38	1,602
Wu Qinyun	1,765	38	1,803
Subtotal	5,094	114	5,208
Non-executive directors:			
Sun Shouhong**	—	—	—
Gao Jinsong**	—	—	—
Wang Xiaodong	—	—	—
Yang Yi	—	—	—
Subtotal	—	—	—
Total	5,094	114	5,208

Year ended 31 December 2024	Salaries, bonuses, allowances and share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Executive directors:			
Dr. Wang Xinyang*	1,782	44	1,826
Dr. Zhang Yanxia	1,581	44	1,625
Wu Qinyun	1,559	44	1,603
Subtotal	4,922	132	5,054
Non-executive directors:			
Gao Jinsong***	—	—	—
Wang Xiaodong***	—	—	—
Yang Yi	—	—	—
Subtotal	—	—	—
Total	4,922	132	5,054

Year ended 31 December 2025	Salaries, bonuses, allowances and share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Executive directors:			
Dr. Wang Xinyang*	1,791	48	1,839
Dr. Zhang Yanxia	1,587	48	1,635
Wu Qinyun	1,860	48	1,908
Subtotal	5,238	144	5,382
Non-executive directors:			
Gao Jinsong***	—	—	—
Wang Xiaodong***	—	—	—
Yang Yi	—	—	—
Chu Hairong***	—	—	—
Xiong Jingying***	—	—	—
Subtotal	—	—	—
Total	5,238	144	5,382

* Dr. Wang Xinyang is the chief executive during the Relevant Periods.

** Sun Shouhong resigned as a non-executive director and Gao Jinsong was appointed as a non-executive director on 27 December 2023.

*** Gao Jinsong and Wang Xiaodong resigned as non-executive directors and Chu Hairong and Xiong Jingying was appointed as non-executive directors on 5 June 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

(c) Supervisors

Year ended 31 December 2023	Salaries, bonuses, allowances and share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Xu Aimin	—	—	—
Zhou Quan	623	37	660
Liu Nan	702	37	739
Total	1,325	74	1,399

Year ended 31 December 2024	Salaries, bonuses, allowances and share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Xu Aimin	—	—	—
Zhou Quan	664	40	704
Liu Nan	670	40	710
Total	1,334	80	1,414

Year ended 31 December 2025	Salaries, bonuses, allowances and share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*
Xu Aimin	—	—	—
Zhou Quan	303	17	320
Liu Nan	316	18	334
Total	619	35	654

Pursuant to the amendment to the Company's articles of association, the Group has not maintained supervisor positions since 5 June 2025. The remuneration for the year ended 31 December 2025 included remuneration for the five months ended 31 May 2025.

There was no arrangement under which a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during each of the Relevant Periods included nil, nil and nil directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining five, five and five highest paid employee who is neither a director nor chief executive of the Company during each of the Relevant periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses and allowances	7,642	10,739	11,189
Share-based payments expense	29,258	33,671	37,240
Pension scheme contributions	91	120	129
Total	36,991	44,530	48,558

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
HK$5,000,001 to HK$5,500,000	1	—	—
HK$5,500,001 to HK$6,000,000	1	—	—
HK$7,000,001 to HK$7,500,000	1	—	—
HK$7,500,001 to HK$8,000,000	—	1	—
HK$8,500,001 to HK$9,000,000	—	1	—
HK$9,000,001 to HK$9,500,000	—	1	1
HK$10,000,001 to HK$10,500,000	—	1	2
HK$10,500,001 to HK$11,000,000.	1	—	—
HK$11,000,001 to HK$11,500,000.	—	—	1
HK$11,500,001 to HK$12,000,000.	1	—	—
HK$12,000,001 to HK$12,500,000	—	1	1
Total	5	5	5

During the Relevant Periods, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employee as an inducement to join or upon joining the Group or as compensation for loss of office.

10. INCOME TAX

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

The provision for PRC corporate income tax ("**CIT**") is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

The Company, Gpixel Hangzhou and Gpixel Dalian are qualified as High and New Technology Enterprises and were entitled to a preferential income tax rate of 15% during the Relevant Periods, which will expire on 16 October 2026, 19 December 2028 and 12 December 2026, respectively.

According to the "Announcement by the Ministry of Finance, State Taxation Administration, National Development and Reform Commission, and Ministry of Industry and Information Technology on Corporate Income Tax Policies for Promoting High-Quality Development of the Integrated Circuit Industry and Software Industry", the Company is qualified as a member of National List of Encouraged Key Integrated Circuit Design Enterprises and exempt from corporate income tax from the first to the fifth year starting from its first profit-making year, then subject to a reduced corporate income tax rate of 10%.

The Company's subsidiary incorporated and operating in Japan was subject to corporation tax at a rate of 23.2% on the taxable income during each of the Relevant Periods.

The Company's subsidiary incorporated and operating in Belgium was subject to corporation tax at a rate of 25% on the taxable income during each of the Relevant Periods.

The major components of income tax expense of the Group during the Relevant Periods are analysed as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Charge for the year	25,382	21,984	31,296
(Overprovision)/underprovision in prior years	(3,056)	1,235	78
Deferred tax *(note 28)*	(1,682)	635	(399)
Total tax charge for the year	20,644	23,854	30,975

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of the Group's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	190,491	220,836	324,121
Tax at the applicable tax rate of 10%	19,049	22,084	32,412
Effect of different tax rates for subsidiaries	(2,336)	462	1,832
Adjustments in respect of current tax of previous periods	(3,056)	1,235	78
Additional deductible allowance for research and development expenses	(11,993)	(10,456)	(14,625)
Expenses not deductible for tax	7,615	5,394	6,928
Tax losses utilised from previous periods	—	—	(1,338)
Deferred tax assets not recognised	11,365	5,135	5,688
Tax charge at the Group's effective tax rate	20,644	23,854	30,975

11. DIVIDENDS

On 5 June 2025, the Company declared dividends of RMB18,500,000 to its shareholders, which were fully paid on 6 August 2025.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the Relevant Periods.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2023, 2024 and 2025 in respect of a dilution as the impact of options outstanding was not considered since the contingencies of the deemed exercise have not been met.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Earnings			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	174,199	198,675	294,182

	Number of shares		
	Year ended 31 December		
	2023	2024	2025
Shares			
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	370,000,000	370,000,000	370,000,000

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements	Buildings	Plant and machinery	Electronic devices	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	21,310	1,823	12,022	8,759	1,609	2,050	2,611	50,184
Accumulated depreciation	(3,751)	(198)	(2,572)	(4,004)	(820)	(674)	—	(12,019)
Net carrying amount	17,559	1,625	9,450	4,755	789	1,376	2,611	38,165
At 1 January 2023, net of accumulated depreciation	17,559	1,625	9,450	4,755	789	1,376	2,611	38,165
Additions	890	—	15,009	2,011	405	217	2,922	21,454
Disposals	—	—	(656)	(16)	—	(26)	—	(698)
Depreciation provided during the year *(note 6)*	(4,817)	(71)	(2,375)	(1,488)	(345)	(286)	—	(9,382)
Transfers	1,993	—	2,613	—	—	—	(4,866)	(260)
Exchange realignment	4	—	34	7	1	(19)	—	27
At 31 December 2023, net of accumulated depreciation	15,629	1,554	24,075	5,269	850	1,262	667	49,306
At 31 December 2023:								
Cost	24,207	1,823	28,881	10,692	2,017	2,207	667	70,494
Accumulated depreciation	(8,578)	(269)	(4,806)	(5,423)	(1,167)	(945)	—	(21,188)
Net carrying amount	15,629	1,554	24,075	5,269	850	1,262	667	49,306

	Leasehold improvements	Buildings	Plant and machinery	Electronic devices	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024								
At 1 January 2024:								
Cost	24,207	1,823	28,881	10,692	2,017	2,207	667	70,494
Accumulated depreciation	(8,578)	(269)	(4,806)	(5,423)	(1,167)	(945)	—	(21,188)
Net carrying amount	15,629	1,554	24,075	5,269	850	1,262	667	49,306
At 1 January 2024, net of accumulated depreciation	15,629	1,554	24,075	5,269	850	1,262	667	49,306
Additions	7	—	5,743	1,262	644	255	6,383	14,294
Disposals	(393)	—	(20)	(10)	(83)	(14)	—	(520)
Depreciation provided during the year *(note 6)*	(5,369)	(70)	(2,987)	(1,759)	(265)	(323)	—	(10,773)
Transfers	1,914	—	—	126	—	12	(2,628)	(576)
Exchange realignment	(49)	—	(17)	(15)	—	(18)	—	(99)
At 31 December 2024, net of accumulated depreciation	11,739	1,484	26,794	4,873	1,146	1,174	4,422	51,632
At 31 December 2024:								
Cost	25,403	1,823	34,557	11,787	2,131	2,401	4,422	82,524
Accumulated depreciation	(13,664)	(339)	(7,763)	(6,914)	(985)	(1,227)	—	(30,892)
Net carrying amount	11,739	1,484	26,794	4,873	1,146	1,174	4,422	51,632
31 December 2025								
At 1 January 2025:								
Cost	25,403	1,823	34,557	11,787	2,131	2,401	4,422	82,524
Accumulated depreciation	(13,664)	(339)	(7,763)	(6,914)	(985)	(1,227)	—	(30,892)
Net carrying amount	11,739	1,484	26,794	4,873	1,146	1,174	4,422	51,632
At 1 January 2025, net of accumulated depreciation	11,739	1,484	26,794	4,873	1,146	1,174	4,422	51,632
Additions	171	—	6,184	2,831	330	673	4,636	14,825
Disposals	—	—	—	(6)	(41)	—	—	(47)
Depreciation provided during the year *(note 6)*	(5,536)	(70)	(3,926)	(2,009)	(322)	(380)	—	(12,243)
Transfers	5,324	—	3,488	—	—	—	(8,914)	(102)
Exchange realignment	23	—	31	25	—	5	382	466
At 31 December 2025, net of accumulated depreciation	11,721	1,414	32,571	5,714	1,113	1,472	526	54,531
At 31 December 2025:								
Cost	30,946	1,823	44,341	14,693	2,030	3,070	526	97,429
Accumulated depreciation	(19,225)	(409)	(11,770)	(8,979)	(917)	(1,598)	—	(42,898)
Net carrying amount	11,721	1,414	32,571	5,714	1,113	1,472	526	54,531

The Company

	Leasehold improvements	Buildings	Plant and machinery	Electronic devices	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	17,357	687	9,636	5,206	678	1,099	—	34,663
Accumulated depreciation	(2,599)	(94)	(2,326)	(2,139)	(536)	(331)	—	(8,025)
Net carrying amount	14,758	593	7,310	3,067	142	768	—	26,638
At 1 January 2023, net of accumulated depreciation	14,758	593	7,310	3,067	142	768	—	26,638
Additions	—	—	6,511	1,366	—	5	716	8,598
Disposals	—	—	(516)	—	—	(7)	—	(523)
Depreciation provided during the year	(3,307)	(16)	(1,496)	(891)	(103)	(144)	—	(5,957)
Transfers	222	—	—	—	—	—	(482)	(260)
At 31 December 2023, net of accumulated depreciation	11,673	577	11,809	3,542	39	622	234	28,496
At 31 December 2023:								
Cost	17,579	687	15,482	6,552	678	1,080	234	42,292
Accumulated depreciation	(5,906)	(110)	(3,673)	(3,010)	(639)	(458)	—	(13,796)
Net carrying amount	11,673	577	11,809	3,542	39	622	234	28,496
31 December 2024								
At 1 January 2024:								
Cost	17,579	687	15,482	6,552	678	1,080	234	42,292
Accumulated depreciation	(5,906)	(110)	(3,673)	(3,010)	(639)	(458)	—	(13,796)
Net carrying amount	11,673	577	11,809	3,542	39	622	234	28,496
At 1 January 2024, net of accumulated depreciation	11,673	577	11,809	3,542	39	622	234	28,496
Additions	—	—	5,396	771	338	46	712	7,263
Disposals	—	—	(20)	(10)	(17)	(5)	—	(52)
Depreciation provided during the year	(3,367)	(18)	(1,540)	(1,057)	(14)	(142)	—	(6,138)
Transfers	302	—	—	18	—	—	(896)	(576)
At 31 December 2024, net of accumulated depreciation	8,608	559	15,645	3,264	346	521	50	28,993
At 31 December 2024:								
Cost	17,881	687	20,857	7,180	667	1,117	50	48,439
Accumulated depreciation	(9,273)	(128)	(5,212)	(3,916)	(321)	(596)	—	(19,446)
Net carrying amount	8,608	559	15,645	3,264	346	521	50	28,993

	Leasehold improvements	Buildings	Plant and machinery	Electronic devices	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025								
At 1 January 2025:								
Cost	17,881	687	20,857	7,180	667	1,117	50	48,439
Accumulated depreciation	(9,273)	(128)	(5,212)	(3,916)	(321)	(596)	—	(19,446)
Net carrying amount	8,608	559	15,645	3,264	346	521	50	28,993
At 1 January 2025, net of accumulated depreciation	8,608	559	15,645	3,264	346	521	50	28,993
Additions	89	—	4,433	1,826	—	470	3,655	10,473
Disposals	—	—	—	(5)	—	(1)	—	(6)
Depreciation provided during the year	(3,722)	(16)	(1,998)	(1,182)	(64)	(172)	—	(7,154)
Transfers	3,387	—	—	—	—	—	(3,487)	(100)
At 31 December 2025, net of accumulated depreciation	8,362	543	18,080	3,903	282	818	218	32,206
At 31 December 2025:								
Cost	21,357	687	25,290	9,000	667	1,579	218	58,798
Accumulated depreciation	(12,995)	(144)	(7,210)	(5,097)	(385)	(761)	—	(26,592)
Net carrying amount	8,362	543	18,080	3,903	282	818	218	32,206

14. LEASES

The Group as a lessee

The Group has lease contracts for items of office used in its operations. Leases of office premises generally have lease terms between 2 and 7 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

	Office premises
	RMB'000
As at 1 January 2023	16,982
Additions	557
Termination	(660)
Depreciation provided during the year *(note 6)*	(4,795)
Exchange realignment	(423)
As at 31 December 2023 and 1 January 2024	11,661
Additions	2,208
Termination	(2,940)
Increase as a result of lease modifications	4,916
Depreciation provided during the year *(note 6)*	(5,859)
Exchange realignment	(23)
As at 31 December 2024 and 1 January 2025	9,963
Additions	285
Lease modification	(1,047)
Depreciation provided during the year *(note 6)*	(6,239)
Exchange realignment	282
As at 31 December 2025	3,244

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year	17,500	14,993	14,117
New leases	557	2,208	285
Accretion of interest recognised during the year *(note 7)*	643	632	363
Termination	(636)	(3,259)	—
Lease modifications	—	4,916	(1,047)
Payments	(3,275)	(5,249)	(7,657)
Exchange realignment	204	(124)	261
Carrying amount at end of year	14,993	14,117	6,322
Analysed into:			
Current portion	4,273	7,810	5,803
Non-current portion	10,720	6,307	519

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Lease liabilities repayable:			
Within 1 year	4,273	7,810	5,803
1 to 2 years	6,878	6,167	519
2 to 5 years	3,842	140	—
Total	14,993	14,117	6,322

The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	643	632	363
Depreciation charge of right-of-use assets	4,795	5,859	6,239
Loss/(gain) on termination of leases, net	24	(319)	—
Expenses relating to short-term leases and low-value leases (included in administrative expenses, research and development expenses and selling expenses)	756	1,212	1,914
Total amount recognised in profit or loss	6,218	7,384	8,516

(d) The total cash outflow for leases is disclosed in note 32 to the Historical Financial Information.

The Company as a lessee

(a) Right-of-use assets

	Office premises
	RMB'000
As at 1 January 2023	3,778
Depreciation provided during the year	(944)
As at 31 December 2023 and 1 January 2024	2,834
Increase as a result of lease modifications	609
Depreciation provided during the year	(991)
As at 31 December 2024 and 1 January 2025	2,452
Lease modification	(1,047)
Depreciation provided during the year	(905)
As at 31 December 2025	500

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year	4,907	5,057	5,850
Accretion of interest recognised during the year	150	184	201
Lease modifications	—	609	(1,047)
Payments	—	—	(1,565)
Carrying amount at end of year	5,057	5,850	3,439
Analysed into:			
Current portion	—	2,109	2,947
Non-current portion	5,057	3,741	492

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Lease liabilities repayable:			
Within 1 year	—	2,109	2,947
1 to 2 years	2,528	3,741	492
2 to 5 years	2,529	—	—
Total	5,057	5,850	3,439

The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

15. OTHER INTANGIBLE ASSETS

The Group

	Software	Proprietary technology	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Cost at 1 January 2023, net of accumulated amortisation	2,832	—	2,650	5,482
Additions	18,319	—	—	18,319
Amortisation provided during the year *(note 6)*	(10,176)	—	(300)	(10,476)
Exchange realignment	68	—	—	68
At 31 December 2023, net of accumulated amortisation	11,043	—	2,350	13,393
At 31 December 2023:				
Cost	41,583	5,600	2,825	50,008
Accumulated amortisation	(30,540)	(5,600)	(475)	(36,615)
Net carrying amount	11,043	—	2,350	13,393

	Software	Proprietary technology	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	11,043	—	2,350	13,393
Additions	6,686	—	—	6,686
Transfer	576	—	—	576
Amortisation provided during the year *(note 6)*	(11,927)	—	(300)	(12,227)
Exchange realignment	(199)	—	—	(199)
At 31 December 2024, net of accumulated amortisation	6,179	—	2,050	8,229
At 31 December 2024:				
Cost	47,145	5,600	2,825	55,570
Accumulated amortisation	(40,966)	(5,600)	(775)	(47,341)
Net carrying amount	6,179	—	2,050	8,229

	Software	Proprietary technology	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation	6,179	—	2,050	8,229
Additions	28,082	—	—	28,082
Transfer	100	—	—	100
Amortisation provided during the year *(note 6)*	(13,160)	—	(300)	(13,460)
Exchange realignment	97	—	—	97
At 31 December 2025, net of accumulated amortisation	21,298	—	1,750	23,048
At 31 December 2025:				
Cost	78,000	5,600	2,825	86,425
Accumulated amortisation	(56,702)	(5,600)	(1,075)	(63,377)
Net carrying amount	21,298	—	1,750	23,048

The Company

	Software	Proprietary technology	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	2,217	—	2,217
Additions	3,229	—	3,229
Amortisation provided during the year	(2,605)	—	(2,605)
At 31 December 2023, net of accumulated amortisation	2,841	—	2,841
At 31 December 2023:			
Cost	8,292	5,600	13,892
Accumulated amortisation	(5,451)	(5,600)	(11,051)
Net carrying amount	2,841	—	2,841

	Software	Proprietary technology	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	2,841	—	2,841
Additions	5,289	—	5,289
Transfer	575	—	575
Amortisation provided during the year	(4,558)	—	(4,558)
At 31 December 2024, net of accumulated amortisation	4,147	—	4,147
At 31 December 2024:			
Cost	14,155	5,600	19,755
Accumulated amortisation	(10,008)	(5,600)	(15,608)
Net carrying amount	4,147	—	4,147

	Software	Proprietary technology	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	4,147	—	4,147
Additions	6,194	—	6,194
Transfer	100	—	100
Amortisation provided during the year	(4,642)	—	(4,642)
At 31 December 2025, net of accumulated amortisation	5,799	—	5,799
At 31 December 2025:			
Cost	20,450	5,600	26,050
Accumulated amortisation	(14,651)	(5,600)	(20,251)
Net carrying amount	5,799	—	5,799

16. INVESTMENT IN ASSOCIATES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	6,785	11,443	10,944

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of the associates' loss for the year	(2,371)	(2,243)	(561)
Share of the associates' total comprehensive loss	(2,295)	(2,271)	(539)
Aggregate carrying amount of the Group's investment in the associates	6,785	11,443	10,944

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	5,696	11,220	10,667

The following table illustrates the aggregate financial information of the Company's associates that are not individually material:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of the associates' loss and total comprehensive loss for the year	(1,237)	(1,454)	(593)
Aggregate carrying amount of the Group's investment in the associates	5,696	11,220	10,667

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value:			
Changchun Changguang Zhengyuan Microelectronics Technology Co., Ltd. ("**Changguang Zhengyuan**")	65,000	65,000	65,000
Changchun Changguang Yuanchen Microelectronics Technology Co., Ltd. ("**Changguang Yuanchen**")	8,386	10,239	28,662
Shanghai Yukan Technology Co., Ltd. ("**Shanghai Yukan**")	1,500	2,190	8,283
Changchun Changguang Qichen Technology Co., Ltd. ("**Changguang Qichen**")	1,000	1,000	1,657
Total	75,886	78,429	103,602

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

18. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	94,609	42,358	66,378
Work in progress	83,043	56,569	118,239
Finished goods	110,874	116,361	73,265
Costs to fulfil a contract	84,617	71,393	95,104
Total	373,143	286,681	352,986

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	73,072	26,251	54,631
Work in progress	91,849	64,424	121,539
Finished goods	113,406	119,090	78,675
Costs to fulfil a contract	25,612	9,148	12,980
Total	303,939	218,913	267,825

19. TRADE AND NOTES RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	117,555	186,156	239,674
Notes receivable	159	3,744	6,860
	117,714	189,900	246,534
Impairment	(3,030)	(5,154)	(11,198)
Net carrying amount	114,684	184,746	235,336

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 60 days depending on the specific payment terms in each contract. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Since the Group only trades with recognised customers with good credit standing, no guarantee is required.

As at 31 December 2023, 2024 and 2025, the Group was exposed to certain credit risk concentration, as 70.1%, 52.7% and 56.8% of trade receivables are from top five customers in each year during the Relevant Periods. The Group does not hold any security or other credit increment over the balances of accounts receivable. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables were trade receivables of RMB39,880,000, RMB42,380,000 and RMB45,581,000 as at 31 December 2023, 2024 and 2025, respectively, due from the Group's related parties, which were repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	77,650	145,542	189,368
6 to 12 months	34,736	15,875	16,863
1 to 2 years	5,169	23,661	21,133
2 to 3 years	—	1,078	11,925
Over 3 years	—	—	385
Total	117,555	186,156	239,674

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,079	3,030	5,154
Impairment losses, net *(note 6)*	1,948	2,128	6,276
Exchange realignment	3	(4)	11
Amount written off as uncollectible	—	—	(243)
At end of year	3,030	5,154	11,198

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by ageing). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group considers the overall characteristics of the shared credit risk of the trade receivables to measure the expected credit losses. All of the receivables were relate to diversified customers for whom there was no recent history of default.

The expected credit losses below incorporate forward-looking information, as there was no material change in the types or credit profiles of the customers and overall risk in the CMOS image sensor industry, the expected credit loss rate remained stable during the Relevant Periods.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December 2023		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Trade receivables aged:			
Within 6 months	77,650	1.00%	776
6 to 12 months	34,736	5.00%	1,737
1 to 2 years	5,169	10.00%	517
Total	117,555	2.58%	3,030

	As at 31 December 2024		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Trade receivables aged:			
Within 6 months	145,542	1.00%	1,455
6 to 12 months	15,875	5.00%	794
1 to 2 years	23,661	10.00%	2,366
2 to 3 years	1,078	50.00%	539
Total	186,156	2.77%	5,154

	As at December 31, 2025		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Trade receivables aged:			
Within 6 months	189,368	1.00%	1,894
6 to 12 months	16,863	5.00%	843
1 to 2 years	21,133	10.00%	2,113
2 to 3 years	11,925	50.00%	5,963
Over 3 years	385	100.00%	385
Total	239,674	4.67%	11,198

The Group's notes receivable were all aged within one year and were neither past due nor impaired.

At the end of each of the Relevant Periods, the Group endorsed certain notes receivable accepted by certain banks in the PRC (the "**Endorsed Notes**") to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB556,000, RMB1,159,000 and RMB2,580,000 as at 31 December 2023, 2024 and 2025, respectively (the "**Endorsement**"). In addition, the Group discounted certain notes receivable (the "**Discounted Notes**") with carrying amounts in aggregate of RMB50,456,000, RMB33,103,000 and RMB70,316,000 as at 31 December 2023, 2024 and 2025, respectively (the "**Discount**"). The above Discounted Notes included bank acceptance bills of RMB50,456,000, RMB33,103,000 and RMB70,316,000 as at 31 December 2023, 2024 and 2025, respectively. The Endorsed Notes and the Discounted Notes had a maturity within six months as at 31 December 2023, 2024 and 2025. In accordance with the Law of Negotiable

Instruments in the PRC, the holders of the Endorsed Notes and the Discounted Notes may exercise the right of recourse against any, several or all of the persons liable for the Endorsed Notes and Discounted Notes, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**").

The Group has transferred substantially all risks and rewards relating to certain Endorsed Notes accepted by large and reputable banks with amounts of RMB556,000, RMB1,159,000 and RMB2,580,000 as at 31 December 2023, 2024 and 2025, respectively, and the Discounted Notes accepted by large and reputable banks with amounts of RMB50,456,000, RMB33,103,000 and RMB70,316,000 as at 31 December 2023, 2024 and 2025, respectively (the "**Derecognised Notes**"). The risk of the Group being claimed by the holders of the Derecognised Notes is remote in the absence of a default of the accepted banks. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables settled by the Endorsed Notes. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. The fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant. During the Relevant Periods, the Group recognised the interest expense on the Discounted Notes amounting to RMB729,000, RMB236,000 and RMB427,000, respectively. No gains or losses were recognised from the Continuing Involvement. The Endorsement and Discount have been made evenly throughout the year.

As at 31 December 2023, 2024 and 2025, notes receivable of RMB159,000, RMB3,744,000 and RMB6,860,000, respectively, whose fair values approximate to their carrying values, were classified as financial assets at fair value through other comprehensive income under HKFRS 9. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant during the Relevant Periods.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	73,719	116,652	104,817
Notes receivable	7,159	10,484	272
	80,878	127,136	105,089
Impairment	(2,582)	(4,430)	(9,515)
Net carrying amount	78,296	122,706	95,574

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction date, is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	34,058	76,471	58,973
6 to 12 months	34,493	15,685	15,506
1 to 2 years	5,168	23,418	18,028
2 to 3 years	—	1,078	11,925
Over 3 years	—	—	385
Total	73,719	116,652	104,817

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	561	2,582	4,430
Impairment losses, net	2,021	1,848	5,085
At end of year	2,582	4,430	9,515

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by ageing). The calculation reflects the probability- weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Company considers the overall characteristics of the shared credit risk of the trade receivables to measure the expected credit losses. All of the receivables were relate to diversified customers for whom there was no recent history of default.

The expected credit losses below incorporate forward-looking information, as there was no material change in the types or credit profiles of the customers and overall risk in the CMOS image sensor industry, the expected credit loss rate remained stable during the Relevant Periods.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	As at 31 December 2023		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables aged:			
Within 6 months	34,058	1.00%	340
6 to 12 months	34,493	5.00%	1,725
1 to 2 years	5,168	10.00%	517
Total	73,719	3.50%	2,582

	As at 31 December 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables aged:			
Within 6 months	76,471	1.00%	765
6 to 12 months	15,685	5.00%	784
1 to 2 years	23,418	10.00%	2,342
2 to 3 years	1,078	50.00%	539
Total	116,652	3.80%	4,430

	As at 31 December 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables aged:			
Within 6 months	58,973	1.00%	589
6 to 12 months	15,506	5.00%	775
1 to 2 years	18,028	10.00%	1,803
2 to 3 years	11,925	50.00%	5,963
Over 3 years	385	100.00%	385
Total	104,817	9.08%	9,515

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	8,886	9,952	17,933
Prepayments for property, plant and equipment and other assets	454	1,259	2,504
Deposits and other receivables	7,015	4,061	6,706
Deferred listing expense	—	—	3,938
Deductible input value-added tax	12,769	6,949	4,897
Total	29,124	22,221	35,978
Analysed into:			
Current portion	28,670	20,962	33,474
Non-current portion	454	1,259	2,504

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	5,459	4,625	8,806
Prepayments for property, plant and equipment and other assets	386	1,180	2,446
Deposits and other receivables	3,333	1,138	1,050
Deferred listing expense	—	—	3,938
Deductible input value-added tax	1,578	—	—
Total	10,756	6,943	16,240
Analysed into:			
Current portion	10,370	5,763	13,794
Non-current portion	386	1,180	2,446

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted equity investments, at fair value	15,127	18,700	20,301
Shanghai Zhusi Enterprise Management Center (Limited Partnership) ("**Shanghai Zhusi**")	5,000	5,000	4,379
Jacal Electronic (Wuxi) Co, Ltd. ("**Jacal**")	10,127	13,700	15,922
Other unlisted investments, at fair value	90,625	100,894	271,197
Total	105,752	119,594	291,498
Analysed into:			
Current	90,625	100,894	271,197
Non-current	15,127	18,700	20,301

The Group's shareholding in Shanghai Zhusi and Jacal was 10% and 2%, respectively and the Group could not control, jointly control or have significant influence on them. Shanghai Zhusi was established as a limited partnership with a six-year term commencing on its incorporation date. According to the investment agreement signed by the Company and Jacal, if certain conditions are unsatisfied, the Company shall have the right to require Jacal or its founder(s) to repurchase the Company's shares in Jacal at a price equal to the original investment amount plus a fixed rate of return of 8% per annum calculated on a simple interest basis. The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading and their contractual cash flows were not solely payments of principal and interest.

The above other unlisted investments were structured deposits issued by banks in Chinese mainland with a maturity period within one year. The fair values of the financial assets approximate to their costs plus expected interest. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted equity investments, at fair value	15,127	18,700	20,301
Other unlisted investments, at fair value	65,292	50,518	45,063
Total	80,419	69,218	65,364
Analysed into:			
Current	65,292	50,518	45,063
Non-current	15,127	18,700	20,301

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	91,980	405,151	236,794
Time deposits	438,730	309,782	738,651
Subtotal	530,710	714,933	975,445
Less:			
Restricted cash	3,278	2,167	489
Time deposits with original maturity of over three months when acquired	434,719	309,782	738,651
Cash and cash equivalents	92,713	402,984	236,305

Time deposits are classified as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Time deposits at amortised cost	322,431	20,172	30,283
Time deposits at fair value through other comprehensive income	112,288	289,610	677,746
Subtotal	434,719	309,782	708,029
Non-Current:			
Time deposits at amortised cost	—	—	30,622
Total	434,719	309,782	738,651

Time deposits at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while time deposits at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The cash and cash equivalents and restricted cash are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents denominated in:			
RMB	61,446	377,550	142,689
United States dollar ("**US$**")	22,839	20,005	85,205
European dollar ("**EUR**")	3,678	1,932	973
Japanese Yen ("**JPY**")	4,746	3,495	7,437
Others	4	2	1
Total	92,713	402,984	236,305
Restricted cash denominated in:			
RMB	3,071	1,650	—
JPY	—	—	—
EUR	207	447	489
US$	—	70	—
Total	3,278	2,167	489

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on a daily basis. The bank balances and restricted cash are deposited with creditworthy banks with no history of default and with low credit risk.

As at 31 December 2023, 2024 and 2025, restricted cash of RMB3,278,000, RMB2,167,000 and RMB489,000 had been pledged for letter of credits, currency options, bank bill acceptance and leases.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	26,421	140,311	91,424
Time deposits	171,200	246,802	403,799
Subtotal	197,621	387,113	495,223
Less:			
Deposits with original maturity of over three months when acquired	171,200	246,802	403,799
Cash and cash equivalents	26,421	140,311	91,424

Time deposits are classified as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Time deposits at amortised cost	150,998	20,172	30,283
Time deposits at fair value through other comprehensive income	20,202	226,630	342,894
Subtotal	171,200	246,802	373,177
Non-Current:			
Time deposits at amortised cost	—	—	30,622
Total	171,200	246,802	403,799

The cash and cash equivalents and restricted cash are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents denominated in:			
RMB	19,886	135,034	86,435
US$	6,535	3,998	4,985
EUR	—	1,279	4
Total	26,421	140,311	91,424

23. TRADE AND NOTES PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	62,185	27,401	81,158
Notes payables	—	2,933	—
Net carrying amount	62,185	30,334	81,158

An ageing analysis of the trade and notes payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	60,513	24,526	76,949
1 to 2 years	1,354	5,175	3,256
2 to 3 years	318	503	953
Over 3 years	—	130	—
Total	62,185	30,334	81,158

The trade payables are non-interest-bearing and generally the credit terms range from 30 to 60 days.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	58,294	20,232	73,325
1 to 2 years	1,354	5,047	3,151
2 to 3 years	318	503	887
Over 3 years	—	130	—
Total	59,966	25,912	77,363

24. OTHER PAYABLES AND ACCRUALS

The Group

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	*(a)*	120,727	82,577	230,264
Other payables and accruals	*(b)*	115,260	104,388	122,003
Taxes payable other than corporate income tax		4,237	7,808	19,502
Payroll payable		19,848	24,161	30,447
Deferred income		898	2,218	2,961
Total		260,970	221,152	405,177
Analysed into:				
Current portion		121,189	91,753	293,747
Non-current portion		139,781	129,399	111,430

Notes:

(a) Details of contract liabilities are as follows:

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers				
CMOS image sensors	18,147	20,520	15,161	92,170
Customised sensor solutions	101,112	100,207	67,416	138,094
Total	119,259	120,727	82,577	230,264

Contract liabilities include advances received to deliver products and provide customised sensor solutions. Contract liabilities remained relatively stable as of 31 December 2023. The decrease in 2024 was mainly due to the decrease in advances received from customers in relation to the customised sensor solutions. The increase in contract liabilities in 2025 was mainly due to the increase in advances received from customers in relation to the customised sensor solutions.

(b) Other payables are unsecured and non-interest-bearing.

In December 2022, Gpixel Hangzhou entered into a Capital Increase Agreement and Shareholders' Agreement with Zhejiang Province Industrial Fund Co., Ltd. ("**Zhejiang Industrial Fund**"). Under these agreements, Zhejiang Industrial Fund invested RMB100,000,000 to subscribe RMB1,250,000 of newly increased registered capital of Gpixel Hangzhou.

According to the terms, Gpixel Hangzhou or its designated third party, as the repurchaser, is required to repurchase the minority equity held by Zhejiang Industrial Fund and repay the RMB100,000,000 to Zhejiang Industrial Fund. If the Group can fulfil certain conditions such as talents and innovation set by local government and repurchase the equity in certain years, the Group will bear no any interests.

The Company

	Notes	As at 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	*(a)*	59,167	32,962	139,466
Other payables and accruals	*(b)*	4,227	3,234	9,251
Taxes payable other than corporate income tax		3,571	7,144	16,332
Payroll payable		9,059	10,750	12,244
Deferred income		898	1,272	1,082
Total		76,922	55,362	178,375
Analysed into:				
Current portion		67,314	54,090	175,097
Non-current portion		9,608	1,272	3,278

Notes:

(a) Details of contract liabilities are as follows:

	As at 1 January	As at 31 December		
	2023	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers				
CMOS image sensors	16,092	17,142	13,959	68,563
Customised sensor solutions	46,030	42,025	19,003	70,903
Total	62,122	59,167	32,962	139,466

(b) Other payables and accruals are unsecured and non-interest-bearing.

25. DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	Liabilities	**Liabilities**	**Liabilities**
	RMB'000	*RMB'000*	*RMB'000*
Options for foreign currency	—	199	—

26. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	Effective interest rate (%)	Maturity	31 December 2023
			RMB'000
Current			
Interest-bearing bank loans — unsecured	1.30	2024	2,000

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Interest-bearing bank loans:			
Within one year	2,000	—	—
Total	2,000	—	—

27. PROVISION

The Group

	Warranties
	RMB'000
At 1 January 2023	2,798
Additional provision	2,525
Amounts utilised/reversed during the year	(2,798)
At 31 December 2023 and 1 January 2024	2,525
Additional provision	2,553
Amounts utilised/reversed during the year	(2,525)
At 31 December 2024 and 1 January 2025	2,553
Additional provision	3,973
Amounts utilised/reversed during the year	(2,553)
At 31 December 2025	3,973

The Company

	Warranties
	RMB'000
At 1 January 2023	2,798
Additional provision	2,525
Amounts utilised/reversed during the year	(2,798)
At 31 December 2023 and 1 January 2024	2,525
Additional provision	2,553
Amounts utilised/reversed during the year	(2,525)
At 31 December 2024 and 1 January 2025	2,553
Additional provision	3,664
Amounts utilised/reversed during the year	(2,553)
At 31 December 2025	3,664

The Group provides warranties to its customers on certain of its products for replacement of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of replacement. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

28. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of trade receivables	Impairment of inventories	Unrealised profits from inter-company transactions	Lease liabilities	Provision	Deferred income	Changes in fair value of financial assets at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	56	1,195	827	2,772	280	193	4	5,327
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	202	1,098	437	(581)	(27)	(105)	(4)	1,020
At 31 December 2023 and 1 January 2024	258	2,293	1,264	2,191	253	88	—	6,347
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	185	(172)	(425)	(76)	2	39	—	(447)
At 31 December 2024 and 1 January 2025	443	2,121	839	2,115	255	127	—	5,900
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	509	960	(303)	(1,206)	111	(19)	—	52
At 31 December 2025	952	3,081	536	909	366	108	—	5,952

Deferred tax liabilities

	Changes in fair value of financial assets at fair value through profit or loss	Changes in fair value of financial assets at fair value through other comprehensive income	Investment with technology	Right-of-use assets	Accrued interest income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	—	—	906	2,659	—	3,565
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	29	—	—	(691)	—	(662)
At 31 December 2023 and 1 January 2024	29	—	906	1,968	—	2,903
Deferred tax charged to other comprehensive income during the year	—	254	—	—	—	254
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	381	—	—	(193)	—	188
At 31 December 2024 and 1 January 2025	410	254	906	1,775	—	3,345
Deferred tax charged to other comprehensive income during the year	—	2,517	—	—	—	2,517
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	133	—	—	(1,160)	680	(347)
At 31 December 2025	543	2,771	906	615	680	5,515

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	3,444	2,555	437
Net deferred tax liabilities recognised in the consolidated statement of financial position	—	—	—

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	10,515	13,834	14,773
Tax losses	107,625	137,089	161,443
Total	118,140	150,923	176,216

The Group has tax losses of RMB107,625,000, RMB137,089,000 and RMB161,443,000 as at 31 December 2023, 2024 and 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Company

Deferred tax assets

	Impairment of trade receivables	Impairment of inventories	Lease liabilities	Provision	Deferred income	Changes in fair value of financial assets at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	56	1,234	491	280	193	4	2,258
Deferred tax credited/(charged) to profit or loss during the year	202	1,096	15	(27)	(105)	(4)	1,177
At 31 December 2023 and 1 January 2024	258	2,330	506	253	88	—	3,435
Deferred tax credited/(charged) to profit or loss during the year	185	(136)	79	2	39	—	169
At 31 December 2024 and 1 January 2025	443	2,194	585	255	127	—	3,604
Deferred tax credited/(charged) to profit or loss during the year	509	980	(241)	111	(19)	—	1,340
At 31 December 2025	952	3,174	344	366	108	—	4,944

The Company

Deferred tax liabilities

	Changes in fair value of financial assets at fair value through profit or loss	Changes in fair value of financial assets at fair value through other comprehensive income	Investment with technological achievements	Right-of-use assets	Accrued interest income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	—	—	906	378	—	1,284
Deferred tax charged/(credited) to profit or loss during the year	29	—	—	(95)	—	(66)
At 31 December 2023 and 1 January 2024	29	—	906	283	—	1,218
Deferred tax charged to other comprehensive income during the year	—	254	—	—	—	254
Deferred tax charged/(credited) to profit or loss during the year	381	—	—	(38)	—	343
At 31 December 2024 and 1 January 2025	410	254	906	245	—	1,815
Deferred tax charged to other comprehensive income during the year	—	2,517	—	—	—	2,517
Deferred tax charged/(credited) to profit or loss during the year	133	—	—	(195)	680	618
At 31 December 2025	543	2,771	906	50	680	4,950

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	2,217	1,789	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	—	—	6

29. SHARE CAPITAL

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Authorised:			
Ordinary shares with par value of RMB1.00 each	370,000	370,000	370,000
Issued and fully paid:			
Ordinary shares with par value of RMB1.00 each	370,000	370,000	370,000

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At 1 January 2023, 31 December 2023, 2024 and 2025	370,000,000	370,000

30. SHARE-BASED PAYMENTS

Employee shareholding plan

On 21 July 2021, the board of directors of the Company adopted an employee shareholding plan ("**Employee Shareholding Plan**"), which was then supplemented on 24 October 2022 and further amended and approved on 5 June 2025, to incentivise employees by indirectly holding the Company's shares through employee shareholding platforms at the authorisation of the shareholders of the Company. The shares underlying the Employee Shareholding Plan were held by two direct shareholding platforms Zhuhai Yunchen Qixin Investment Partnership Enterprise (Limited Partnership) ("**Zhuhai Yunchen**") and Zhuhai Xuchen Qixin Investment Partnership Enterprise (Limited Partnership) ("**Zhuhai Xuchen**"), holding 52,800,000 shares and 22,200,000 shares of the Company after the Conversion into a joint stock company in December 2022, respectively.

From July 2021 to October 2022, total 7,500,000 shares of the Company before the conversion into a joint stock company were all granted to certain of directors, senior management and employees of the Group at total consideration of RMB124,050,000. Pursuant to the terms of shareholding agreements, 5,787,000 shares were granted and vested; 1,713,000 shares can be exercisable after 36 months from the date the Company being listed (the "**Lock-up Period**") and shall exercise in installment of 20%, 20%, 15%, 15%, 10%, 10% and 10% each year after the Lock-up Period. Employees should remain employment during the exercise periods or 5 years. The Lock-up Period was approved to shorten to 12 months from the date the Company being listed and the exercise period amended to in installment of 5%, 5%, 10%, 20%, 15%, 15%, 10%, 10% and 10% each year after the Lock-up Period in June 2025.

The following shares were outstanding under the employee shareholding plan during the Relevant Periods:

	Number of shares
At 1 January 2023, 31 December 2023, 2024 and 2025	17,130,000

The fair values of the shares granted were estimated as at the grant date by an external valuer using the discount cash flow method or using the recent market transaction value.

Share option scheme

On 16 June 2023, the board of directors of the Company approved the establishment a share option scheme (the "**Pre-IPO Share Option Scheme**"), which was further amended and approved on 5 June 2025, to attract and retain outstanding talents and motivate the management and employees. The maximum number of shares that maybe issued under this option scheme shall be 6,173,000 ordinary shares. The share option scheme shall be valid and effective for the period of from 20 June 2023.

Total 6,173,000 shares under the share option scheme were granted to 23 employees and three connected persons with 573,000 shares and 5,600,000 shares, respectively at the exercise price of RMB 10 per share on 20 June 2023 (the "**Grant Date**"). The share options can be exercisable after the later of (1) the date before the first trading day after 20 months from the Grant Date, and (2) the Company being listed and the employees shall satisfy certain performance targets. The Company has right to repurchase the exercised shares at lower price if the employees resign in the five years after the Grant Date, which was further extended to seven years in June 2025.

Subject to the satisfaction of the vesting conditions, the employees can exercise the options in instalments under the following arrangement:

(1) the first exercise period: 50% of exercisable numbers of share options from the first vesting date after the vesting period until the last trading day within 22 months after the vesting period; and

(2) the second exercise period: 50% of exercisable numbers of share options from first trading day after the first exercise period until the last trading day within 39 months after the vesting period, which was further shortened to from first trading day after the first exercise period until the last trading day within 29 months after the vesting period.

The following shares were outstanding under the share option scheme during the Relevant Periods:

	Number of option	Exercise price
		RMB yuan
At 1 January 2023	—	—
Granted during the year	6,173,000	10
At 31 December 2023, 2024	6,173,000	10
Forfeited during the year	(11,000)	10
At 31 December 2025	6,162,000	

The fair value of equity-settled share options granted during the Relevant Periods was estimated as at the Grant Date based on the market transaction price and using binomial model with the following assumptions used:

Expected volatility	61.87%/62.85%
Risk-free interest rate	2.37%/2.46%
Exercise multiple	2.8
Expected forfeiture rate	0%
Expected life of options	3.5 years/4.9 years

During the Relevant Periods, the Group recognised share-based payments expense of RMB52,877,000, RMB52,252,000 and RMB60,310,000, respectively.

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Equity reserves

Equity reserves of the Group mainly represents share premium arising from issue of shares at a price in excess of their par value. Share premium of the Company represent the share premium contributed by the shareholders of the Company upon its conversion into a joint stock company in December 2022. Share option/award reserve transfers to share premium upon the vesting.

Statutory surplus reserve

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC accounting standards, to its statutory surplus reserve until the reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the Historical Financial Information of entities of which the functional currency is not RMB.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as below:

	Equity reserves	Share option/ award reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	585,449	11,432	–	–	(184,159)	412,722
Profit for the year	–	–	–	–	204,771	204,771
Equity-settled share-based payments arrangement	–	52,877	–	–	–	52,877
Transfer to statutory surplus reserve	–	–	–	2,061	(2,061)	–
Others	388	–	–	–	–	388
At 31 December 2023 and 1 January 2024	585,837	64,309	–	2,061	18,551	670,758
Profit for the year	–	–	–	–	207,820	207,820
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	2,289	–	–	2,289
Equity-settled share-based payments arrangement	–	52,252	–	–	–	52,252
Transfer to statutory surplus reserve	–	–	–	20,782	(20,782)	–
Others	(22)	–	–	–	–	(22)
At 31 December 2024 and at 1 January 2025	585,815	116,561	2,289	22,843	205,589	933,097
Profit for the year	–	–	–	–	293,115	293,115
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	22,656	–	–	22,656
Equity-settled share-based payments arrangement	–	60,310	–	–	–	60,310
Transfer to statutory surplus reserve	–	–	–	29,311	(29,311)	–
Dividends declared to shareholders	–	–	–	–	(18,500)	(18,500)
Others	40	–	–	–	–	40
At 31 December 2025	585,855	176,871	24,945	52,154	450,893	1,290,718

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB557,000, RMB2,208,000 and RMB285,000, respectively, in respect of lease arrangements for office premises.

During the year ended 31 December 2025, the lease liabilities of RMB1,565,000 were discharged through the endorsement of notes receivable.

(b) Changes in liabilities arising from financing activities

	Bank and other loans	Lease liabilities	Other payables and accruals
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	1,500	17,500	100,000
Changes from financing cash flows	487	(3,275)	—
New leases	—	557	—
Interest expense accrued	13	643	—
Effect of foreign exchange rate changes	—	204	—
Termination of redemption liabilities	—	(636)	—
At 31 December 2023 and 1 January 2024	2,000	14,993	100,000
Changes from financing cash flows	(2,045)	(5,249)	—
Lease modifications	—	4,916	—
New leases	—	2,208	—
Interest expense accrued	45	632	—
Effect of foreign exchange rate changes	—	(124)	—
Termination of redemption liabilities	—	(3,259)	—
At 31 December 2024 and 1 January 2025	—	14,117	100,000
Changes from financing cash flows	—	(6,092)	—
Non-cash settlement	—	(1,565)	—
Lease modifications	—	(1,047)	—
Interest expense accrued	—	363	—
New leases	—	285	—
Effect of foreign exchange rate changes	—	261	—
At 31 December 2025	—	6,322	100,000

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	756	1,212	1,914
Within financing activities	3,275	5,249	6,092
Total	4,031	6,461	8,006

33. COMMITMENTS

At the end of each of the Relevant Periods, the Group did not have any significant contractual commitments.

34. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

Name	Relationship
Beijing Haomo Technology Co., Ltd. ("**Beijing Haomo**")	An associate
Group A	A shareholder's controlling shareholder and three entities ultimately controlled by the shareholder
Changchun UP Optotech Co., Ltd. ("**UP OPTOTECH Group**")	A shareholder and one entity controlled by the same shareholder
LUSTER LightTech Co., LTD. ("**Luster Group**") *(note (a))*	A shareholder and three entities ultimately controlled by the shareholder

Notes:

(a) Beijing LUSTER LightTech Co., Ltd. was a subsidiary of Luster Group from 2020 to March 2023 and was not a related party since March 2023.

(a) The Group had the following transactions with related parties during the Relevant Periods:

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Sales of products to:				
Group A*	*(i)*	42,109	31,865	27,063
Luster Group	*(i)*	4,958	5,960	10,402
Beijing Haomo	*(i)*	N/A	31	369
		47,067	37,856	37,834
Providing services to:				
Group A*	*(i)*	68,009	8,081	384
Purchases of products from:				
Group A	*(ii)*	15	—	166
Purchase of services from:				
Group A	*(ii)*	3	11	63
Beijing Haomo	*(ii)*	N/A	—	469
		3	11	532
Purchase of other intangible assets from:				
Beijing Haomo	*(ii)*	—	—	354
Rental paid to:				
Group A	*(iii)*	—	641	294

Notes:

(i) The sales to related parties were made according to the published prices and conditions offered to the major customers of the Group.

(ii) The purchases from related parties were made according to the published prices and conditions offered by the related parties to their major customers.

(iii) The rental paid to related parties were charged with reference to prices mutually agreed between the parties.

* Including sales products to UP OPTOTECH Group of RMB110,000, RMB224,000 and RMB200,000 and providing provision service to UP OPTOTECH Group of nil, RMB2,798,000 and nil during the years ended 31 December, 2023, 2024 and 2025.

The related party transactions in respect items sales of product to UP OPTOTECH Group and Luster Group and providing services to UP OPTOTECH Group also constitute connected transactions as defined in Chapter 14A of Listing Rules.

(b) Outstanding balances with related parties:

	Note	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Trade receivables (trade):				
Group A		39,407	41,159	43,700
Luster Group	*(i)*	473	1,221	1,652
Beijing Haomo		—	—	229
		39,880	42,380	45,581
Contract liabilities (trade):				
Group A		9,684	5,916	19,868
Luster Group		1,016	—	—
		10,700	5,916	19,868

Note:

(i) As at 31 December 2023, 2024 and 2025, the Group's outstanding balances with related parties are unsecured, interest-free and repayable on demand.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	6,890	7,054	6,587
Share-based payments expense	9,342	6,784	8,702
Pension scheme contributions	226	256	227
Total compensation paid to key management personnel	16,458	14,094	15,516

Further details of directors' and the supervisors' emoluments are included in note 8 to the Historical Financial Information.

Redemption rights of the Pre-IPO Investors granted by the Selling Shareholders as defined in Prospectus

Prior to the Relevant Periods, the Pre-IPO Investors had been granted the repurchase rights by the Selling Shareholders (the "**SS Redemption Right**"). The Company is not a party to the relevant equity transfer agreements entered into by and between the Selling Shareholders and the Pre-IPO Investors. Pursuant to supplemental agreements entered into by the Selling Shareholders and the Pre-IPO Investors, the SS Redemption Right was terminated in June 2023.

The Company has not provided any form of guarantee in connection with any potential default or failure by the Selling Shareholders to fulfill their obligations relating to SS Redemption Right. Accordingly, no financial liability regarding SS Redemption Right was recorded during the Relevant Periods.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	75,886	—	75,886
Financial assets at fair value through profit and loss	105,752	—	—	—	105,752
Trade and notes receivables	—	159	—	114,525	114,684
Financial assets include in prepayments, other receivables and other assets	—	—	—	7,015	7,015
Restricted cash	—	—	—	3,278	3,278
Cash and cash equivalents	—	—	—	92,713	92,713
Time deposits	—	112,288	—	322,431	434,719
Total	105,752	112,447	75,886	539,962	834,047

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and notes payables	62,185
Financial liabilities included in other payables and accruals	115,260
Interest-bearing bank borrowings	2,000
Lease liabilities	14,993
Total	194,438

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	78,429	—	78,429
Financial assets at fair value through profit and loss	119,594	—	—	—	119,594
Trade and notes receivables	—	3,744	—	181,002	184,746
Financial assets include in prepayments, other receivables and other assets	—	—	—	4,061	4,061
Restricted cash	—	—	—	2,167	2,167
Cash and cash equivalents	—	—	—	402,984	402,984
Time deposits	—	289,610	—	20,172	309,782
Total	119,594	293,354	78,429	610,386	1,101,763

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	Held for trading		
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables	—	30,334	30,334
Financial liabilities included in other payables and accruals	—	104,388	104,388
Derivative financial instruments	199	—	199
Lease liabilities	—	14,117	14,117
Total	199	148,839	149,038

31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	103,602	—	103,602
Financial assets at fair value through profit and loss	291,498	—	—	—	291,498
Trade and notes receivables	—	6,860	—	228,476	235,336
Financial assets include in prepayments, other receivables and other assets	—	—	—	6,706	6,706
Restricted cash	—	—	—	489	489
Cash and cash equivalents	—	—	—	236,305	236,305
Time deposits	—	677,746	—	60,905	738,651
Total	291,498	684,606	103,602	532,881	1,612,587

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and notes payables	81,158
Financial liabilities included in other payables and accruals	122,003
Lease liabilities	6,322
Total	209,483

The Company

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	75,886	—	75,886
Financial assets at fair value through profit and loss	80,419	—	—	—	80,419
Trade and notes receivables	—	159	—	78,137	78,296
Financial assets include in prepayments, other receivables and other assets	—	—	—	3,333	3,333
Due from subsidiaries	—	—	—	306,779	306,779
Cash and cash equivalents	—	—	—	26,421	26,421
Time deposits	—	20,202	—	150,998	171,200
Total	80,419	20,361	75,886	565,668	742,334

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and notes payables	59,966
Financial liabilities included in other payables and accruals	3,244
Interest-bearing bank borrowings	2,000
Due to subsidiaries	2,867
Lease liabilities	5,057
Total	73,134

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	78,429	—	78,429
Financial assets at fair value through profit and loss	69,218	—	—	—	69,218
Trade and notes receivables	—	484	—	122,222	122,706
Financial assets include in prepayments, other receivables and other assets	—	—	—	1,138	1,138
Due from subsidiaries	—	—	—	71,691	71,691
Cash and cash equivalents	—	—	—	140,311	140,311
Time deposits	—	226,630	—	20,172	246,802
Total	69,218	227,114	78,429	355,534	730,295

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and notes payables	25,912
Financial liabilities included in other payables and accruals	1,541
Due to subsidiaries	13,376
Lease liabilities	5,850
Total	46,679

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Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	103,602	—	103,602
Financial assets at fair value through profit and loss	65,364	—	—	—	65,364
Trade and notes receivables	—	272	—	95,302	95,574
Financial assets include in prepayments, other receivables and other assets	—	—	—	1,050	1,050
Due from subsidiaries	—	—	—	477,811	477,811
Cash and cash equivalents	—	—	—	91,424	91,424
Time deposits	—	342,895	—	60,904	403,799
Total	65,364	343,167	103,602	726,491	1,238,624

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and notes payables	77,363
Financial liabilities included in other payables and accruals	9,251
Due to subsidiaries	58,628
Lease liabilities	3,439
Total	148,681

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits at amortised cost, trade receivables, notes receivables at amortised cost, the current portion of financial assets included in prepayments, other receivables and other assets, trade and notes payables, the current portion of financial liabilities included in other payables and accruals, the current portion of lease liabilities, amounts due from/to subsidiaries and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the notes receivable classified as financial assets at fair value through other comprehensive income under HKFRS 9 as at the end of each of the Relevant Periods have been calculated by discounting the expected future cash flows, which are the par values of the notes receivable. In addition, the notes receivable will mature within one year, and thus their fair values approximate to their carrying values.

The Group invests in unlisted investments, which represent structured deposits issued by banks in Chinese mainland. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the time deposits classified as financial assets at fair value through other comprehensive income under HKFRS 9 as at the end of each of the Relevant Periods have been calculated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of unlisted equity investments designated at fair value through other comprehensive income and unlisted equity investments at fair value through profit and loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to earnings ("**P/E**") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and profit or loss, are reasonable, and that they were the most appropriate values at the end of the Relevant Periods.

For the fair value of the unlisted equity investments at fair value through other comprehensive income and the unlisted equity investments at fair value through profit and loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of the Relevant Periods:

	RMB'000	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments.	26,000–64,566	Recent transaction method/ Asset-based approach	N/A or Discount rate	N/A or 12%	N/A or 5% increase/decrease in discount rate would result in increase/decrease in fair value by RMB1,000–RMB33,000
Unlisted equity investments.	8,386–28,662	Market multiple method	EV/S	3.87x–6.62x	5% increase/decrease in EV/S would result in increase/decrease in fair value by RMB466,000-RMB1,575 ,000
			Discount for lack of liquidity ("**DLOM**")	21%–23%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB115,000–RMB261,000
Unlisted equity investments.	1,500–8,283	Market multiple method	EV/S	0.74x–0.83x	5% increase/decrease in EV/S would result in increase/decrease in fair value by RMB22,000–RMB67,000
			DLOM	24%–25%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB33,000–RMB251,000
Unlisted equity investments.	1,000–1,657	Market multiple method	EV/S	1.04x–1.20x	5% increase/decrease in EV/S would result in increase/decrease in fair value by RMB23,000–RMB51,000
			DLOM	19%–20%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB12,000–RMB19,000
Unlisted equity investments.	10,127–15,922	Market multiple method	EV/S	6.62x–9.81x	5% increase/decrease in EV/S would result in increase/decrease in fair value by RMB168,000–RMB325,000
			DLOM	16%–23%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB25,000–RMB88,000
Unlisted equity investments.	4,367	Asset-based approach	N/A	N/A	N/A

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Assets measured at fair value:

The Group

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	75,886	75,886
Debt investments at fair value through other comprehensive income	—	112,447	—	112,447
Financial assets at fair value through profit or loss	—	90,625	15,127	105,752
Total	—	203,072	91,013	294,085

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	78,429	78,429
Debt investments at fair value through other comprehensive income	—	293,354	—	293,354
Financial assets at fair value through profit or loss	—	100,894	18,700	119,594
Total	—	394,248	97,129	491,377

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	103,602	103,602
Debt investments at fair value through other comprehensive income	—	684,606	—	684,606
Financial assets at fair value through profit or loss	—	271,197	20,301	291,498
Total	—	955,803	123,903	1,079,706

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income			
At 1 January	36,886	75,886	78,429
Total gains recognised in other comprehensive income	—	2,543	25,173
Purchases	39,000	—	—
Total	75,886	78,429	103,602

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss			
At 1 January	15,127	15,127	18,700
Total gains recognised in profit or loss included in other income	—	3,573	1,601
Total	15,127	18,700	20,301

The Company

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	75,886	75,886
Debt investments at fair value through other comprehensive income	—	20,361	—	20,361
Financial assets at fair value through profit or loss	—	65,292	15,127	80,419
Total	—	85,653	91,013	176,666

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	78,429	78,429
Debt investments at fair value through other comprehensive income	—	227,114	—	227,114
Financial assets at fair value through profit or loss	—	50,518	18,700	69,218
Total	—	277,632	97,129	374,761

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	103,602	103,602
Debt investments at fair value through other comprehensive income	—	343,167	—	343,167
Financial assets at fair value through profit or loss	—	45,063	20,301	65,364
Total	—	388,230	123,903	512,133

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income			
At 1 January	36,886	75,886	78,429
Total gains recognised in other comprehensive income	—	2,543	25,173
Purchases	39,000	—	—
Total	75,886	78,429	103,602

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss			
At 1 January	15,127	15,127	18,700
Total gains recognised in profit or loss included in other income	—	3,573	1,601
Total	15,127	18,700	20,301

Liabilities measured at fair value:

The Group

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	—	199	—	199

The Company did not have any financial liabilities measured at fair value as at 31 December 2023, 2024 and 2025.

The Group did not have any financial liabilities measured at fair value as at 31 December 2023 and 2025.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include interest-bearing bank borrowings, cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, other payables and accruals and trade and notes payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The following table demonstrates the sensitivity at the end of the Relevant Periods to a reasonably possible change in the United States dollar, European dollar and Japanese Yen exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

The Group

	As at 31 December 2023		
	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB'000	RMB'000
If the RMB weakens against the US$	5	1,142	1,142
If the RMB strengthens against the US$	(5)	(1,142)	(1,142)
If the RMB weakens against the EUR	5	184	184
If the RMB strengthens against the EUR	(5)	(184)	(184)
If the RMB weakens against the JPY	5	237	237
If the RMB strengthens against the JPY	(5)	(237)	(237)

	As at 31 December 2024		
	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB'000	RMB'000
If the RMB weakens against the US$	5	1,000	1,000
If the RMB strengthens against the US$	(5)	(1,000)	(1,000)
If the RMB weakens against the EUR	5	97	97
If the RMB strengthens against the EUR	(5)	(97)	(97)
If the RMB weakens against the JPY	5	175	175
If the RMB strengthens against the JPY	(5)	(175)	(175)

	As at 31 December 2025		
	Increase/(decrease) in foreign currency rate	Increase/(decrease)in profit before tax	Increase/(decrease) in equity
	%	RMB'000	RMB'000
If the RMB weakens against the US$	5	1,525	1,525
If the RMB strengthens against the US$	(5)	(1,525)	(1,525)
If the RMB weakens against the EUR	5	137	137
If the RMB strengthens against the EUR	(5)	(137)	(137)
If the RMB weakens against the JPY	5	288	288
If the RMB strengthens against the JPY	(5)	(288)	(288)

The Company

	As at 31 December 2023		
	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB'000	RMB'000
If the RMB weakens against the US$	5	327	327
If the RMB strengthens against the US$	(5)	(327)	(327)

	As at 31 December 2024		
	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
If the RMB weakens against the US$	5	200	200
If the RMB strengthens against the US$	(5)	(200)	(200)
If the RMB weakens against the EUR	5	64	64
If the RMB strengthens against the EUR	(5)	(64)	(64)

	As at 31 December 2025		
	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
If the RMB weakens against the US$	5	(2,773)	(2,773)
If the RMB strengthens against the US$	(5)	2,773	2,773

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023, 2024 and 2025. The amounts presented are gross carrying amounts for financial assets.

The Group

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	117,555	117,555
Financial assets included in prepayments, other receivables and other assets					
— Normal**	7,015	—	—	—	7,015
Restricted cash					
— Not yet past due	3,278	—	—	—	3,278
Cash and cash equivalents					
— Not yet past due	92,713	—	—	—	92,713
Time deposits					
— Not yet past due	322,431	—	—	—	322,431
Total	425,437	—	—	117,555	542,992

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	186,156	186,156
Financial assets included in prepayments, other receivables and other assets					
— Normal**	4,061	—	—	—	4,061
Restricted cash					
— Not yet past due	2,167	—	—	—	2,167
Cash and cash equivalents					
— Not yet past due	402,984	—	—	—	402,984
Time deposits					
— Not yet past due	20,172	—	—	—	20,172
Total	429,384	—	—	186,156	615,540

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	239,674	239,674
Financial assets included in prepayments, other receivables and other assets					
— Normal**	6,706	—	—	—	6,706
Restricted cash					
— Not yet past due	489	—	—	—	489
Cash and cash equivalents					
— Not yet past due	236,305	—	—	—	236,305
Time deposits					
— Not yet past due	60,905	—	—	—	60,905
Total	304,405	—	—	239,674	544,079

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the Historical Financial Information.

** The credit quality of notes receivable and financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information.

The Company

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes receivables*	—	—	—	80,719	80,719
Due from subsidiaries				306,779	306,779
Financial assets included in prepayments, other receivables and other assets					
— Normal**	3,333	—	—	—	3,333
Cash and cash equivalents					
— Not yet past due	26,421	—	—	—	26,421
Time deposits					
— Not yet past due	150,998	—	—	—	150,998
Total	180,752	—	—	387,498	568,250

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes receivables*	—	—	—	126,652	126,652
Due from subsidiaries	—	—	—	71,691	71,691
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,138	—	—	—	1,138
Cash and cash equivalents					
— Not yet past due	140,311	—	—	—	140,311
Time deposits					
— Not yet past due	20,172	—	—	—	20,172
Total	161,621	—	—	198,343	359,964

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	104,817	104,817
Due from subsidiaries	—	—	—	477,811	477,811
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,050	—	—	—	1,050
Restricted cash					
— Not yet past due	—	—	—	—	—
Cash and cash equivalents					
— Not yet past due	91,424	—	—	—	91,424
Time deposits					
— Not yet past due	60,904	—	—	—	60,904
Total	153,378	—	—	582,628	736,006

* For trade receivables to which the Company applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the Historical Financial Information.

** The credit quality of notes receivable and financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Company's exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of other borrowings.

The maturity profile of the Group's and the Company's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

The Group

	31 December 2023					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables	62,185	—	—	—	—	62,185
Other payables	114	6,019	7,993	101,134	—	115,260
Lease liabilities	294	1,135	3,226	6,850	4,048	15,553
Interest-bearing bank borrowings	—	—	2,000	—	—	2,000
Net carrying amount	62,593	7,154	13,219	107,984	4,048	194,998

	31 December 2024					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables	30,334	—	—	—	—	30,334
Other payables	186	2,120	2,082	100,000	—	104,388
Lease liabilities	—	1,416	6,860	5,566	923	14,765
Derivative financial instruments	—	—	199	—	—	199
Net carrying amount	30,520	3,536	9,141	105,566	923	149,686

	31 December 2025					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables	81,158	—	—	—	—	81,158
Other payables	167	7,882	7,313	106,641	—	122,003
Lease liabilities	—	2,032	3,907	524	—	6,463
Net carrying amount	81,325	9,914	11,220	107,165	—	209,624

The Company

	31 December 2023					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables	59,966	—	—	—	—	59,966
Other payables	41	983	719	—	—	1,743
Due to subsidiaries	—	2,867	—	—	—	2,867
Lease liabilities	—	—	—	5,257	—	5,257
Interest-bearing bank borrowings	—	—	2,000	—	—	2,000
Net carrying amount	60,007	3,850	2,719	5,257	—	71,833

	31 December 2024					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables	25,912	—	—	—	—	25,912
Other payables	55	1,036	479	—	—	1,570
Due to subsidiaries	—	13,376	—	—	—	13,376
Lease liabilities	—	—	2,307	3,846	—	6,153
Net carrying amount	25,967	14,412	2,786	3,846	—	47,011

	31 December 2025					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables	77,363	—	—	—	—	77,363
Other payables	31	5,947	1,962	1,311	—	9,251
Due to subsidiaries	—	58,628	—	—	—	58,628
Lease liabilities	—	1,209	1,813	496	—	3,518
Net carrying amount	77,394	65,784	3,775	1,807	—	148,760

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. Debt includes interest-bearing bank borrowings and lease liabilities. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	2,000	—	—
Lease liabilities	14,993	14,117	6,322
Debt	16,993	14,117	6,322
Total equity	963,148	1,212,010	1,571,750
Gearing ratio	1.8%	1.2%	0.4%

38. INVESTMENTS IN SUBSIDIARIES

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments, at cost			
Gpixel Belgium	31,029	31,029	31,029
Gpixel Hangzhou	28,040	337,245	349,214
Gpixel Japan	19,741	19,741	19,741
Changguang Yuanxin	16,602	18,857	22,030
Gpixel Dalian	5,878	6,379	7,025
	101,290	413,251	429,039

The Company assessed the subsidiaries' operation and were of the opinion that no impairment was needed for the investments in subsidiaries as at 31 December 2023, 2024 and 2025.

For Gpixel Japan, the Company believes no impairment is needed given that this subsidiary realised retained earnings as at 2025 and net profit as management expected during the Relevant Periods.

For the remaining subsidiaries, management assessed that there was no impairment at the end of each of the Relevant Periods. Gpixel Belgium was profitable during the Relevant Periods and its financial performance was consistent with management's expectations. For Gpixel Hangzhou, Gpixel Dalian and Changguang Yuanxin, as these subsidiaries were in the startup stage and the research and development activities are under normal process, net losses incurred for the Relevant Periods are within management's expectation.

39. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

As at 31 December 2023, 2024 and 2025, amounts due from/(to) subsidiaries were unsecured, interest-free and repayable on demand. The carrying amounts of balances with subsidiaries approximate to their fair values.

40. EVENTS AFTER THE RELEVANT PERIODS

As at 28 February 2026, Gpixel Hangzhou entered into an asset transaction contract, pursuant to which Gpixel Hangzhou agreed to purchase an office building for RMB 48,705,000.

41. SUBSEQUENT FINANCIAL STATEMENTS

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

The following information does not form part of the Accountants' Report from Ernst &Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this document, and is included 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 ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the parent had the Global Offering been completed as of 31 December 2025 or at any future date. It is prepared based on the consolidated net tangible assets attributable to owners of the parent as at 31 December 2025 as set out in the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

	Consolidated net tangible assets attributable to owners of the parent as at 31 December 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent immediately after completion of the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share immediately after completion of the Global Offering	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$39.88 per Share	1,536,690	2,228,475	3,765,165	8.65	9.79

Notes:

(1) The consolidated net tangible assets attributable to owners of the parent as at 31 December 2025 are arrived at after deducting other intangible assets of RMB23,048,000 from the consolidated net assets attributable to owners of the parent of RMB1,559,738,000 as at 31 December 2025, as shown in the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are calculated based on offer price of HK$39.88 per Share after deduction of the underwriting fees and other related expenses payable by the Company (excluding listing expenses of RMB15,815,000 which have been charged to profit or loss during the Track Record Period) and do not take into account any Shares which may be issued upon exercise of the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are calculated based on 435,294,200 Shares in issue immediately following the completion of the Global Offering without taking into account any Shares which may be issued upon exercise of the Over-allotment Option.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are converted into Hong Kong dollars at an exchange rate of RMB0.8838 to HK$1.00.

(5) No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to 31 December 2025.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Reporting Accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

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To the Directors of Gpixel Changchun Microelectronics Inc.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Gpixel Changchun Microelectronics Inc. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2025, and related notes as set out on page II-1 of the prospectus dated 9 April 2026 issued by the Company (the "**Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Part A of Appendix II to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

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

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 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 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the 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 Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

Opinion

In our opinion:

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

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

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

Ernst & Young
Certified Public Accountants
Hong Kong

9 April 2026

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares are subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisors regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of the PRC taxation other than income tax, capital gains tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisors regarding the PRC and other tax consequences of owning and disposing of the H shares.

TAXATION IN CHINESE MAINLAND

Tax on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**Individual Income Tax Law**"), which was latest amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by the PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a uniform 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異化個人所得税政策有關問題的通知》), which was issued by the MOF, the SAT and the CSRC on September 7, 2015 and effective on September 8, 2015, where an individual holds the shares of a listed company from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds the shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividends and bonus 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 dividends and bonus 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 Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**"), which was executed by the Chinese Mainland and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the

Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) (the "**Fifth Protocol**"), which was issued by the SAT 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.

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》) (the "**EIT Law**"), which was issued by the SCNPC and latest amended and effective on December 29, 2018, and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was latest amended by the State Council on December 6, 2024 and effective on January 20, 2025, a non-resident enterprise is subject to a 10% enterprise income tax on the 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 premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income is not actually connected with such establishment or premise in the PRC. The aforesaid income tax payable by non-resident enterprises shall be deducted 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.

According to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by the PRC-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》), which was issued by the SAT and effective on November 6, 2008, a PRC resident enterprise is required to withhold the enterprise income tax at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a 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 by the PRC company. 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 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from the PRC companies. Non-resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Income Tax on Share Transfer

Individual Investors

Pursuant to 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. According to the Circular of the MOF and the SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》(財税字[1998]61號)) (the "**Circular No. 61**"), which was issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of listed companies continues to be temporarily exempted from individual income tax. According to the Announcement of the MOF and the SAT on the Catalog of Preferential Individual Income Tax Policies with Continued Effect (《財政部、國家税務總局關於繼續有效的個人所得税優惠政策目錄的公告》), which was issued by the MOF and the SAT on December 29, 2018, the Circular No. 61 will remain effective.

However, the Notice of the State Administration of Taxation on Issues Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which was jointly issued by the MOF, the SAT and the CSRC on December 31, 2009 and effective on January 1, 2010 stipulates that income derived by individuals from transfer of shares of listed companies issued to the public and transfer of shares of listed companies obtained from the market at the Shanghai Stock Exchange and Shenzhen Stock Exchange shall continue to be exempted from individual income tax, provided that it excludes the restricted shares as defined in the Supplementary Notice Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) jointly issued by relevant departments and implemented on November 10, 2010. As of the Latest Practicable Date, the aforementioned provisions did not specify whether to impose the individual income tax on the income from the transfer of shares of PRC-resident enterprises listed on overseas stock exchanges by non-PRC resident individuals.

Enterprise investors

Pursuant to the EIT Law and its implementation rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income is not actually connected with such establishment or premise in the PRC. The aforementioned income tax payable by non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprises. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements for the avoidance of double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy

According to the Notice of the MOF, the SAT and the China Securities Regulatory Commission on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家税務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)), which was effective on November 17, 2014, for dividends and bonuses received by individual investors in Chinese Mainland from investing in H shares listed on the Hong Kong Stock Exchange (the "**Hong Kong Stock Exchange**") through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to China Securities Depository and Clearing

Corporation Limited (the "**CSDC**") for providing the register of individual investors in Chinese Mainland to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Dividend income derived by enterprise investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to enterprise income tax according to law. Dividend income derived by resident enterprises in Chinese Mainland from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold tax on dividend income for enterprise investors in Chinese Mainland. The tax payable shall be declared and paid by the enterprise investors themselves.

According to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》), which was issued on August 21, 2023 and implemented on the same date, the transfer spread income derived by individual investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall continue to be temporarily exempted from individual income tax before December 31, 2027.

Shenzhen-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (財稅[2016]127號) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(Cai Shui [2016] No. 127)), which was effective on December 5, 2016, for dividends and bonuses received by individual investors in Chinese Mainland from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of individual investors in Chinese Mainland to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Dividends and bonuses derived by enterprise investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to enterprise income tax according to law. Dividends and bonuses derived by resident enterprises in Chinese Mainland from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold tax on dividends and bonuses for enterprise investors in Chinese Mainland. The tax payable shall be declared and paid by the enterprise investors themselves.

According to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》), which was issued on August 21, 2023 and implemented on the same day, the transfer spread income derived by individual investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall continue to be temporarily exempted from individual income tax before December 31, 2027.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was issued on June 10, 2021 and effective on July 1, 2022, the PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

MAJOR TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

Pursuant to the EIT Law and its implementation rules, all enterprises within the territory of the PRC (including foreign-invested enterprises) are subject to enterprise income tax at a uniform rate of 25%.

Pursuant to the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》), which was issued by the Ministry of Science and Technology ("**MOST**"), the MOF and the SAT on April 14, 2008, amended on January 29, 2016 and effective on January 1, 2016, an enterprise recognized as a high-tech enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

According to the Announcement of the MOF and the SAT on the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (《財政部、國家稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》), which was issued on March 26, 2023, for small and micro enterprises, the portion of their annual taxable income not exceeding RMB1 million shall be included in the taxable income at a reduced rate of 25% and the enterprise income tax shall be paid at the tax rate of 20%. Pursuant to the Announcement of the MOF and the SAT on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (《財政部、國家稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》), which was issued on August 2, 2023, the policy that small and micro enterprises shall pay the taxable income at a reduced rate of 25% and the enterprise income tax shall be paid at the tax rate of 20% will continue to be implemented until December 31, 2027.

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》), which was promulgated by the State Council, latest amended and 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》), which was promulgated by the State Council, latest amended 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, shall be identified as taxpayers of value-added tax, and shall pay value-added tax. Unless stated otherwise, for taxpayers selling or importing goods, and providing processing, repairs and replacement services in the PRC, the tax rate shall be 17%, in certain limited circumstances, 11%, 6% or 0%.

According to the Notice of the MOF and the SAT on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which was issued on April 4, 2018 and effective on 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 VAT Reform (《關於深化增值稅改革有關政策的公告》), which was issued by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the general VAT taxpayers who have VAT-taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC issued the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), which will take effect on January 1, 2026. Upon its implementation, the Provisional Regulations on Value-added Tax of the PRC will be repealed simultaneously. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial households) in the PRC engaging in the sale of goods, services, intangible assets or real properties, as well as the importation of goods, shall be identified as taxpayers of value-added tax, and shall pay value-added tax in accordance with the law. Unless stated otherwise, for taxpayers selling goods, providing processing, repairs and replacement services, rendering rental service of tangible movable properties, and imported goods, the tax rate shall be 13%, in certain limited circumstances, 9%, 6% or 0%.

Preferential Tax Policy for the IC Industry

Pursuant to the Guidance of Preferential Tax Policy for Software Enterprises and Integrated Circuit Enterprises (《軟件企業和集成電路企業稅費優惠政策指引》) issued by the SAT on May 21, 2022, the integrated circuit industry enjoys a variety of tax preferences. Enterprises for integrated circuit design, equipment, materials, packaging and testing encouraged by the State, for example, can enjoy regular exemption or reduction of the enterprise income tax; key integrated circuit design enterprises encouraged by the State can enjoy the regular exemption or reduction of enterprise income tax; staff training expenses of integrated circuit design enterprises can be deducted before tax according to the actual amount incurred.

According to the Circular of the State Council on Promulgation of Several Policies for Promoting the High-quality Development of Integrated Circuit Industry and Software Industry in the New Era (Guo Fa [2020] No. 8) (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》(國發[2020]8號)) (the "**Circular No. 8**"), and the Circular on Issues concerning Corporate Income Tax Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》) jointly issued by the MOF, the SAT, the NDRC and the MIIT, enterprises of integrated circuit design, equipment, materials, packaging and testing and software enterprises encouraged by the State are exempted from enterprise income tax during the first year and the second year from the profit-making year. During the third year to the fifth year from the profit-making year, the enterprise income tax shall be levied at half of the statutory tax rate of 25%. Key integrated circuit design enterprises and software enterprises encouraged by the State shall be exempted from enterprise income tax during the first year to the fifth year since the profit-making year, and the enterprise income tax shall be levied at a reduced tax rate of 10% in successive years. The Circular of Making Relevant Requirements for the List of Integrated Circuit Enterprises or Projects and Software Enterprises to Enjoy Preferential Tax Policy for 2024 (《國家發展改革委等部門關於做好2024年享受稅收優惠政策的集成電路企業或項目、軟件企業清單制定工作有關要求的通知》) makes detailed description of the conditions and project standards for enterprises that enjoy preferential tax policy on the basis of Circular No. 8.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》), which was amended by the State Council on August 5, 2008 and effective on the same day, all international payments and transfers are classified into current account items and capital account items. The State does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of enterprises in the PRC may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was issued by the PBOC on June 20, 1996 and effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

Pursuant to relevant laws and regulations of the PRC, enterprises (including foreign-invested enterprises) in the PRC which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that needs to distribute profits to their shareholders in foreign exchange and Chinese enterprise that needs to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》), which was issued by the State Council on October 23, 2014 and effective on the same day, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), which was issued by the SAFE on December 26, 2014, a domestic company shall, within 15 working days after the completion of the overseas listing and issuance, register the overseas listing with the branch office of SAFE at the place where it is registered. The proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus or offering documents for corporate bond, shareholders' circulars, resolutions of the board of directors or shareholders' meetings and other publicly disclosed documents.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), which was issued by the SAFE on June 9, 2016, domestic institutions may, in accordance with relevant policies and their actual business needs, conduct voluntary foreign exchange settlement for foreign currency earnings in capital account (including repatriated funds raised through overseas listings) through banks. The tentative percentage of voluntary foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This appendix contains a summary of the principal PRC laws, regulations and policies related to the Company's ordinary course of currently conducted business operations in the PRC. PRC tax laws and regulations are discussed separately in "Appendix III — Taxation and Foreign Exchange". The primary purpose of this summary is to provide potential investors with an overview of the key legal and regulatory provisions applicable to the Company. This summary is not intended to comprise all material information that may be relevant to potential investors. For a discussion of laws and regulations relating to the Company's business, please refer to the "Regulatory Overview" section of this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (the "**Constitution**") which was amended and came into force on March 11, 2018 and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislative Law of the People's Republic of China (the "**Legislative Law**"), which was last amended on March 13, 2023 and became effective on March 15, 2023, the NPC and the SCNPC have the authority to exercise the state legislative power. The NPC is empowered to formulate and amend the basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and may supplement and amend parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest administrative authority of the PRC and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not violate any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, construction of ecological civilization, historical and cultural protection and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the matters concerning formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will be implemented after being approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions.

The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. The people's congresses of ethnic autonomous areas have the authority to formulate autonomous regulations and separate regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office and the subordinate institutions with administrative functions directly and institutions prescribed by law may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council.

The NPC has the power to alter or abrogate any inappropriate laws enacted by the SCNPC, and to abrogate any autonomous regulations and separate regulations as approved by the SCNPC which contravene the Constitution or the Legislation Law. The SCNPC has the power to abrogate any administrative regulations that contravene the Constitution or laws, to abrogate any local regulations that contravene the Constitution, laws or administrative regulations, and to abrogate any autonomous regulations and separate regulations which have been approved by the Standing Committee of the People's Congress of the relevant provinces, autonomous regions or municipalities directly under the central government, but contravene the Constitution or the Legislation Law. The State Council has the power to alter or abrogate any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or abrogate any inappropriate local regulations enacted or approved by their respective standing committees. The standing committee of local people's congress has the power to revoke inappropriate regulations formulated by the people's government at the same level, while the people's governments of provinces and autonomous regions have the power to alter or abrogate any inappropriate rules enacted by the people's governments at a lower level.

According to the Resolution of the Standing Committee of the National People's Congress Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, if the scope prescribed by provisions of laws and regulatory needs to be further defined or supplementary provisions need to be made, the Standing Committee of the NPC shall interpret them or make provisions. Issues involving the specific application of laws in the trial work of the court shall be interpreted by the Supreme People's Court. Issues involving the specific application of laws in the procuratorial work of the procuratorate shall be interpreted by the Supreme People's Procuratorate. Issues that do not involve the specific application of laws in the trial work of the court and procuratorial work shall be interpreted by the State Council and the competent departments. At the regional level, the power to give interpretation of the local laws and regulatory is vested in the regional legislative and administrative organs which promulgate such law.

PRC JUDICIAL SYSTEM

According to the Constitution and the PRC Law on the Organization of the People's Courts (《中華人民共和國人民法院組織法》) (revised by the SCNPC on October 26, 2018, and effective as of January 1, 2019), the people's courts in China are classified into the Supreme People's Court, local people's courts at various levels, and special people's courts. Local people's courts are organized at three levels: primary people's courts, intermediate people's courts, and high people's courts. Primary people's courts may establish specialized civil tribunals based on regional conditions, population factors, and caseload circumstances. The Supreme People's Court serves as the highest judicial organ in China. It supervises the judicial work of local people's courts at various levels and special people's courts, while higher-level people's courts supervise the judicial work of courts at lower levels.

A people's court adopts the system in which the rule of the second-instance as the final rule, that is, the judgments or rulings of the second-instance at a people's court are final. A party may appeal against the judgment or ruling of the first-instance of a local people's court. People's procuratorates may, in accordance with legally prescribed procedures, lodge protests to the people's court at the next higher level. If no appeal is filed by parties or protest is lodged by the people's procuratorate within the prescribed time limit, the judgment or ruling of the people's court shall become final. Second-instance judgments or rulings rendered by intermediate people's courts, high people's courts, and the Supreme

People's Court, as well as first-instance judgments or rulings by the Supreme People's Court, are final. However, if the Supreme People's Court discovers definite errors in legally effective final judgments or rulings rendered by courts at any level, or if a higher people's court discovers definite errors in legally effective final judgments or rulings rendered by a lower people's court, or if the president of any people's court discovers definite errors in the court's own legally effective final judgments or rulings, they have the authority to remand the case for retrial in accordance with judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (hereinafter referred to as the "**Civil Procedure Law**") which was last revised on September 1, 2023 and took effect on January 1, 2024, stipulates the requirements for initiating civil lawsuits, the judicial jurisdiction of people's courts, the procedures to be followed in civil litigation, and the conditions for the enforcement of civil judgments or rulings. All parties filing civil lawsuits within China must comply with the Civil Procedure Law of the PRC. Civil cases shall generally be adjudicated by the court where the defendant is located. For contractual disputes or other disputes over property rights, the parties may agree in writing to select the jurisdiction of the people's court at the defendant's domicile, the place of contract performance, the place of contract execution, the plaintiff's domicile, the location of the subject matter, or other places having actual connection with the dispute, provided that such selection shall not violate the provisions of the Civil Procedure Law regarding jurisdiction by level and exclusive jurisdiction.

Foreign nationals, stateless persons, foreign enterprises, or foreign organizations instituting or responding to legal proceedings in people's courts shall enjoy equal litigation rights and obligations as Chinese citizens, legal persons, or other organizations. Where foreign courts impose restrictions on the litigation rights of Chinese citizens or enterprises, the Chinese people's courts shall apply the principle of reciprocity regarding the civil litigation rights of citizens or enterprises from that country. When foreign nationals, stateless persons, foreign enterprises, or foreign organizations instituting or responding to legal proceedings in Chinese people's courts require legal representation, they must appoint Chinese lawyers. In accordance with international treaties concluded or acceded to by China, or based on the principle of reciprocity, people's courts and foreign courts may request mutual assistance in serving legal documents, investigating and collecting evidence, and conducting other litigation-related acts. The people's courts shall not entertain requests from foreign courts that would compromise China's sovereignty, security, or public interest.

Legally effective civil judgments and rulings shall be enforced by the parties concerned. Should any party to a civil case refuse to comply with a judgment or ruling rendered by a people's court or an award made by a Chinese arbitral tribunal, the other party may, within two years, apply to the people's court for enforcement of such judgment or ruling, or alternatively apply for deferred enforcement or revocation. The legal provisions regarding suspension or interruption of the statute of limitations for litigation shall apply mutatis mutandis to the suspension or interruption of the statute of limitations for enforcement applications. Where a party fails to fulfill the judgment within the time limit specified in the court's enforcement order, the court may, upon application by the other party, compulsorily enforce the judgment against the defaulting party.

Where a party seeks enforcement of a legally effective judgment or ruling rendered by a people's court against the opposing party and their assets located outside the territory of the People's Republic of China, the requesting party may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgment or ruling, or alternatively, the people's court may request the foreign court to recognize and enforce the judgment or ruling in accordance with international treaties concluded or acceded to by China or based on the principle of reciprocity. Similarly, where a legally effective judgment or ruling rendered by a foreign court requires recognition and enforcement by a Chinese people's court, the party concerned may directly apply to the competent intermediate people's court in China for recognition and enforcement, or the foreign court may request the people's court to recognize and enforce the judgment or ruling in accordance with international treaties concluded between that country and China or based on the principle of reciprocity. However, such foreign judgments or rulings shall not be recognized or enforced if they violate the fundamental principles of Chinese law or compromise China's national sovereignty, security, or public interest.

THE COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC and seeking listing on the Hong Kong Stock Exchange is primarily subject to the following PRC laws and regulations.

The PRC Company Law (《中華人民共和國公司法》) (the "**Company Law**") was passed by the Fifth Session of the Standing Committee of the Eighth National People's Congress on December 29, 1993 and came into effect on July 1, 1994. It was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, and the newly revised Company Law came into effect on July 1, 2024.

The Trial Administrative Measures of 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 related guidelines were promulgated by the China Securities Regulatory Commission (CSRC) on February 17, 2023 and came into effect on March 31, 2023, applicable to direct and indirect overseas Share subscription and listing of domestic companies. The Trial Measures also stipulates the filing management measures and regulatory requirements for overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC promulgated the newly revised Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), which took effect on the same date. Pursuant to the Trial Measures and its accompanying guidelines, Guidelines for the Application of Regulatory Rules-Overseas Issuance and Listing Category No. 1, direct issuance and listing by domestic companies shall refer to the Guidelines for Articles of Association and other relevant provisions of CSRC on corporate governance to formulate its articles of association and standardize corporate governance.

The main provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company are summarized below.

General Provisions

A "joint stock limited company" refers to a corporate legal person incorporated in China under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the shares they subscribe for, and the company is liable for the company's debts with all its assets.

When engaging in business activities, the company must comply with laws and regulations, social ethics and business ethics. The company may invest in other companies with limited liability. The company's liability to these invested companies is limited to the amount it invests. Unless otherwise provided by law, a company may not become an investor jointly and severally liable for the debts of the invested company.

Incorporation

A joint stock limited company may be established by promotion or subscription. To establish a joint stock limited company, there should be more than one promoter but less than 200 promoters, and more than half of the promoters must be domiciled in China.

The promoters of a joint stock limited company incorporated by subscription shall convene the company's establishment meeting within 30 days from the date of full payment of the shares to be issued at the time of establishment. The promoters shall notify all subscribers of the meeting date or make an announcement fifteen days before the establishment meeting. The establishment meeting shall be attended by more than half of the voting rights held by the subscribers. The convening and voting procedures for the establishment meeting of a joint stock limited company incorporated by promotion shall be stipulated in the articles of association or the agreement of the promoters.

Within 30 days after the conclusion of the establishment meeting, the board of directors shall apply to the registration authority for registration of a joint stock limited company. The company shall be formally established and acquire legal person status upon issuance of the business license by the relevant registration authority.

Registered Shares and Issued Shares

Under the Company Law, shareholders may make capital contributions in money or in kind, intellectual property rights, land use rights, stock rights, creditor rights or other non-monetary assets that can be assessed and transferred in money according to law, except for assets that cannot be used for capital contributions according to any laws or administrative regulations.

The capital of a joint stock limited company is divided into shares. All shares of the company shall be either par value shares or non-par value shares in accordance with the provisions of the company's articles of association. In the case of par value shares, the amount of each share is equal. A company may convert all par value shares issued into non-par value shares in accordance with the company's articles of association, and vice versa. For non-par value shares, more than one-half of the proceeds from the issuance of shares shall be included in the registered capital.

A joint stock limited company shall register a register of shareholders and keep it with the company. The register of shareholders shall set out the following matters:

(i) the name and domicile of each shareholder;

(ii) the class and number of shares subscribed by each shareholder;

(iii) where share certificates in paper form are issued, the serial numbers of such share certificates; and

(iv) the date on which each shareholder acquired the shares.

The principles of fairness and justice shall be implemented in the distribution of shares of a joint stock limited company. Each share of the same class shall enjoy equal rights. For shares of the same class issued at the same time, the issuing conditions and price for each share shall be the same. The subscriber shall pay the same amount for each share subscribed for. The issue price of par value shares may be based on the par value, or may exceed the par value, but may not be lower than the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise indirectly issues and lists overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

According to the relevant provisions of the Company Law, when a joint stock limited company intends to issue new shares, the shareholders' meeting shall make resolutions on the following matters:

(i) the class and number of new shares;

(ii) the issue price of the new shares;

(iii) the commencement and end dates for the issuance of new shares;

(iv) the class and number of the new shares proposed to be issued to existing shareholders; and

(v) in the case of issuing non-par value shares, the amount of proceeds from the new share issuance to be included in the registered capital.

If a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the prospectus.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) a company shall prepare a balance sheet and a property list;

(ii) the reduction of registered capital shall be approved by shareholder at a shareholders' meeting;

(iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed at shareholders' meeting;

(iv) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts; and

(v) a company shall apply to register the change with a company registration authority.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares except for any following circumstances:

(i) reducing the company's registered capital;

(ii) merging with other companies that holds the shares of the Company;

(iii) using the shares for employee shares plan or equity incentives;

(iv) requiring the company to acquire its shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the company;

(v) using the shares for conversion of convertible corporate bonds issued by the company; or

(vi) as required for a listed company to maintain the corporate value and shareholders' rights and interests.

The purchase of shares of a company for circumstances specified in the case of (i) or (ii) above shall be subject to the resolution of the shareholders' meeting. The purchase of shares of a company for circumstances specified in the case of (iii), (v) or (vi) above shall be subject to the resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the shareholders' meeting.

Following the purchase of our Company's shares by a company in accordance with the provisions of paragraph 1 of this Article, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) or (iv) above; the total number of shares of our Company held by a company shall not exceed 10% of the total issued shares of our Company, and shall be transferred or canceled within three years in the case of items (iii), (v) or (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should affect a transfer of his shares on securities established exchange according to the law or by any other means as required by the State Council. Shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No modifications of registration in the share register shall be affected within 20 days prior to the convening of shareholder's meeting or 5 days prior to the base date for determination of a company's dividends distribution. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the share register of a listed company, such provisions should prevail.

Under the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of shares of a company are listed and traded on a stock exchange. Where any laws, administrative regulations, or the securities regulatory authority of the State Council have other provisions regarding the transfer of our Company's shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail.

Directors, supervisors and the senior management personnel of the company shall declare to the company their shareholdings in the Company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the Company annually during their tenure determined at the time of appointment. They shall not transfer the shares of the Company they hold within one year from the date on which the company's shares are listed and commenced trading, nor within six months after their resignation from their positions with the company. The Articles may set out other restrictive provisions in respect of the transfer of shares in the Company held by its directors, supervisors and the senior management personnel.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted transfer period.

Shareholders

Under the Company Law and The Guidelines for the Articles, the rights of a shareholder include:

(i) to receive dividends and other forms of interest distribution according to the number of shares held;

(ii) to legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the shareholders' meeting and exercise corresponding voting rights;

(iii) to supervise business operations of the company, provide suggestions or submit queries;

(iv) to transfer, grant or pledge the its shares held according to the provisions of the laws, administrative regulations and the Articles;

(v) to read and copy the Articles, the register of shareholders, shareholders' meeting minutes, resolutions of Board meetings, and financial and accounting reports; Qualified shareholders may read the company's accounting books and accounting vouchers;

(vi) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon the company's termination or liquidation;

(vii) to require the company to acquire its shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the company.

(viii) other rights conferred by laws, administrative regulations, regulations of the authorities, or the Articles.

The obligations of a shareholder include:

(i) to abide by laws, administrative regulations and the Articles;

(ii) to pay the subscription moneys according to the shares subscribed for and share participation methods;

(iii) not to withdraw share capital unless prescribed otherwise in laws and administrative regulations;

(iv) not to abuse Shareholders' rights to infringe upon the interests of the company or other shareholders; not to abuse the company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the company's creditors;

(v) to perform other duties prescribed in laws, administrative regulations and the Articles.

Shareholder's Meetings

Under the Company Law, the shareholders' meeting of a joint stock limited company is made up of all shareholders. The shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

(ii) to examine and approve reports of the Board;

(iii) to examine and approve reports of the Board of Supervisors;

(iv) to examine and approve a company's profit distribution plans and loss recovery plans;

(v) to resolve on the increase or reduction of a company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

(vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;

(viii) to amend the Articles; and

(ix) other functions and powers specified in provision of the Articles.

Under the Company Law, shareholders' meetings are required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following circumstances:

(i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles;

(ii) when the unrecovered losses of a company amount to one-third of the total share capital;

(iii) shareholders individually or jointly holding 10% or more of the company's shares request;

(iv) when deemed necessary by the Board;

(v) the Board of Supervisors proposes to convene the meeting; or

(vi) other circumstances as stipulated in the Articles.

Shareholders' meetings shall be convened by the Board, and presided over by the chairman of the Board. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the Board is incapable of performing or is not performing its duties to convene the shareholders' meeting, the Board of Supervisors should convene and preside over shareholders' meeting in a timely manner. If the Board of Supervisors fails to convene and preside over shareholders' meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' meeting.

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an extraordinary shareholders' meeting, the Board and the Board of Supervisors should, within 10 days after the receipt of such request, decide whether to hold an extraordinary shareholders' meeting and reply to the shareholders in writing.

Notice of meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary shareholders' meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the Board in writing 10 days before the shareholders' meeting. The interim proposal shall include a specific issue for discussion along with any concrete matter for resolution. The Board shall, within two days upon receipt of the proposal, notify the other shareholders, and submit the said interim proposal to the meeting for deliberation except for any proposal that violates laws, administrative regulations, or the Articles, or any proposal that falls outside the purview of the shareholders' meeting. The company shall not increase the shareholding percentage for shareholders proposing interim proposals.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. Shares held by the company itself are not entitled to any voting rights.

Pursuant to the Company Law and The Guidelines for the Articles, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. Resolutions of the shareholders' meeting regarding the amendments to the Articles, the increase or decrease of registered capital, and the merger, division, dissolution or change in the form of the company shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The cumulative voting system may be adopted for the election of directors or supervisors at the shareholders' meeting in accordance with the provisions of the Articles or the resolutions of the shareholders' meeting. The cumulative voting system means that each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Board of Directors

Under the Company Law, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the Articles, but each term of office shall not exceed three years. Upon expiry of the term of office, directors may serve consecutive terms if re-elected.

Under the Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over Board meetings and examine the implementation of Board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

A person may not serve as a director of the company in case of any of the following circumstances:

(i) the person without civil conduct capacity or with limited civil conduct capacity;

(ii) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;

(iii) the person who is a former director, factory director or Manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of the company or enterprise whose business license has been revoked and ordered to shut down; or

(v) the person listed as a judgment defaulter by the People's Court because the amount of debt he bears is relatively large and the debt is not paid off when it is due.

Board meetings shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. The Board shall exercise the following duties and powers:

(i) to convene shareholders' meetings and report its work to the shareholders' meetings;

(ii) to implement the resolutions of the shareholders' meeting;

(iii) to determine the company's business operation plans and investment plans;

(iv) to formulate the company's profit distribution plans and loss recovery plans;

(v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of bonds;

(vi) to formulate plans for merger, division, dissolution or change of the form of the company;

(vii) to determine the internal management structure of the company;

(viii) to determine the appointment or dismissal of the manager of the company and their remuneration, and based on the nomination of the manager, to determine the appointment or dismissal of the deputy managers and financial controllers of the company and their remuneration;

(ix) to formulate the basic management system of the company; and

(x) other duties as stipulated in the Articles or granted by the shareholders' meeting.

The quorum of a Board meeting shall be more than half of all directors. A resolution of the Board shall be passed by more than half of all directors. The resolutions of the Board shall be voted by one person, one vote. The Board shall make meeting minutes of the decisions on the matters discussed, and the directors present at the meeting shall sign the minutes.

Directors shall attend Board meetings in person. If a director is unable to attend a Board meeting, he may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the Board violates the laws, administrative regulations or the Articles and resolution of shareholders' meetings, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. If it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Board of Supervisors

Under the Company Law, a joint stock limited company shall have a Board of Supervisors composed of not less than three members. The Board of Supervisors shall comprise shareholder representatives and an appropriate proportion of the company's staff representatives, of which the proportion of staff representatives shall not be less than one-third and the specific proportion shall be stipulated in the Articles. Employee representatives of the Board of Supervisors shall be democratically elected by the company's employees at the employee representative assembly, employee meeting or otherwise. Directors or senior management may not act concurrently as supervisors.

The Board of Supervisors shall have a chairman and may have a vice chairman. The chairman and the vice 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 meeting of the Board of Supervisors. Where the chairman of the Board is unable or fails to perform his/her duties, the meeting of the Board of Supervisors shall be convened and presided over by the vice chairman; Where the vice chairman of the Board is unable or fails to perform his/her duties, the meeting of the Board of Supervisors shall be convened and presided over by a Supervisor jointly elected by more than half of the Supervisors.

The Board of Supervisors shall exercise the following duties and powers:

(i) to check the financial condition of the company;

(ii) to supervise the performance of directors and senior management personnel in the performance of their duties, and propose the removal of directors and senior management personnel who violate laws, administrative regulations, the Articles or the resolutions of the shareholders' meetings;

(iii) to require directors and the senior management personnel to make corrections if their conduct has damaged the interests of the company;

(iv) to propose the convening of extraordinary shareholders' meetings and, in the event that the Board fails to perform the obligations to convene and preside over the shareholders' meetings in accordance with the Company Law, to convene and preside over the shareholders' meetings;

(v) to propose proposals to the shareholders' meetings;

(vi) to file a lawsuit against directors and senior management personnel in accordance with Article 189 of the Company Law; and

(vii) other duties as stipulated in the Articles.

A joint stock limited company may, in accordance with the provisions of the Articles, establish an audit committee composed of directors on the Board to exercise the functions and powers of the Board of Supervisors in place of establishing the Board of Supervisors.

On December 27, 2024, the CSRC issued relevant transitional arrangements for the implementation of the supporting systems and rules of the new Company Law. Before January 1, 2026, a listed company shall stipulate in the Articles that the Board shall establish an audit committee to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law in accordance with the Company Law, the Regulations of the State Council on the Implementation of the Registered Capital Registration Management System under the Company Law of the People's Republic of China (《國務院關於實施＜中華人民共和國公司法＞註冊資本登記管理制度的規定》) and the relevant supporting systems and rules of the CSRC. Before a listed company adjusts the establishment of its internal supervision structure, the Board of Supervisors or supervisors shall continue to abide by the requirements of the previous system and rules of the CSRC.

Manager and Senior Management Personnel

Under the Company Law, a joint stock limited company shall have a manager who shall be appointed or removed by the Board. The manager shall report to the Board and exercise functions and powers as specified in the Articles or as authorized by the Board. The manager shall attend Board meetings as non-voting members.

According to the Company Law, senior management personnel shall mean the manager, deputy manager(s), financial controllers, Board secretary of a listed company and other personnel as stipulated in the Articles.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the Company are required under the Company Law to comply with the relevant laws, regulations and the Articles, and have fiduciary and diligent duties to the Company. Directors, supervisors and senior management have fiduciary duties to the Company. They shall take measures to avoid conflicts between their own interests and those of the Company, and shall not leverage their positions to seek improper benefits.

Directors, supervisors and senior management of the Company have diligent duties to the Company. When performing their duties, they shall exercise the reasonable care that an administrator usually should take for the best interests of the Company.

Directors, supervisors and senior management are prohibited from:

(i) embezzling the Company's property or misappropriating the Company's capital;

(ii) depositing the Company's capital into accounts under his/her own name or the name of other individuals;

(iii) giving bribes or accepting any other illegal proceeds by taking advantage of their power;

(iv) accept and possess commissions paid by a third party for transactions conducted with the Company;

(v) unauthorized divulgence of confidential information of the Company; or

(vi) other acts in violation of their fiduciary duty to the Company.

If any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the Company, he/she should report the matters relating to the conclusion of the contract or transaction to the Board or the shareholders' meeting, subject to the approval of the Board or the shareholders' meeting according to the Articles.

The provisions of the preceding paragraph shall apply if any near relatives of the Directors, supervisors or senior management, or any of the enterprises directly or indirectly controlled by the Directors, supervisors or senior management or any of their near relatives, or any related parties with any other related-party relationship with the Directors, supervisors or senior management, conclude a contract or conducts a transaction with the Company.

Neither director, supervisor nor senior management may take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person except under any of the following circumstances:

(i) where he/she has reported to the Board or the shareholders' meeting and has been approved by a resolution of the Board or the shareholders' meeting according to the Articles; or

(ii) where the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles.

Where any director, supervisor or senior management fails to report to the Board or the shareholders' meeting and obtain an approval by resolution of the Board or the shareholders' meeting according to the Articles, he/she may not engage in any business that is similar to that of the Company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management who contravenes any law, regulation or the Company's Articles in the performance of his duties resulting in any loss to the Company shall be personally liable for the damages to the Company.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the Company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the Company for inspection by the shareholders 20 days before the convening of an annual general meeting of shareholders. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

The premium over the nominal value of the shares of the Company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the Company.

The reserve fund of the Company shall be used to make up losses of the Company, expand the production and operation of the Company or increase the registered capital of the Company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The Company shall not keep accounts other than those provided by law. The assets of the Company shall not be deposited in any account opened under a personal name.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the Company's auditing business shall be determined by the shareholders' meeting, the Board or the board of supervisors in accordance with the Articles. The accounting firm should be allowed to make representations when the shareholders' meeting, the Board or the board of supervisors conduct a vote on the dismissal of the accounting firm. The Company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification.

The Guidelines for the Articles provide that the Company's appointment of an accounting firm shall be decided by the shareholders' meeting and the Board shall not appoint any accounting firm prior to a decision made by the shareholders' meeting. And the audit fee of the accounting firm shall be decided by the shareholders' meeting.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the Company, and the shareholders, Directors, supervisors, and senior management personnel who are responsible for causing losses to the Company shall bear compensation liability.

If the shareholders' meeting resolves to distribute profits, the Board shall do so within six months after the resolution is made.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the term of business stipulated in the Articles has expired or other events of dissolution specified in the Articles have occurred;

(ii) the shareholders' meeting resolves to dissolve the Company;

(iii) dissolution is necessary due to a merger or division of the Company;

(iv) the business license is revoked, or the business license is ordered to be closed or revoked in accordance with laws; or

(v) the Company is dissolved by the People's Court in accordance with Article 231 of the Company Law.

If the Company is dissolved for any of the reasons set forth in the preceding paragraph, it shall, within ten days, make public the reasons for dissolution through the National Enterprise Credit Information Publication System.

Where the Company is dissolved in accordance with the provisions in sub-paragraph (i) above, it may carry on its existence by amending its Articles or upon a resolution of the shareholders' meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting. Where the Company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The Directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the Directors, unless it is otherwise provided for in the Company's Articles or it is otherwise elected by the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the Company or the creditors.

Where the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the People's Court to designate relevant persons to form a liquidation group. The People's Court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(i) to liquidate the Company's property and respectively prepare balance sheet and list of property;

(ii) to notify creditors by email or public announcement;

(iii) to deal with the outstanding business of the Company involved in the liquidation;

(iv) to pay all outstanding taxes and taxes arising in the course of liquidation;

(v) to liquidate claims and debts;

(vi) distributing the remaining property of the Company after paying off debts; or

(vii) to participate in civil litigations on behalf of the Company.

The liquidation group shall notify the Company's creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice within 45 days as of the issuance of the public announcement in the case of failing to receive such notice. The creditors shall, while declaring their claims, state particulars of their claims and provide supporting documents. The liquidation group shall register the credits. During the declaration of credit, the liquidation group shall not perform the liquidation to the creditors.

After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the shareholders' meeting or the People's Court for ratification.

After paying all liquidation expenses, staff wages, social insurance expenses and statutory compensation, outstanding taxes, and the Company's debts, the remaining assets shall be distributed by the limited company to shareholders in accordance with their respective paid-up capital and shall be distributed by the joint stock limited company to shareholders in proportion to the number of shares held by them.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation committee, having thoroughly examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall file an application to a People's Court for bankruptcy liquidation. After the People's Court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

The members of the liquidation group performing their duties of liquidation are obliged to be loyal and diligent. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders' general meeting or the People's Court for confirmation, and submit to the Company registration authority to apply for cancelation of the Company's registration.

Where, after three years since the business license of a company is revoked, or the Company is ordered to close down or is revoked, the Company fails to apply for its deregistration with the Company registration authority, the said authority may announce the Company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the Company registration authority may deregister the Company.

Overseas Listing

According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a People's Court if his share certificate(s) is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the People's Court declared that such certificate(s) will no longer be valid, the shareholder may apply to the Company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 revision) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, in case of active or compulsory termination of listing after an issuer has offered and listed securities in an overseas market, the issuer shall report to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Securities Law and Regulations

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On March 29, 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on December 25, 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law of the People's Republic of China (the "**PRC Securities Law**"), which was latest amended by the Standing Committee of the NPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

Under the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》), (the "**Arbitration Law**"), amended by the Standing Committee of the NPC on September 1, 2017 and effective on January 1, 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the PRC Civil Procedure Law. Where both parties have reached an arbitration agreement, the People's Court will refuse to take legal action brought by a party in the People's Court, unless the arbitration agreement is invalid.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the People's Court for enforcement according to the PRC Civil Procedure Law. A People's Court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). A party requests to enforce an arbitral award with legal effect made in accordance with the law within the territory of the PRC against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the People's Court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by arbitral authorities in Chinese Mainland can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement in the Chinese Mainland.

Judicial Judgment and Its Enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (repealed on January 29, 2024) promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of Chinese Mainland and the court of the Hong Kong in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of Chinese Mainland or the court of the Hong Kong for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of Chinese Mainland or the court of the Hong Kong in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of Chinese Mainland or the court of the Hong Kong to recognize and enforce the final judgment made in Chinese Mainland or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 25, 2024, the Supreme People's Court issued 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**"), which was effective on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong Special Administrative Region and the PRC.

This Appendix mainly provides investors with an overview of the Articles of Association. As the following data is in summary form, it does not contain all the data that may be important to investors.

SHARES

Issuance of Shares

The shares of the Company are in the form of share certificates.

The shares of the Company shall be issued on the principle of openness, fairness and equity, and each share of the same class shall have equal rights. Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The same price shall be paid for each of the shares subscribed for by any subscriber.

The par value shares issued by the Company are denominated in RMB, with a nominal value of RMB1 per share.

The overseas listed shares listed by the Company on Hong Kong Stock Exchange are referred to as "H Shares". The shares issued by the Company but not listed on domestic and overseas stock exchange are referred to as unlisted shares. The Company's unlisted shares may convert into overseas listed shares and list and trade on overseas stock exchange upon filing with securities governing authority of the State Council. The listing and trading of overseas unlisted shares on overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the overseas stock exchange. Voting at the Shareholders' general meeting is not required for the conversion of unlisted domestic shares into overseas listed shares and the listing and trading of overseas listed shares on overseas stock exchange.

Among the shares issued by the Company, the unlisted shares of the Company shall be registered and deposited centrally with the domestic securities registration and settlement institutions. The registration and settlement arrangements for overseas listed shares shall comply with the regulations of the stock exchange where the Company's shares are listed.

Increase/Reduction and Repurchase of Shares

The Company may, based on its business and development needs and in accordance with the provisions of the laws, administrative regulations, departmental rules, normative documents, the securities regulatory requirements of the stock exchange where the Company's shares are listed, and the provisions of relevant regulatory authorities, increase its capital in the following manners upon resolutions being adopted at the Shareholders' general meeting:

(i) issuing shares to unspecified targets;

(ii) issuing shares to specified targets;

(iii) allotting bonus shares to existing Shareholders;

(iv) capitalizing its capital reserve;

(v) other means as permitted by laws, administrative regulations and approved by the CSRC and the securities regulatory authority of the place where the Company's shares are listed.

The Company may reduce its registered capital. Reduction of registered capital of the Company shall be made in accordance with the procedures stipulated in the Company Law and the securities regulatory requirements of the stock exchange where the Company's shares are listed and other relevant provisions and the Articles of Association.

The Company shall not acquire its own shares, save as under any one of the following circumstances:

(i) to reduce the registered capital of the Company;

(ii) to merge with another company that holds the shares of the Company;

(iii) to use the shares for Employee Shareholding Plan or as equity incentive;

(iv) the Shareholders disagreeing with the merger or separation resolution made by the Shareholders' general meeting to request the Company to acquire their shares;

(v) to apply the shares in the conversion of the convertible corporate bonds issued by the Company;

(vi) necessary for the Company to maintain corporate value and Shareholders' interests;

(vii) other circumstances stipulated by laws, administrative regulations, departmental rules and approved by the securities regulatory requirements of the stock exchange where the Company's shares are listed.

The Company may acquire its shares through open and concentrated transactions or other ways permitted by laws and administrative regulations and approved by the CSRC and the securities regulatory authority of the place where the Company's shares are listed.

The Company's acquisition of the shares of the Company due to the circumstances stipulated in item (i) or (ii) above shall be subject to a resolution of the Shareholders' general meeting. The Company's acquisition of the shares of the Company due to the circumstances stipulated in item (iii), (v) or (vi) above shall be subject to a resolution of a Board meeting at which more than two-thirds of Directors are present.

Under the circumstance stipulated in item (i), the shares of the Company so acquired shall be canceled within ten days from the date of acquisition; under the circumstances stipulated in either item (ii) or (iv), the shares of the Company so acquired shall be transferred or canceled within six months; under the circumstances stipulated in item (iii), (v) or (vi), the total shares of the Company held by the Company shall not exceed 10% of the Company's total issued shares, and shall be transferred or canceled within three years.

If the applicable laws, regulations, normative documents and the securities regulatory requirements of the stock exchange where the Company's shares are listed have other provisions on the aforementioned matters involving the repurchase of shares, the Company shall comply with such provisions, provided that they do not contravene the Company Law or the Hong Kong Listing Rules.

Transfer of Shares

The shares of the Company shall be transferred in accordance with laws.

The Company shall not accept its own shares as collateral.

Shares issued by the Company prior to the public offering of its shares shall not be transferred within one year from the date of listing and trading of the shares of the Company on a stock exchange. The Directors and senior management of the Company shall declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office determined at their appointment shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year from the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation. If it is otherwise provided in the securities regulatory requirements of the stock exchange where the Company's shares are listed regarding the relevant matters of the limitation of the transfer of the overseas listed shares, the latter shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Shareholders

Shareholders of the Company shall be legal persons, natural persons, or other entities lawfully holding shares of the Company. Shareholders enjoy rights and undertake obligations according to the class of shares they hold. Holders of the same class shall enjoy the same rights and bear the same obligations.

The Company shall maintain a register of members in accordance with the Company Law, the securities regulatory requirements of the stock exchange where the Company's shares are listed, other relevant regulations, and the provisions of the Articles of Association. The register of members shall constitute sufficient evidence to prove the holding of shares in the Company by Shareholders. The register of members shall be kept at the Company and Shareholders shall have the right to inspect it. The Company shall manage the register of members in accordance with the Company Law and other laws and regulations and the requirements of the relevant regulatory bodies.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other forms of distribution of interest in proportion to their respective shareholdings;

(ii) to legally request to hold, self-convene, preside over, attend, or dispatch Shareholder's agent to attend the general meetings and exercise the corresponding rights to speak and vote;

(iii) to supervise, make suggestions or inquiries on the operation of the Company;

(iv) to transfer, bestow or pledge the shares they hold according to the laws, administrative regulations, the securities regulatory requirements of the stock exchange where the Company's shares are listed and the provisions of the Articles of Association;

(v) to inspect and make copies of the Articles of Association, register of members, minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and Shareholders who severally or jointly holding more than 3% of the shares in the Company for more than 180 consecutive days may also inspect the accounting books and vouchers of the Company;

(vi) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon termination or liquidation of the Company;

(vii) request from Shareholders who object to a resolution of a Shareholders' general meeting on merger or division of the Company for the Company to acquire their shares;

(viii) other rights stipulated by laws, administrative regulations, department rules, the securities regulatory requirements of the stock exchange where the Company's shares are listed or the Articles of Association.

Any Shareholder requesting to inspect or make copies of the relevant materials of the Company shall comply with the provisions of the Company Law, the Hong Kong Listing Rules and other laws and administrative regulations. Any Shareholder requesting to inspect of the Company's accounting books and accounting vouchers shall submit a written request to the Company stating the purpose. If the Company has a reasonable basis to believe that the Shareholder's inspection of accounting books and accounting vouchers has an improper purpose and may harm the legitimate interests of the Company, it may refuse to provide such inspection, and shall reply to the Shareholder in writing and explain the reasons within 15 days from the date of the Shareholder's written request.

The Shareholders shall be entitled to request the People's Court to invalidate the resolution of the Shareholders' general meeting and the Board of Directors which violates the laws and administrative regulations.

The Shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the Shareholders' general meeting and Board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association, except, however, where there are only minor defects in the convening procedure or voting method of the Shareholders' general meeting and Board meeting, which do not have substantive effect on the resolution.

Where the Board of Directors, Shareholders and other relevant parties have any dispute over the validity of a resolution of the Shareholders' general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling that the resolution shall be revoked, the relevant parties shall implement the resolution of the Shareholders' general meeting. The Company, its Directors and senior management shall effectively perform their duties to ensure the normal operation of the Company.

A resolution of the Shareholders' general meeting or the Board of Directors of the Company shall not be valid if any of the following circumstances applies:

(i) No Shareholders' general meeting or Board meeting has been convened to make a resolution;

(ii) No vote has been taken on the matters resolved at the Shareholders' general meeting or Board meeting;

(iii) The number of persons attending the meeting or the number of voting rights held by them does not reach the required number under the Company Law or the Articles of Association;

(iv) The number of persons agreeing to the matters resolved or the number of voting rights held by them does not reach the required number under the Company Law or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(i) to comply with the laws, administration regulations and the Articles of Association;

(ii) to pay the subscribed share capital for the shares subscribed in accordance with the agreed manner of equity participation;

(iii) no withdrawal of share capital from the Company except for the circumstances set out in the relevant laws and administrative regulations;

(iv) no abuse of Shareholder's rights to damage the interests of the Company or other Shareholders; no abuse of the independent legal person status of the Company and the limited liability of Shareholders to damage the interests of the creditors of the Company;

(v) other obligations to be assumed by the Shareholders according to the laws, administration regulations, the securities regulatory requirements of the stock exchange where the Company's shares are listed and the Articles of Association.

If any Shareholder of the Company abuses the Shareholder's rights and causes loss to the Company or other Shareholders, he/she shall be liable for the compensation; if any Shareholder of the Company abuses the independent legal person status of the Company and the limited liability of Shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts of the Company.

General Provisions on Shareholders' General Meeting

The Shareholders' general meeting of the Company comprises all Shareholders. The Shareholders' general meeting is the organ of power of the Company and exercises the following functions and powers according to the laws:

(i) to elect and replace Directors who are not employee representatives, and to decide on matters relating to their remuneration;

(ii) to consider and approve the reports of the Board of Directors;

(iii) to consider and approve the profit distribution plan and loss recovery plan of the Company;

(iv) to make resolutions on the increase or reduction of the Company's registered capital;

(v) to make resolutions on the issuance of corporate bonds;

(vi) to make resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;

(vii) to amend the Articles of Association;

(viii) to make a resolution on the engagement or removal of the accounting firm that provides audits for the Company;

(ix) to consider and approve the guarantee matters stipulated in Article 42 of the Articles of Association;

(x) to consider the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the latest audited total assets of the Company, and transaction matters stipulated in Article 44 of the Articles of Association;

(xi) to consider and approve the change of use of proceeds;

(xii) to consider equity incentive scheme and employee shareholding scheme;

(xiii) to consider and approve the Company's initial public offering of shares and listing plan;

(xiv) to consider other matters that shall be decided by the Shareholders' general meeting according to laws, administrative regulations, department rules and the Articles of Association.

The above-mentioned functions and powers of the Shareholders' general meeting shall not be delegated through authorization to the Board of Directors or any other body or individual, but the Shareholders' general meeting may authorize the Board of Directors to adopt resolutions regarding the issuance of corporate bonds.

The following external guarantees of the Company shall be submitted to the Shareholders' general meeting for consideration and approval after being considered and passed by the Board of Directors:

(i) a single guarantee in the amount exceeding 10% of the Company's latest audited net assets;

(ii) any guarantee provided by the Company and its holding subsidiaries after the total amount of external guarantees has exceeded 50% of the Company's latest audited net assets;

(iii) any guarantee provided by the Company after the total amount of external guarantees has exceeded 30% of the Company's latest audited total assets;

(iv) according to the principle of accumulated amount of guarantee within 12 consecutive months, any guarantee provided by the Company in the amount exceeding 30% of the Company's latest audited total assets;

(v) guarantees provided to guarantee objects with an asset to liabilities ratio exceeding 70%;

(vi) guarantees provided to the Shareholders and the de facto controllers of the Company and their related parties;

(vii) Other external guarantees required by the laws, administrative regulations, departmental rules and the Articles of Association that shall be approved by the Shareholders' general meeting.

The Board shall decide on other external guarantees which are not in the scope of authorization of the Shareholders' general meeting. For guarantees within the scope of authorization of the Board of Directors, in addition to the approval of more than half of all the Directors, the consent of more than two-thirds of the Directors attending the Board meeting shall be required. The guarantee set out in item (iv) above shall be approved by more than two-thirds of voting rights held by Shareholders present at the Shareholders' general meeting. When the Shareholders' general meeting is considering a proposal to provide guarantee to any Shareholder, de facto controller and his/her/its related party(ies), the said Shareholders or Shareholders controlled by the said de facto controller shall abstain from voting on the said proposal, and the proposal shall be subject to approval by more than half of the voting rights held by other attending Shareholders.

If a guarantee is provided to a related party by the Company, such guarantee should be based on reasonable commercial grounds. If a guarantee is provided to a controlling Shareholder, de facto controller and his/her/its related party(ies) by the Company, such controlling Shareholder, de facto controller and his/her/its related party(ies) shall provide a counter-guarantee.

In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

(i) When the number of Directors is less than the number required by the Company Law or less than two-thirds of the number specified in these Articles of Association;

(ii) When the Company's accumulated uncovered losses reach one-third of its total share capital;

(iii) When Shareholders holding 10% or more of the Company's shares individually or in the aggregate make a request;

(iv) When the Board of Directors deems it necessary;

(v) When the audit committee proposes to convene such a meeting;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, or these Articles of Association.

Convening of Shareholders' General Meetings

A Shareholders' general meeting shall be convened by the Board of Directors pursuant to laws. Subject to the consent of more than half of all independent non-executive Directors, independent non-executive Directors are entitled to propose to the Board of Directors to convene an extraordinary general meeting, and such proposals shall be made in writing to the Board of Directors. Where independent non-executive Directors propose to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory requirements of the stock exchange where the Company's shares are listed and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within 5 days after the resolution to convene an extraordinary general meeting is adopted by the Board of Directors; if the Board of Directors does not agree to convene an extraordinary general meeting, it shall state the reasons.

The audit committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting, and such proposals shall be made in writing to the Board of Directors. For the proposal of the audit committee to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory requirements of the stock exchange where the Company's shares are listed, and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within 5 days after the resolution to convene an extraordinary general meeting is adopted by the Board of Directors. Any changes to the original proposal in the notice require the consent of the audit committee. If the Board of Directors disagrees to convene an extraordinary general meeting or fails to give a response in writing within 10 days after receipt of such proposal, the Board of Directors shall be deemed as unable or refusing to fulfill the obligation to convene the general meeting of Shareholders, and the audit committee may convene and preside over the meeting on its own initiative.

Shareholders severally or jointly holding more than 10% of the shares of the Company are entitled to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. Such written request shall specify the agenda items and include complete proposals with substantive content. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory requirements of the stock exchange where the Company's shares are listed, and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the request. If the Board of Directors agrees to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within 5 days after the resolution to convene an extraordinary general meeting is adopted by the Board of Directors. Any changes to the original request in the notice require the consent of relevant Shareholders. If the Board of Directors disagrees to convene an extraordinary general meeting or fails to give a response within 10 days after receipt of such request, Shareholders severally or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the audit committee to convene an extraordinary general meeting, and such request shall be made in writing to the audit committee. If the audit committee agrees to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within 5 days upon receipt of such request. Any changes to the original request in the notice require the consent of relevant Shareholders. Where the audit committee fails to issue a notice of the Shareholders' general meeting within the prescribed time limit, it shall be deemed that the audit committee will not convene and preside over Shareholders' the general meeting, and the Shareholders severally or jointly holding more than 10% of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on their own initiative.

Proposals and Notices of Shareholders' General Meeting

Where the Company convenes a Shareholders' general meeting, the Board of Directors, the audit committee, and Shareholders individually or jointly holding more than 1% of the shares of the Company shall be entitled to make proposals to the Company. The Shareholders individually or jointly holding more than 1% of the shares of the Company may raise a temporary proposal and submit it to the convener in writing ten days before the general meeting is held. The convener shall, within two days after the receipt of the proposal, issue a supplementary notice to publish the contents of the temporary proposal and submit the temporary proposal to the Shareholders' general meeting for consideration, except, however, in the case that the temporary proposal violates the provisions of laws, administrative regulations, the securities regulatory requirements of the stock exchange where the Company's shares are listed or the Articles of Association, or does not fall within the scope of authority of the Shareholders' general meeting. Save as specified above or stipulated by laws, administrative regulations or the securities regulatory requirements of the stock exchange where the Company's shares are listed, the convener shall not change the proposal set out in the notice of general meeting or add any new proposals after the said notice is served.

The notice of the Shareholders' general meeting shall include the following contents:

(i) the time, venue, and duration of the meeting;

(ii) the matters and proposals submitted to the meeting for consideration;

(iii) a prominent statement stating that all Shareholders are entitled to attend the Shareholders' general meeting and appoint a proxy by written to attend and vote on his/her behalf, and such proxy need not be a Shareholder of the Company;

(iv) the record date of Shareholders entitled to attend the Shareholders' general meeting;

(v) the name and phone number of the contact person in connection with the meeting;

(vi) the voting time and voting procedures online or by other means;

(vii) other matters stipulated by laws and regulations, normative documents, the securities regulatory requirements of the stock exchange where the Company's shares are listed and the Articles of Association.

Convening of Shareholders' General Meetings

Any Shareholder in the register of members on the record date or his/her proxy shall be entitled to attend the Shareholders' general meeting, and have the right to vote pursuant to the laws, regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association. Shareholders can attend the Shareholders' general meeting in person or appoint proxies to attend and vote on their behalf.

Individual Shareholders who wish to attend the meeting in person shall present their identity cards or other valid documents or proof of identity; where others are delegated to attend the meeting, proxies of Shareholders shall present their valid personal identity cards and the power of attorney from the Shareholders.

Corporate Shareholders shall attend the meeting by their legal representatives or their entrusted proxies. Legal representatives of corporate Shareholders who attend the meeting shall produce their own identity cards, the business license of the corporate Shareholders stamped with the seal of the legal entity and effective proof of their capacity as legal representatives; proxies of corporate Shareholders shall produce their own identity cards, the business license of the corporate Shareholders stamped with the seal of the legal entity and the written power of attorney issued by the legal representatives of the corporate Shareholders stamped with the seal of the legal entity.

Shareholders of the partnership shall attend the meeting by the managing partner, its appointed representatives, or entrusted proxies. When the managing partner or its appointed representative attends a meeting, they shall present their identity cards, the business license of the partnership Shareholder stamped with the seal of the partnership, and valid proof demonstrating their identity and qualifications; where a proxy attends the meeting, the proxy shall present his/her identity card, the business license of the partnership Shareholder stamped with the seal of the partnership, and a written power of attorney issued by the managing partner of the partnership or the managing partner's appointed representative, which shall also be stamped with the seal of the partnership.

The Shareholders' general meeting shall be chaired by the chairman of the Board. Where the chairman is incapable of performing or fails to perform his/her duties, a Director nominated by more than half of the Directors shall perform his/her duties. A Shareholders' general meeting convened by the audit committee shall be presided over by the convenor of the audit committee. Where the convenor of the audit committee is unable to perform or fails to perform his/her duties, a majority of the members of the audit committee shall elect a member of the audit committee to preside over such meeting. A Shareholders' general meeting convened by Shareholders themselves shall be presided over by the convenor or a representative elected by him/her. If when convening a Shareholders' general meeting, the chairman of the meeting is in violation of these Rules of Procedures causing the Shareholders' general meeting unable to be continued, subject to the agreement by over half of the attending Shareholders with voting rights at the Shareholders' general meeting, the Shareholders' general meeting may elect a person as the chairman and continue with the meeting.

Voting and Resolutions of the Shareholders' General Meetings

Resolutions of a Shareholders' general meeting shall be divided into ordinary and special resolutions. An ordinary resolution of a Shareholders' general meeting shall be passed by over one-half of the voting rights held by the Shareholders (including their proxies) present at the meeting. A special resolution of a Shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by the Shareholders (including their proxies) present at the meeting.

The following matters shall require the sanction of an ordinary resolution at a Shareholders' general meeting:

(i) the working reports of the Board of Directors;

(ii) plan for distribution of profits and plans for recovery of losses prepared by the Board of Directors;

(iii) the appointment and removal of members of the Board of Directors who are not employee representatives, and their remuneration and methods of payment;

(iv) the Company's proposed annual financial budget and final accounts;

(v) annual report of the Company;

(vi) issuing corporate bonds;

(vii) appointment or termination of accounting firm engaged in the audit work of the Company;

(viii) other matters other than those required by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or these Articles of Association that should be passed by special resolutions.

The following matters shall require the sanction of a special resolution at a Shareholders' general meeting:

(i) the increase or decrease in registered capital of the Company;

(ii) the division, spin-off, merger, dissolution and liquidation of the Company, as well as the alteration of the form of the Company;

(iii) amendments to the Articles of Association;

(iv) the share incentive schemes;

(v) the purchase and disposal of material assets by the Company within one year or guarantee amount exceeding 30% of the Company's latest audited total assets;

(vi) other matters required by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, and which have been determined by ordinary resolutions at the Shareholders' general meeting to have significant impact on the Company and require approval by special resolution.

Where a Shareholders' general meeting is convened to consider matters relating to a related (connected) transaction, the related (connected) Shareholders shall abstain from voting and the number of shares carrying voting rights as represented by them shall not be included in the total number of valid votes; adequate disclosure of the result of votes cast by Shareholders not related (connected) to the transaction shall be made in the announcement on the resolutions of the Shareholders' general meeting.

When matters to be considered at a Shareholders' general meeting involve related (connected) transactions, the Company shall make a special note thereof in the notice convening the Shareholders' general meeting. A related (connected) Shareholder may apply for recusal on his/her own, other Shareholders of the Company and the Board of the Company may apply for recusal of a related (connected) Shareholder, the said application shall be made in writing prior to the convening of the Shareholders' general meeting, and the Board shall be obliged to notify the Shareholders concerned of the application immediately. The Shareholders concerned may raise objections to the said application, and if no objections have been raised prior to the voting, the Shareholder subject to the application for recusal shall recuse himself/herself from voting; if he/she objects to the application, he/she may request the audit committee to make a resolution in respect of the application.

If a related (connected) Shareholder participates in voting in violation of the provisions of this article, the proportion of such Shareholder's votes as regards the relevant related (connected) transaction matters shall become invalid.

In order to be valid, the resolutions made at a Shareholders' general meeting on related (connected) transaction matters shall be passed by more than half of the votes cast by the non-related (connected) Shareholders attending the Shareholders' general meeting. However, when the related (connected) transaction matter involves the above-mentioned matters, the resolution of the Shareholders' general meeting shall be valid only if it is passed by two-thirds or more of the voting rights held by the non-related (connected) Shareholders present at the Shareholders' general meeting.

BOARD OF DIRECTORS

Directors

The Directors of the Company shall be natural persons, a person who is applicable to any one of the following circumstances shall not become a Director of the Company:

(i) with no capacity for civil conduct or limited capacity for civil conduct;

(ii) being sentenced to criminal punishment for corruption, bribery, embezzlement of properties, misappropriation of properties or sabotaging the order of socialist market economy, or being deprived of their political rights for committing a crime, where not more than 5 years have elapsed since the expiration of the period of deprivation, or being announced on probation, where not more than 2 years have elapsed since the date of completion of the probation period;

(iii) a former Director, factory principal or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;

(iv) a former legal representative of a company or enterprise, the business license of which was revoked or such company or enterprise was ordered to shut down due to violation of law and such person is personally liable for such consequences, where less than 3 years have elapsed since the date of the revocation of business license of or being ordered to close such company or enterprise;

(v) being listed as a defaulter subject to enforcement by the People's Court for being liable for relatively large amount of personal debt which has become overdue;

(vi) has been subject to a securities market entry prohibition measure imposed by the CSRC, and the period of the prohibition has not lapsed;

(vii) other circumstances required by laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the Company's shares are listed.

Where the election of Directors is in violation of the above provisions, such election shall be invalid. The Company shall dismiss a Director from office and terminate his/her duties if the circumstances under this Article arise during his or her term of office.

The Directors shall comply with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association. They shall owe duties of loyalty to the Company and take measures to avoid conflicts of interest between their own interests and those of the Company, and shall not take advantage of their positions to seek improper benefits:

The Directors shall owe the following duties of loyalty to the Company:

(i) not to expropriate the property of the Company and misappropriate the funds of the Company;

(ii) not to open accounts in which the funds of the Company are deposited in his or her personal name or in the name of other individuals;

(iii) not to exploit his/her position to bribe or accept other illegal income;

(iv) not to enter into contracts or transactions, directly or indirectly, with the Company without reporting to the Board of Directors or the Shareholders' general meeting and being approved by a resolution of the Board of Directors or the Shareholders' general meeting in accordance with these Articles of Association;

(v) not to take advantage of his/her position to seek business opportunities for himself/herself or others that should have otherwise been available to the Company, except when reported to the Board of Directors or the Shareholders' general meeting and approved by a resolution of the Shareholders' general meeting, or when the Company, according to laws, administrative regulations, or the provisions of the Articles of Association, cannot utilize such business opportunities;

(vi) not to operate for himself/herself or others any business similar to that of the Company, without reporting to the Board of Directors or the Shareholders' general meeting and obtaining approval through a resolution of the Shareholders' general meeting;

(vii) not to accept commissions from transactions between others and the Company for his/her own benefits;

(viii) not to disclose the confidential information of the Company without authorization;

(ix) not to use his/her connected relationship to impair the interests of the Company;

(x) other fiduciary duties stipulated by laws, administrative regulations and departmental rules and these Articles of Association.

The income obtained by a Director in violation of these provisions shall belong to the Company; and if the Director causes losses to the Company, he/she shall be liable for compensation. Immediate family members of Directors, enterprises directly or indirectly controlled by Directors or their immediate family members, and related (connected) parties with other related (connected) relationships with Directors, when entering into contracts or conducting transactions with the Company, are subject to the provisions of item (iv) of the second paragraph of this provision.

A Director shall comply with the laws, administrative regulations and these Articles of Association and shall diligently perform his/her obligations to the Company. In performing their obligations, he/she shall exercise the reasonable care that a manager should typically have for the best interests of the Company. The Director shall diligently perform his/her following obligations to the Company:

(i) to exercise the rights conferred by the Company in a prudent, serious and diligent manner so as to ensure that the business activities of the Company are in compliance with the requirements of national laws, administrative regulations and various economic policies, and the business activities do not exceed the business scope specified in the business license;

(ii) to treat all shareholders equally;

(iii) to keep abreast of the operation and management of the Company's businesses;

(iv) to sign a written confirmation of the Company's periodic reports and ensure that the information disclosed by the Company shall be true, accurate and complete;

(v) to truthfully provide the audit committee with relevant information and data, and shall not obstruct the audit committee or its members from exercising their authorities;

(vi) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules and these Articles of Association.

Board of Directors

The Company has established a Board of Directors which shall be accountable to the Shareholders' general meeting. The Board of Directors shall consist of 9 Directors, of whom Independent Directors shall constitute more than one-third of the total number of Directors on the Board.

The Board of Directors exercises the following powers:

(i) to convene the Shareholders' general meeting and report its work to the Shareholders' general meetings;

(ii) to implement the resolutions of the Shareholders' general meeting;

(iii) to decide on the Company's business plans and investment plans;

(iv) to formulate the Company's proposals for profit distribution and for recovery of losses;

(v) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of bonds or other securities and listing thereof;

(vi) to draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, or merger, division, dissolution or change of the form of the Company;

(vii) to decide on matters such as foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, related (connected) transactions and external donations within the authorization of these Articles of Association or the Shareholders' general meeting;

(viii) to decide on the Company's internal management structure;

(ix) to decide on the appointment or dismissal of the Company's general manager and secretary to the Board, company secretary; to decide on the appointment or dismissal of the Company's deputy general manager, Chief Financial Officer according to the nomination of the general manager, and decide on their remunerations and award/punishment issues;

(x) to formulate the Company's basic management system;

(xi) to formulate proposals to amend the Articles of Association;

(xii) to manage information disclosure of the Company;

(xiii) to propose to the Shareholders' general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

(xiv) to hear the work report of the general manager of the Company and examine his/her work;

(xv) other functions and powers stipulated and conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

The Board of Directors of the Company shall establish four Special Committees, being an Audit Committee, a Nomination Committee, a Remuneration and Appraisal Committee and a Strategic Committee. The Special Committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization from the Board of Directors. Their proposals shall be submitted to the Board of Directors for consideration and decision. All members of the Special Committees shall be Directors. Independent non-Executive Directors shall account for the majority of members of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and shall serve as the convener/chairman. The convener/chairman of the Audit Committee shall be an accounting professional. The Board is responsible for formulating and amending the terms of reference of the Special Committees and regulating the operation. Matters beyond the authorization by the Shareholders' general meetings shall be submitted to the Shareholders' general meeting for consideration.

The Board shall have a chairman. The chairman shall be elected with the approval of more than half of all the Directors of the Board. The chairman of the Board shall exercise the following functions and powers:

(i) to preside over Shareholders' general meetings and convene and preside over Board meetings;

(ii) to monitor and examine the implementation of the resolutions of the Board of Directors;

(iii) to exercise the powers of the legal representative;

(iv) to sign on important documents of the Board of Directors and other documents which are required to be signed by the legal representative of the Company;

(v) other powers conferred by the Board of Directors.

A Board meeting shall be held only if more than half of the Directors are present. Resolutions of the Board of Directors must be passed by a majority of all Directors. Resolutions made by the Board of Directors on external guarantee matters that should be approved by the Board of Directors according to the Articles of Association must also be approved by more than 2/3 of the Directors attending the Board meeting. As for the voting on a Board resolution, each Director shall have one vote only.

Senior management

The Company shall have one general manager, several deputy general managers, one Chief Financial Officer, and one secretary to the Board, all of whom shall be appointed or dismissed by the Board of Directors.

The general manager shall have a term of office of 3 years and can be reelected upon the appointment by the Board of Directors. The term of office of a general manager shall start from the date his appointment is resolved by the Board of Directors, and shall end upon the expiry of the current term of the Board of Directors, unless otherwise stipulated in the resolution of the Board of Directors.

The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(i) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;

(ii) to organize and implement the Company's annual business plan and investment proposals;

(iii) to draft plans for the establishment of the Company's internal management organizations;

(iv) to draft the Company's basic management system;

(v) to formulate specific rules and regulations for the Company;

(vi) to propose to the Board of Directors on the appointment or dismissal of deputy general manager and Chief Financial Officer of the Company;

(vii) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;

(viii) where transactions entered into by the Company (except for guarantees provided by the Company, donated cash assets received by the Company and debts that purely reduce the obligations of the Company or exempt it therefrom) do not meet any of the review thresholds of the Board of Directors, the general manager shall have the authority to make decisions thereon;

(ix) other functions and powers stipulated in the Articles of Association or conferred by the Board of Directors.

The Company shall have a secretary to the Board, and shall be responsible for the preparation of the Shareholders' general meeting and Board meeting, document keeping and management of information regarding the Shareholders of the Company and shall deal with information disclosure and other matters. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. During the vacancy of the secretary to the Board, the Company shall promptly designate a director or senior management member to perform the duties of the secretary to the Board, at the same time, the candidate for the secretary to the Board shall be determined promptly. If the Board of Directors fails to appoint a person to act as the secretary to the Board or if the position of the secretary to the Board remains vacant for more than 3 months, the chairman of the Board shall act as the secretary to the Board until the Company appoints a new one.

SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company has established an audit committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law.

The audit committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration after the approval by a majority of all members of the audit committee:

(i) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm that undertake the Company's auditing business;

(iii) appointment or dismissal of the Company's Chief Financial Officer;

(iv) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(v) other matters as provided by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

The Nomination Committee is responsible for formulating the standards and procedures for the selection of Directors and senior management members, selecting and reviewing the candidates for Directors and senior management members and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

(i) nominating or appointing and removing of Directors;

(ii) appointing or dismissing senior management members;

(iii) other matters as provided by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.

The Remuneration and Appraisal Committee is responsible for formulating the evaluation criteria for Directors and senior management members and conducting the evaluation, preparing and reviewing the remuneration policies and programs for Directors and senior management members, and making recommendations to the Board of Directors on the following matters:

(i) the remuneration of Directors and senior management members;

(ii) formulating or changing the share incentive scheme and employee share ownership scheme, granting of rights and benefits to the incentive targets and fulfillment of the conditions for exercising the rights and benefits;

(iii) arranging share ownership schemes for Directors and senior management members in the subsidiaries proposed to be spun off;

(iv) other matters as provided by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Financial Accounting System

The Company shall prepare its annual financial accounting reports in accordance with relevant laws and regulations, and such reports shall be audited by an accounting firm in accordance with the law. The above-mentioned financial accounting reports shall be prepared in compliance with relevant laws, administrative regulations and departmental rules.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profit to the statutory reserve fund of the Company. Where the accumulated amount of the Company's statutory reserve fund is more than 50% of the Company's registered capital, further allocation is not required. If the Company's statutory reserve fund is not sufficient to cover losses of previous years, it shall, before withdrawing the statutory reserve fund in accordance with the preceding paragraph, make up the losses from the profits of the current year in the first place. After the Company has withdrawn statutory reserve fund from its after-tax profits, it may also make an arbitrary reserve fund from its after-tax profits by resolution of the Shareholders' general meeting. After making up of losses and allocation to the reserve fund, balance of the after-tax profits shall be distributed to Shareholders in proportion to their shareholdings. If the Shareholders' general meeting distributes profits to Shareholders in violation of the provisions of the Company Law, the Shareholders shall return the profits distributed in violation of the provisions to the Company; and if the Company incurs losses, the Shareholders and the Directors and senior management members who are held liable shall be held liable for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to make up the Company's losses, to expand the Company's production and operations or to be transferred to increase the Company's registered capital. The arbitrary reserve fund and statutory reserve fund should be used first to make up the Company's losses; if it cannot be covered, the capital reserve fund shall be used in accordance with the provisions. When the statutory reserve fund is converted into increased registered capital, the remaining amount of such reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

Internal Auditing

The Company shall implement its internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial protection, the use of audit results and accountability for internal audit. The Company shall assign full-time auditors to conduct supervision and inspection of the business activities, risk management, internal control, financial information and other matters of the Company.

Appointment of Accounting Firm

The Company's appointment of an accounting firm that complies with the securities regulatory rules of the place where the shares are listed to audit accounting statements, conduct verification of net assets and other relevant consultation services shall have a term of 1 year and may be subject to renewal. The Company's appointment and dismissal of an accounting firm shall be decided by the Shareholders' general meeting. The Board of Directors shall not appoint any accounting firm prior to a decision made by the Shareholders' general meeting.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may take the form of a merger by absorption or a merger by new creation.

The absorption of one company into another is a merger by absorption and the absorbed company shall be dissolved. The merger of two or more companies to create a new company is a merger by creation and the parties to the merger shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of properties. The Company shall notify its creditors within 10 days, and shall make an announcement on a newspaper or National Enterprise Credit Information Publicity System within 30 days, from the date of the Company's resolution on the merger. The creditors shall have 30 days from the date of receipt of the notice, or 45 days from the date of announcement if they have not received the notice, to demand the Company to settle the debts or provide corresponding guarantees.

When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of properties.

The Company shall notify its creditors within 10 days, and shall make an announcement on a newspaper or National Enterprise Credit Information Publicity System within 30 days, from the date of the resolution made at the Shareholders' general meeting on the reduction of registered capital. Within

30 days from the date of receipt of the notice, or within 45 days from the date of announcement if the notice is not received, creditors shall have the right to demand the Company to settle the debts or provide corresponding guarantees.

When the Company reduces its registered capital, it shall reduce its shares in proportion to the shares held by Shareholders, unless otherwise provided by law or these Articles of Association.

In case of reduction of registered capital in violation of the Company Law, the Shareholders shall return the funds so received, and the reduced capital contribution of the Shareholders shall be restored to its original amount; in case of losses caused to the Company, the Shareholders and the responsible Directors and senior management members shall be held liable for compensation.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) the term of business provided for in these Articles of Association has expired or the occurrence of any other cause of dissolution provided for in these Articles of Association;

(ii) dissolution has been resolved by the Shareholders' general meeting;

(iii) dissolution is required for merger or division of the Company;

(iv) having its business licence revoked, ordered to be shut down or be deregistered in accordance with the law;

(v) where the Company has serious difficulties in its operation and management, and the continuation of the Company will cause significant losses to the interests of the Shareholders, and the problem cannot be solved through other means, Shareholders holding more than 10% of the voting rights of the Company may request a People's Court to dissolve the Company.

If the Company has any cause for dissolution specified in the preceding paragraph, it shall make public the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

In case of items (i) or (ii) above, and if the Company has not yet distributed its property to its Shareholders, it may survive by amending these Articles of Association or by a resolution of the Shareholders' general meeting. Amendments to these Articles of Association or resolution of the Shareholders' general meeting in accordance with the preceding paragraph shall be approved by at least two-thirds of the votes held by the Shareholders present at the Shareholders' general meeting.

Where the Company is dissolved pursuant to items (i), (ii), (iv) or (v) above, the Company shall be liquidated. Directors shall be the liquidation obligors of the Company, and a liquidation team shall be formed, within 15 days from the occurrence of the events of dissolution, to perform liquidation. The liquidation team shall consist of the Directors, unless otherwise stipulated in these Articles of Association or otherwise selected by a resolution of the Shareholders' general meeting. If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, such liquidation obligor shall be liable for compensation.

AMENDMENTS TO ARTICLES OF ASSOCIATION

In any of the following circumstances, the Company shall amend its Articles:

(i) after the amendment of the Company Law or relevant laws or administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed, the matters as provided in the Articles conflict with the amended laws or administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed;

(ii) the circumstances of the Company have changed so that they are inconsistent with those provided in the Articles;

(iii) the Shareholders' general meeting decides to amend the Articles.

Where an amendment to the Articles of Association approved by the Shareholders' general meeting through a resolution shall be approved by competent authorities, such amendment shall be submitted to the competent authorities for approval. Where an amendment involves company registration, the registration shall be amended according to laws.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established in the PRC on September 3, 2012 and was converted to a joint stock limited company on December 26, 2022.

As of the date of this prospectus, our Company's registered office is located at Office Buildings 1 and 5, Phase I, Optoelectronic Information Industrial Park, No. 7691, Ziyou Road, Changchun Economic and Technological Development Zone, Jilin Province, the PRC. Our Company has established a principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 27, 2025 with the Registrar of Companies in Hong Kong. Ms. PUN Kim Ying, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix V — Summary of Articles of Association". A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Appendix V — Summary of Principal Laws and Regulatory Provisions".

2. Changes in Share Capital of Our Company

As of the date of our establishment, our registered share capital was RMB20,000,000. On December 26, 2022, our Company was converted into a joint stock company with limited liability and our registered capital was 370,000,000 Shares with a nominal value of RMB1.00 each.

Upon completion of the Global Offering and conversion of Unlisted Shares into H Shares, without taking into account any H Shares which may be issued pursuant to the Over-allotment Option and the Pre-IPO Share Option Scheme, our registered share capital will be increased to 435,294,200, comprising 144,155,700 Unlisted Shares and 291,138,500 H Shares, representing 33.12% and 66.88% of our registered capital, respectively.

For further details, see "History, Development and Corporate Structure" and "Share Capital" of this prospectus. Save as disclosed in the "History, Development and Corporate Structure" in this prospectus and above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this prospectus.

3. Subsidiaries of our Company and Changes in Share Capital of Our Subsidiaries

Certain details of our subsidiaries are set out in "History, Development and Corporate Structure — Our Subsidiaries" and in the accountants' report as set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in note 1 of the accountants' report set out in Appendix I to this prospectus, our Company has no other subsidiary.

Save as disclosed below, there has been no alteration in the share capital of the subsidiaries of our Company within two years immediately preceding the date of this prospectus:

On December 2, 2024, there has been a registered capital increase contributed by the Company in an amount of RMB3,750,000 into Gpixel Hangzhou and thus the registered capital of Gpixel Hangzhou was increased from RMB11,250,000 to RMB15,000,000.

4. Shareholders' Resolutions

In accordance with the Shareholders' resolutions of our Company dated June 5, 2025, among other things, the following resolutions were passed by the Shareholders:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(b) the total number of H Shares to be issued pursuant to the Global Offering shall be no more than 25% of the total issued share capital of the Company (before the exercise of the Over-allotment Option) after the Listing;

(c) subject to the CSRC's approval, upon completion of the Global Offering, 225,844,300 Unlisted Shares held by certain existing Shareholders will be converted into H Shares;

(d) the abolishment of the board of supervisors of the Company in accordance with the relevant PRC laws and regulations;

(e) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date, and the Board and its authorized persons have been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and other relevant regulatory authorities; and

(f) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares.

5. Reorganization

Our Company has not gone through any corporate reorganization for the purpose of the Listing. For details of history and development of our Company, see "History, Development and Corporate Structure" in this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years preceding the date of this prospectus that are or may be material:

(1) a capital increase agreement (增資協議) entered into on November 22, 2024, by and among the Company, Zhejiang Province Industrial Fund Co., Ltd.* (浙江省產業基金有限公司) and Gpixel Hangzhou, pursuant to which the Company agreed to contribute RMB300 million cash to subscribe for additional RMB3.75 million registered capital of Gpixel Hangzhou;

(2) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, UBS Asset Management (Singapore) Ltd., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000;

(3) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, CPE Peepal Investment Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000;

(4) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Mirae Asset Securities (HK) Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(5) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, PERSEVERANCE ASSET MANAGEMENT INTERNATIONAL (SINGAPORE) PTE. LTD. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(6) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Arc Avenue Asset Management Pte. Ltd., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(7) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Greenwoods Asset Management Hong Kong Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 4,338,020.48;

(8) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Huatai Capital Investment Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,661,979.52;

(9) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Panjing Harbourview Investment Fund, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 2,000,000;

(10) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, GF International Investment Management Limited (廣發國際資產管理有限公司), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 4,000,000;

(11) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, GF Fund Management Co., Ltd. (廣發基金管理有限公司), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 6,000,000;

(12) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Eastern Bell Capital VIII Investment Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,000,000;

(13) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Value Partners Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 250,000;

(14) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Value Partners Hong Kong Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 1,750,000;

(15) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, China Merchants Securities Investment Management (HK) Co., Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 1,000,000;

(16) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, E Fund Management (Hong Kong) Co., Ltd., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 2,500,000;

(17) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, E Fund Management Co., Ltd., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 500,000;

(18) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Yield Royal Investment Holding (Singapore) PTE. LTD., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 7,500,000;

(19) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 6,660,000;

(20) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Fullgoal Asset Management (HK) Limited (富國資產管理(香港)有限公司), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 3,340,000;

(21) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, SCC Foresight Ventures Ltd., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 1,600,000;

(22) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Voyage42 Master Fund, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 3,400,000;

(23) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, WT Asset Management Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,000,000;

(24) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, 3W Fund Management Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,000,000;

(25) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, HHLR Advisors, Ltd., CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000;

(26) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Protium Capital Limited (寧遠資本有限公司), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,000,000;

(27) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, China Orient International Asset Management Limited — China Orient Multi-Strategy Master Fund, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 1,731,168;

(28) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Supercluster Universe Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(29) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, ICBC Wealth Management Co., Ltd. (工銀理財有限責任公司), CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,000,000;

(30) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, Cithara Global Multi-Strategy SPC — Disruptive Innovation Investment Fund SP, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 2,000,000;

(31) a cornerstone investment agreement dated April 2, 2026 entered into among the Company, China Asset Management (Hong Kong) Limited, CITIC Securities (Hong Kong) Limited, Guotai Junan Capital Limited, CLSA Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 2,000,000; and

(32) the Hong Kong Underwriting Agreement.

2. Our Intellectual Property Rights

(a) Trademarks

(i) Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class	Validity
1	Gpixel	PRC	56162799	The Company	9	2021.12.07–2031.12.06
2	长光圆芯	PRC	65342831	Changguang Yuanxin	38	2022.12.07–2032.12.06
3	长光圆芯	PRC	65354745	Changguang Yuanxin	37	2023.02.14–2033.02.13
4	长光圆芯	PRC	65357675	Changguang Yuanxin	11	2023.02.14–2033.02.13
5	长光圆芯	PRC	65354760	Changguang Yuanxin	42	2023.02.14–2033.02.13

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class	Validity
6	长光圆芯	PRC	65343999	Changguang Yuanxin	35	2023.02.07–2033.02.06
7	长光圆芯	PRC	65342839	Changguang Yuanxin	40	2023.02.14–2033.02.13

(b) Patents

(i) Registered Patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent Name	Patentee	Patent Type	Place of registration	Patent Number	Application/ Approval Date	Expiry Date
1	Image Data Analog-to-digital Conversion Method and Image Sensor	The Company	Invention Patent	PRC	ZL201310021530.X	2013.01.21	2033.01.21
2	High-speed Global Shutter Image Sensor Pixel and Pixel Signal Sampling Method.	The Company	Invention Patent	PRC	ZL201310459382.X	2013.09.29	2033.09.29
3	CMOS TDI Image Sensor and Charge Transfer Control Method	The Company	Invention Patent	PRC	ZL201310348765.X	2013.08.12	2033.08.12
4	High-speed Full-frame Shutter Image Sensor Pixel and Signal Transfer Control Method.	The Company	Invention Patent	PRC	ZL201310459374.5	2013.09.29	2033.09.29
5	High-speed Global Shutter Image Sensor Pixel and Pixel Signal Acquisition Method	The Company	Invention Patent	PRC	ZL201410132603.7	2014.04.02	2034.04.02
6	High Dynamic Range Image Sensor Pixels.	The Company	Invention Patent	PRC	ZL201410132938.9	2014.04.02	2034.04.02
7	Back-illuminated TDI Image Sensor and Electronic Shutter Control Method	The Company	Invention Patent	PRC	ZL201510111711.0	2015.03.14	2035.03.14
8	Pixel Signal Readout Method for Image Sensor	The Company	Invention Patent	PRC	ZL201510658913.7	2015.10.14	2035.10.14
9	High Dynamic Range Image Sensor Data Output Method and Device . .	The Company	Invention Patent	PRC	ZL201510566167.9	2015.09.09	2035.09.09
10	Global Shutter Control Method for Pixels of Dual Transfer Gate High Dynamic Range Image Sensor . . .	The Company	Invention Patent	PRC	ZL201610135783.3	2016.03.10	2036.03.10
11	CMOS TDI Image Sensor and Transfer Control Method	The Company	Invention Patent	PRC	ZL201610135831.9	2016.03.10	2036.03.10

No.	Patent Name	Patentee	Patent Type	Place of registration	Patent Number	Application/ Approval Date	Expiry Date
12	Global Shutter Control Method for Pixels of High Dynamic Range Image Sensor	The Company	Invention Patent	PRC	ZL201610135768.9	2016.03.10	2036.03.10
13	High Dynamic Focal Plane Readout Circuit and Sampling Method	The Company	Invention Patent	PRC	ZL201610753008.4	2016.08.29	2036.08.29
14	High Speed Multi-phase Slope Analog-to-digital Converter	The Company	Invention Patent	PRC	ZL201610752976.3	2016.08.29	2036.08.29
15	High-speed Analog-to-digital Conversion Device for Image Sensor	The Company	Invention Patent	PRC	ZL201710415738.8	2017.06.06	2037.06.06
16	Low Noise and Wide Dynamic Range Image Sensor related to Multiple Sampling Circuit	The Company	Invention Patent	PRC	ZL201710180039.X	2017.03.24	2037.03.24
17	TDI Photosensitive Device and Image Sensor for Suppressing Image Mismatch	The Company	Invention Patent	PRC	ZL201810154578.0	2018.02.23	2038.02.23
18	Pixel Signal Interleaved Time-shift Readout Method for High Frame Rate Area Array Image Sensor	The Company	Invention Patent	PRC	ZL201910302389.8	2019.04.16	2039.04.16
19	High Dynamical Range TDI Image Sensor and Imaging Method	The Company	Invention Patent	PRC	ZL202010166833.0	2020.03.11	2040.03.11
20	Method for Removing Background Light in Structured Light Imaging	The Company	Invention Patent	PRC	ZL202010363898.4	2020.04.30	2040.04.30
21	Low Temperature Testing Method for Back-illuminated CMOS Image Sensor	The Company	Invention Patent	PRC	ZL202010296316.5	2020.04.15	2040.04.15
22	Reducing Error Value Method for Image Sensor Sequential Circuit	The Company	Invention Patent	PRC	ZL202011632309.4	2020.12.31	2040.12.31
23	CMOS Image Sensor and Manufacturing Method	The Company	Invention Patent	PRC	ZL202011630824.9	2020.12.30	2040.12.30
24	Image Sensor	The Company	Invention Patent	PRC	ZL202011619567.9	2020.12.30	2040.12.30
25	New CMOS Image Sensor Pixel Structure	The Company	Invention Patent	PRC	ZL202011608526.X	2020.12.29	2040.12.29
26	Image Sensor	The Company, Gpixel Hangzhou	Invention Patent	PRC	ZL202110501366.7	2021.05.08	2041.05.08
27	Method and System for Testing CMOS Image Sensor	The Company	Invention Patent	PRC	ZL202011642675.8	2020.12.30	2040.12.30

No.	Patent Name	Patentee	Patent Type	Place of registration	Patent Number	Application/ Approval Date	Expiry Date
28	Switchable Pixel Structure	The Company	Invention Patent	PRC	ZL202011616729.3	2020.12.30	2040.12.30
29	High Dynamic Range Image Compression Method, Decompression Method and Image Sensor	The Company, Gpixel Hangzhou, Gpixel Belgium	Invention Patent	PRC	ZL202210831296.6	2022.07.15	2042.07.15
30	Pixel for Solid-state Imaging Device	The Company, Gpixel Japan	Invention Patent	PRC	ZL202010477639.4	2020.05.29	2040.05.29
31	Double-slope Double-edge Upward Counting Analog-to-digital Conversion Device and Conversion Method	The Company, Gpixel Hangzhou	Invention Patent	PRC	ZL202111512939.2	2021-12-11	2041.12.11
32	Optical Code Positioning Method, Device and Image Sensor Chip	The Company, Gpixel Hangzhou	Invention Patent	PRC	ZL202111548837.6	2021-12-17	2041.12.17
33	Double-slope Single Edge Downward Counting Analog-to-digital Conversion Device and Conversion Method	The Company, Gpixel Hangzhou	Invention Patent	PRC	ZL202111512938.8	2021-12-11	2041.12.11
34	Double-slope Single Edge Upward Counting Analog-to-digital Conversion Device and Conversion Method	The Company, Gpixel Hangzhou	Invention Patent	PRC	ZL202111512944.3	2021-12-11	2041.12.11
35	Double-slope Double Edge Downward Counting Analog-to-digital Conversion Device and Conversion Method	The Company, Gpixel Hangzhou	Invention Patent	PRC	ZL202111512930.1	2021-12-11	2041.12.11
36	Light Response Non-uniformity Correction Method on CMOS Image Sensor	The Company, Gpixel Dalian, Gpixel Hangzhou	Invention Patent	PRC	ZL202211266509.1	2022-10-17	2042.10.17
37	On-Chip Real-Time FPN Correction Method	Our Company, Gpixel Hangzhou, Gpixel Dalian	Invention Patent	PRC	ZL202210994711.X	2025.07.25	2045.07.25
38	High-speed Analog-to-digital Conversion Method for Image Sensor and Device	Gpixel Hangzhou	Invention Patent	PRC	ZL201510658919.4	2015.10.14	2035.10.14

No.	Patent Name	Patentee	Patent Type	Place of registration	Patent Number	Application/ Approval Date	Expiry Date
39	Pixel Array for Linear Array Image Sensor and Object Surface Defect Detection Method.	Gpixel Hangzhou	Invention Patent	PRC	ZL201811181670.2	2018.10.11	2038.10.11
40	Pixel Structure with High Sensitivity and Long Exposure Time	Gpixel Hangzhou	Invention Patent	PRC	ZL201910286920.7	2019.04.11	2039.04.11
41	High-speed Global Shutter Image Sensor Pixel and Pixel Signal Acquisition Method.	Gpixel Hangzhou	Invention Patent	PRC	ZL202210569751.X	2022.05.24	2042.05.24
42	A Pixel Structure of Linear Array Image Sensor and the Corresponding Sensor	Gpixel Hangzhou	Invention Patent	PRC	ZL202510491053.6	2025.07.04	2045.07.04
43	Infrared Detector Splicing Method . .	Changguang Yuanxin	Invention Patent	PRC	ZL201510454233.3	2015.07.29	2035.07.29
44	TOF sensor	Gpixel Japan, Gpixel Belgium	Invention Patent	Japan	Texu No. 7211685	2021.07.01	2041.07.01
45	Pixels for Fixed Imaging Device . . .	Gpixel Japan	Invention Patent	Japan	Texu No. 7557172	2020.03.06	2040.03.06
46	PIXEL AND GLOBAL SHUTTER IMAGE SENSOR.	Gpixel Belgium	Invention Patent	USA	US11,843,011B2	2021.08.03	2041.08.17
47	HIGH DYNAMIC RANGE IMAGE SENSOR	Gpixel Belgium	Invention Patent	USA	US11,943,556B2	2022.12.01	2042.12.01
48	Packaging carrier and design method for CMOS image sensors, and method for improving cleanliness. .	Changguang Yuanxin	Invention Patent	PRC	ZL202211012533.2	2022.08.23	2042.08.23
49	Method for detecting colloids in a pre-packaging process of a sensor .	Changguang Yuanxin	Invention Patent	PRC	ZL202211180340.8	2022.09.27	2042.09.27
50	HIGH DYNAMIC RANGE IMAGE SENSOR	Gpixel Belgium	Invention Patent	European Union	EP4192003B1	2021.12.02	2041.12.02
51	Back-illuminated CMOS Sensor Manufacturing Method, Electronic Impact CMOS Sensor Manufacturing Method, Pixel for Back-illuminated CMOS Sensor, and Electronic Impact CMOS Sensor	Gpixel Japan	Invention Patent	Japan	Texu No. 7624822	2020.11.4	2040.11.4
52	A High-speed TDI Image Sensor Pixel Unit and Image Sensor . . .	the Company Gpixel Hangzhou	Invention Patent	PRC	ZL202411766837.7	2024.12.04	2044.12.04

No.	Patent Name	Patentee	Patent Type	Place of registration	Patent Number	Application/ Approval Date	Expiry Date
53	Manufacturing Method, Pixel for Back-illuminated and Electronic Impact CMOS Sensor	Gpixel Japan	Invention Patent	PRC	ZL202110169500.8	2021.02.07	2041.02.07
54	PIXEL AND GLOBAL SHUTTER IMAGE SENSOR.	Gpixel Belgium	Invention Patent	European Union	EP3952289B1	2025.08.02	2040.08.06
55	High-speed Analog-to-digital Conversion Device and Conversion Method for Image Sensor	Gpixel Hangzhou	Invention Patent	PRC	ZL202310297659.7	2023.03.23	2043.03.23
56	High Dynamic Range Image Sensor .	Gpixel Belgium	Invention Patent	PRC	ZL202211536279.6	2022.12.01	2042.12.01
57	High-Sensitivity Matrix Image Sensor	The Company	Invention Patent	PRC	ZL202110590301.4	2021.05.28	2041.05.28
58	HIGH DYNAMIC RANGE CAPACITOR TRANSIMPEDANCE AMPLIFIER	The Company	Invention Patent	USA	US10700654B2	2018.08.21	2038.08.21
59	Pixel and Global Shutter Image Sensor	Gpixel Belgium	Invention Patent	Japan	Texu No. 7781558	2021.08.05	2041.08.05
60	PHASE DETECTION AUTOFOCUS PIXEL	Gpixel Belgium	Invention Patent	European Union	EP4528817	2023.09.19	2043.09.19
61	Pixel and Global Shutter Image Sensor	Gpixel Belgium	Invention Patent	PRC	ZL202110901315.3	2021.08.06	2041.08.06

(c) Registered Integrated Circuit Layout Design

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following integrated circuit design layout which we consider to be or may be material to our business and has a term of ten years from the earlier date of (a) the application date, and (b) the initial commercialization date in any part of the world:

No.	Patentee	Design Name	Place of registration	Registration Number	Application Date
1	Gpixel Hangzhou	GIS925	PRC	BS.215596056	2021.08.09
2	Gpixel Hangzhou	GL4K	PRC	BS.215596080	2021.08.09
3	Gpixel Hangzhou	GMAX3809	PRC	BS.215596099	2021.08.09
4	Gpixel Hangzhou	GB1905	PRC	BS.215595998	2021.08.09
5	Gpixel Hangzhou	GSENSE400	PRC	BS.215597095	2021.08.10
6	Gpixel Dalian	G6060BSI	PRC	BS.235503991	2023.01.30
7	Gpixel Dalian	GL8K	PRC	BS.235504033	2023.01.30
8	Gpixel Dalian	GLUX9701	PRC	BS.235504025	2023.01.30
9	Gpixel Dalian	GMAX0505	PRC	BS.235504017	2023.01.30
10	Gpixel Dalian	GSENSE2020BSI	PRC	BS.235504009	2023.01.30

(d) Copyrights

As of the Latest Practicable Date, we have registered the following copyright that we consider to be or may be material to our business:

No.	Name	Registered Owner	Registration Number	Registration Date
1	Chenchen.	The Company	Guo Zuo Deng Zi -2024-F-00085504	March 20, 2024

(e) Domain Names

As of the Latest Practicable Date, we have registered the following domain name that we consider to be or may be material to our business:

No.	Domain Name	Expiry Date
1	gpixel.com	2027-02-27

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors and Chief Executive

(i) Disclosure of Interests — Interests and short positions of the Directors, and chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations

Immediately following completion of the Global Offering (assuming that Over-allotment Option is not exercised), the interests or short positions of our Directors and chief executive in the Shares, underlying Shares and debentures of our Company and its 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 and short positions which he/she is 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 recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Interests in Shares and underlying Shares

Name and position	Description of Shares[1]	Nature of interests	Number of Shares after the Global Offering	Approximate percentage of interest in our Company immediately after the Global Offering[2]
Dr. WANG Xinyang (executive Director)	Unlisted Shares (L)	Beneficial owner/interest in controlled corporation/interest of spouse	64,143,450	14.74%
	H Shares (L)		119,123,550	27.37%
Dr. ZHANG Yanxia (executive Director)	Unlisted Shares (L)	Beneficial owner/interest of spouse	64,143,450	14.74%
	H Shares (L)		119,123,550	27.37%
Ms. YANG Yi (non-executive Director) . .	Unlisted Shares (L)	Interest of spouse/interest in controlled corporation	13,240,150	3.04%
	H Shares (L)		24,588,850	5.65%

Notes:

(1) The Letter "L" denotes the person's long position in our Shares.
(2) The calculation is based on the total number of 435,294,200 Shares in issue immediately after the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

Save as disclosed above, none of the Directors or chief executive of our Company has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which shall be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken, or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or shall be or required to be, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to us and the Stock Exchange, in each case once our Shares are listed.

(ii) Particulars of service agreements and appointment letters

Our Company has entered into a service agreement or an appointment letter with each of the Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observation of the Articles of Association.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts or appointment letters with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(iii) Directors' remuneration

Save as disclosed in the section headed "Directors and Senior Management — Remuneration Policy" of this prospectus and under note 8 to the accountants' report set out in Appendix I to this prospectus, no Director received any other fees, salaries, allowances, share-based compensation, pension schemes contribution and other benefits in kind (if applicable) from our Company in respect of each of the three years ended December 31, 2023, 2024 and 2025.

Based on the arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration payable to the Directors for the year ending December 31, 2026 will be approximately RMB6.1 million.

During the Track Record Period, no emoluments were paid by the Group to any of the directors, chief executive of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

There was no arrangement under which a director or chief executive of the Company waived or agreed to waive any remuneration during the Track Record Period.

Save as disclosed above, during the Track Record Period, no other amounts shall be paid or payable by us or any of our subsidiaries to the Directors or the five highest remunerated individuals.

Save as disclosed above, no Director is entitled to receive other special benefits from our Company.

2. Substantial Shareholders

(i) Interests in the Shares of our Company

For information on the persons (other than our Directors or chief executive of our Company) who will, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of any other member of our Company, see "Substantial Shareholders" of this prospectus.

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of any member of our Group or had option in respect of such capital.

(ii) Interests in our Company's subsidiaries

Immediately following the completion of the Global Offering, assuming (i) the Global Offering has become unconditional and all Offer Shares have been issued pursuant to the Global Offering; and (ii) the Over-allotment Option have not been exercised, no person (other than our Company) will be interested, directly or indirectly, in 10% or more in any share class with the right to, in any event, vote at the general meeting of any other member (other than our Company) of our Group, save as disclosed as below:

LI Yanqing (李彥慶) (a director and general manager of Changguang Yuanxin) holds 29.41% equity interest in Changguang Yuanxin. Changguang Precision, an associate of UP OPTOTECH, our substantial shareholder, holds 11.76% equity interest in Changguang Yuanxin.

3. Directors' Competing Interests

None of our Company's Directors has any interests in any business which competes or is likely to compete, either directly or indirectly, with our Group's business.

4. Agency Fees or Commissions Paid or Payable

Save as disclosed in "Underwriting" section in this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

In this prospectus:

(i) none of our Directors, chief executive of the Company or any of the parties listed in "— E. Other Information — 7. Qualification of Experts" is:

(a) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or

(b) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(ii) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "— E. Other Information — 7. Qualification of Experts":

(a) is interested legally or beneficially in any shares in any member of our Group; or

(b) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(iii) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers of each year/period during the Track Record Period, except that Dr. Zhang holds less than 1% shareholding interest in Customer G, which was one of our top five customers for the year ended December 31, 2024; and

(iv) save for the interests in the Shares which are disclosed in the sections headed "Substantial Shareholders" and "Statutory and General Information" in this prospectus, none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. PRE-IPO SHARE OPTION SCHEME

Our Company adopted a Pre-IPO Share Option Scheme on June 20, 2023 which was further amended and approved on June 5, 2025 (the "**Pre-IPO Share Option Scheme**"). The following is a summary of the principal terms of the Pre-IPO Share Option Scheme:

1. Objectives

The Pre-IPO Share Option Scheme is to establish and improve the Company's long-term incentive mechanism, attract and retain outstanding talents, fully motivate the management and employees, and effectively align the interests of shareholders, the Company, and individuals at the management and staff levels, ensuring all parties jointly focus on the long-term development of the Company.

2. Administrations

The Pre-IPO Share Option Scheme's approval, alteration and termination are subject to Shareholders meetings. Our Board is authorized for the implementation of the Pre-IPO Share Option Schemes.

3. Eligibility

The eligible participants of the Pre-IPO Share Option Scheme are the directors, senior management, core technical personnel, core business personnel of the Group, and other employees whom the Company deems necessary to incentivize due to their direct impact on the Company's operational performance and future development, excluding independent directors. Foreign employees serving as the Company's directors, senior management, core technical personnel, or core business personnel may also qualify as eligible participants.

All eligible participants under the Pre-IPO Share Option Scheme must be employed by the Company or its subsidiaries and have executed an employment contract with the Company or its subsidiaries.

4. Grantees

As of the Latest Practicable Date, there were total 25 grantees under the Pre-IPO Share Option Scheme. None of the grantees is director, senior management member, or connected person of the Company, save for three grantees as disclosed on "— D. PRE-IPO SHARE OPTION SCHEME — 13. Outstanding Share Options Granted under the Pre-IPO Share Option Schemes" below in this section.

5. Maximum Number of Shares

As of the Latest Practicable Date, the Pre-IPO Share Option Scheme grants a total of 6,162,000 share options to the eligible participants.

Subject to the satisfaction of the exercise conditions, each share option granted to the incentive targets has the right to purchase one share of the Company's common stock at the exercise price on the exercise date.

There are no reserved entitlements under this Pre-IPO Share Option Scheme and the share options are granted in one lump sum.

6. Class of Shares

The underlying Shares under the Pre-IPO Share Option Scheme are the H shares to be issued to the specified participants by the Company. The Company will not grant any share option under the Pre-IPO Share Option Scheme after Listing.

7. Date of grant

The date of grant of all the options under the Pre-IPO Share Option Scheme is June 20, 2023 (the "**Grant Date**"). No consideration is required to be paid by the relevant grantee to accept the grant of share options.

8. Validity

The Pre-IPO Share Option Scheme shall be valid and effective for the period of five years from June 20, 2023.

9. Vesting Period

The vesting period is the period between the Grant Date and the date when the options become exercisable (the "**Vesting Period**"). The end of the Vesting Period under this Pre-IPO Share Option Plan is the later of the following two dates: (1) the day before the first trading day after 20 months from the Grant Date, and (2) the Listing Date.

10. Exercise Schedules

Subject to the satisfaction of the exercise conditions, the participants may exercise the options by instalments after the Vesting Period. The specific exercise arrangement is as follows:

Exercise period	Exercise time	Proportion of the exercisable number under the Pre-IPO Share Option Scheme the number of share options granted to the participants
The first exercise period . .	From the first exercise date after the expiry of the Vesting Period until the last trading day within 22 months after the expiry of the Vesting Period	50%
The second exercise period	From the first trading day after the expiry of the first exercise period until the last trading day of the 29-month period after the expiry of Vesting Period	50%

11. Exercise Price

The exercise price of the share options granted to the participants under this Pre-IPO Share Option Scheme is RMB10.00 per Share. For the avoidance of doubt, the exercise price is fixed and will not be changed due to changes in the market value of the Company.

12. Restrictions

The lock-up period means the period of time during which the sale of shares acquired by the participants after exercise of the option is restricted. The lock-up provisions of this Pre-IPO Share Option Scheme are implemented according to the PRC Company Law, securities law, Listing Rules, and other relevant laws and regulations, regulatory documents and the securities regulatory rules applicable to the Company, including but not limited to:

1) The lock-up period is one year period from the date of the Company's Listing.

2) If the participants planning to sell Shares of the Company shall, 20 trading days prior to the initial sale, file the plan for the reduction of Shares with the board of Directors or the board secretary of the Company.

3) The annual percentage of Shares transferred shall not exceed 10% of the total stock options exercised.

4) If the participants makes other lock-up commitments on the Company's Shares, the transfer shall also comply with such commitments. participants shall comply with the above 1), 2) and 3) even if participants resigns his/her positions from the Group.

13. Outstanding Share Options Granted under the Pre-IPO Share Option Scheme

As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding share options granted under the Pre-IPO Share Option Scheme amounted to 6,162,000 Shares, representing approximately 1.42% of the issued Shares immediately following the completion of the Global Offering assuming that the Over-allotment Option is not exercised.

A total number of 5,600,000 share options had been granted to our connected persons under the Pre-IPO Share Option Scheme.

The table below shows the details of share options granted to connected persons under the Pre-IPO Share Option Scheme:

Name	Relationship	Address	Date of grant	Expiry Date	No. of underlying Shares pursuant to options granted	Exercise price	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering
Wim Wuyts	Majority shareholder of the corporate director of Gpixel Belgium and sales management of Gpixel Belgium	Lage Kaart 600, 2930 Brasschaat, Belgium	June 20, 2023	June 20, 2028	1,540,000	RMB10.00	0.35%
Jan Bogaerts . . .	Sole shareholder of the corporate director of Gpixel Belgium and R&D management of Gpixel Belgium	Molenvelden 12, 2860 Sint-Katelijne-Waver, Belgium	June 20, 2023	June 20, 2028	2,275,000	RMB10.00	0.52%
Tim Baeyens . . .	Sole shareholder of the corporate director of Gpixel Belgium and management of Gpixel Belgium	Terlinckstraat 39, 2600 Berchem, Belgium	June 20, 2023	June 20, 2028	1,785,000	RMB10.00	0.41%

Save as disclosed above, no share options had been granted to our Directors, members of senior management or any connected persons under the Pre-IPO Share Option Scheme.

Save as the three grantees disclosed above, the remaining 22 grantees who are not members of our Directors, members of our senior management or connected persons of our Company have been granted options to subscribe for 562,000 shares under the Pre-IPO Share Option Scheme. Please refer to below table for details.

	Name	Relationship	Address	Date of grant	Expiry Date	No. of underlying Shares pursuant to options granted	Exercise price	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering
1	Bonnifait Mikaël	Sensor design team employee of Gpixel Belgium	Marie-Elisabeth Belpairestraat 12, 3010 Kessel-Lo, Belgium	June 20, 2023	June 20, 2028	52,000	RMB10.00	0.012%
2	Sieu Fon CHOI	Administration employee of Gpixel Belgium	Eksterlaan 6\0001, 2930 Brasschaat, Belgium	June 20, 2023	June 20, 2028	28,000	RMB10.00	0.006%
3	Wesley Cotteleer	Sensor design team employee of Gpixel Belgium	Terheidelaan 11, 2960 Brecht, Belgium	June 20, 2023	June 20, 2028	26,000	RMB10.00	0.006%
4	Pieterjan Daelemans	Sensor design team employee of Gpixel Belgium	Vierbunder 7, 2160 Wommelgem, Belgium	June 20, 2023	June 20, 2028	42,000	RMB10.00	0.010%
5	Dobbelaere Thomas Freddy E	Sensor design team employee of Gpixel Belgium	De Pintelaan 129, 9000 Gent, Belgium	June 20, 2023	June 20, 2028	42,000	RMB10.00	0.010%
6	Joris De Bondt	Sensor design team employee of Gpixel Belgium	Carmosteynstraat 1A, 2811 Hombeek, Belgium	June 20, 2023	June 20, 2028	42,000	RMB10.00	0.010%
7	Mathias Helsen	Sensor design team employee of Gpixel Belgium	Hendrik Kuijpersstraat 44, 2640 Mortsel, Belgium	June 20, 2023	June 20, 2028	21,000	RMB10.00	0.005%
8	Frederik Huys	Field application employee of Gpixel Belgium	Pioenstraat 20, 2310 Rijkevorsel, Belgium	June 20, 2023	June 20, 2028	32,000	RMB10.00	0.007%
9	Evelyne Markey	Sensor design team employee of Gpixel Belgium	Jaak Embrechtsstraat 32, 2100 Deurne, Belgium	June 20, 2023	June 20, 2028	32,000	RMB10.00	0.007%
10	Cristiana Micaela Nobrega Arreiol	Product research employee of Gpixel Belgium	Lange Ravestraat 79, 1982 Elewijt, Belgium	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
11	Maxim Vandeplas	Sales department employee of Gpixel Belgium	Lange van Ruusbroecstraat 61/201, 2018 Antwerp, Belgium	June 20, 2023	June 20, 2028	21,000	RMB10.00	0.005%

	Name	Relationship	Address	Date of grant	Expiry Date	No. of underlying Shares pursuant to options granted	Exercise price	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering
12	Yuen Su-King	Finance department employee of Gpixel Belgium	Guido Gezellelaan 81, B2870 Puurs, Belgium	June 20, 2023	June 20, 2028	32,000	RMB10.00	0.007%
13	Victor Förster	Sensor design team employee of Gpixel Belgium	Kaphaanlei 121, 2640 Mortsel, Belgium	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
14	Dries Wilbert F. Liebens	Sensor design team employee of Gpixel Belgium	Nachtegaalstraat 14A, 9190 Stekene, Belgium	June 20, 2023	June 20, 2028	21,000	RMB10.00	0.005%
15	NICOLAS CALLENS	Sensor design team employee of Gpixel Belgium	Kuringenstraat 48, 3511 Kuringen, Belgium	June 20, 2023	June 20, 2028	12,000	RMB10.00	0.003%
16	Xavier Salmon	Product research team employee of Gpixel Belgium	Grees 59, 2490 Balen, Belgium	June 20, 2023	June 20, 2028	32,000	RMB10.00	0.007%
17	Martin Villemur	Sensor design team employee of Gpixel Belgium	Meir 36, 4B, 2000 Antwerp, Belgium	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
18	Jeroen Rotte	Sensor design team employee of Gpixel Belgium	Bavelselaan 85, 4835GR Breda, Netherlands	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
19	Van Sieleghem Edward Carl H	Pixel & Advanced employee of Gpixel Belgium	Spinnewielstraat 9, 9160 Lokeren, Belgium	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
20	Gabriël Cornelis Jooste	Sensor design team employee of Gpixel Belgium	Kasteelstraat 93H, 2220 Heist-op-den-berg, Belgium	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
21	Ameys Marc	Sensor design team employee of Gpixel Belgium	Reutenbeek 78, 3090 Overijse, Belgium	June 20, 2023	June 20, 2028	11,000	RMB10.00	0.003%
22	Wolfs Bram	Sensor design team employee and an individual shareholder of Gpixel Belgium	De Kluis 58, 3221 Nieuwrode, Belgium	June 20, 2023	June 20, 2028	50,000	RMB10.00	0.011%

As of the Latest Practicable Date, all the options available for granting under the Pre-IPO Share Option Scheme have been fully granted and no further options could be granted pursuant to the Pre-IPO Share Option Scheme.

Assuming full exercise of the outstanding share options under the Pre-IPO Share Option Scheme, the shareholding of our Shareholders and earnings per Share immediately following the Global Offering will be diluted by approximately 1.40%, calculated based on 441,456,200 Shares in issue immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

An application has been made to the Stock Exchange for the listing of and permission to deal in the H Shares which may be allotted and issued upon the exercise of the outstanding options pursuant to the Pre-IPO Share Option Scheme.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the PRC law.

2. Litigation

During the Track Record Period and as of the Latest Practicable Date, we were not the defendant of any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our business, results of operations or financial conditions.

3. Joint Sponsors

The Joint Sponsors have 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 converted from Unlisted Shares and the H Shares to be issued pursuant to the Global Offering (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option). All necessary arrangements have been made to enable our H Shares to be admitted into CCASS.

The Joint Sponsors will each be paid by our Company a fee of US$250,000 to act as the Joint Sponsor to our Company in connection with the Listing.

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

4. Compliance Advisor

Our Company has appointed Guotai Junan Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.10% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Taxation and Foreign Exchange" in Appendix III to this prospectus.

7. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this prospectus:

Name	Qualification
CITIC Securities (Hong Kong) Limited	Licensed to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Guotai Junan Capital Limited	Licensed to conduct type 6 (advising on corporate finance) regulated activity under the SFO
Jia Yuan Law Offices	Legal advisor as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Ernst & Young	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Ernst & Young (China) Advisory Limited	Independent Tax Consultant
King & Wood	Legal advisor as to International Sanctions Laws
Oh-Ebashi LPC & Partners	Legal advisor as to Japanese law
ALTIUS BV	Legal advisor as to Belgian law

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries 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.

8. Consent of Experts

Each of the experts whose names are set out in paragraph 7 above has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

9. Promoters

The promoters of our Company are Dr. Wang, UP OPTOTECH, Zhuhai Yunchen, Luster, Zhuhai Xuchen, Dr. Ma, Dr. Zhang, Zhuhai Qixin, Gaoling Yurun, Xianjin Zhizao, Guoce Xiangchi, Xiamen Yuanfeng, Huashun Guangzhou, LIU Yang, LI Yang, Shenzhen Jiusi, Juyuan Xincheng, QIN Hao, Wuhu Tuochen, Suzhou Fangguang, Yibin Chendao, Shengyu Huatian, Zhongke Chuangxing, Changzhou Fangguang, Pingyang Yuanxin, Zhongke Xiandao, Donghu Guolong, Ningbo Yuxi, Zhongke Ketou, Thriving Capital and Jilin Yuanheng.

Within the two years 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 any promoters in connection with the Global Offering and the related transactions described in this prospectus.

10. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance on the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, 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 in so far as applicable.

12. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2024 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

13. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in note 35 of the Accountants' Report set out in Appendix I to this prospectus.

14. Miscellaneous

(a) Within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) In this prospectus:

(i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(ii) there is no arrangement under which future dividends are waived or agreed to be waived;

(iii) there are no contracts for hire or hire purchase of plan to or by us for a period of over one year which are substantial in relation to our business;

(iv) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries; and

(v) there are no outstanding debentures or convertible debt securities of our Company or any of our subsidiaries.

(c) none of our Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

(e) none of our equity and debt securities is presently listed on any stock exchange or traded on any trading system and no such listing or permission to list is being or is proposed to be sought.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 8. Consent of Experts"; and

(b) a copy of each of the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.gpixel.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Company for the three years ended December 31, 2023, 2024 and 2025;

(d) the report on unaudited pro forma financial information of our Group prepared by Ernst & Young, the text of which is set out in Appendix II to this prospectus;

(e) the legal opinions issued by Jia Yuan Law Offices, our PRC Legal Advisor, in respect of the general matters of our Group;

(f) the legal opinions issued by Oh-Ebashi LPC & Partners, our Japanese legal advisor, in respect of the general matters of Gpixel Japan;

(g) the legal opinions issued by ALTIUS BV, our Belgian legal advisor, in respect of the general matters of Gpixel Belgium;

(h) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in "Industry Overview" in this prospectus;

(i) the legal memorandum issued by King & Wood, our legal advisor as to International Sanctions Laws, in respect of international sanctions compliance;

(j) the transfer pricing report prepared by Ernst & Young (China) Advisory Limited, our independent tax consultant;

(k) the terms of the Pre-IPO Share Option Scheme;

(l) a copy of each of the PRC Company Law, the PRC Securities Law, the 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》), together with their unofficial English translations;

(m) the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts";

(n) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 8. Consent of Experts"; and

(o) the service contracts referred to in "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Directors and Chief Executive — (ii) Particulars of service agreements and appointment letters".

Gpixel Changchun Microelectronics Inc.
長春長光辰芯微電子股份有限公司