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Post Hearing Information Pack of

Anker Innovations Technology Co., Ltd.
安克創新科技股份有限公司

(the "**Company**")

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

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Anker Innovations Technology Co., Ltd.

安克創新科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED] and the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation, the [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read the section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.*

OVERVIEW

Who We Are

We are primarily engaged in the design and development of consumer electronics in the global smart devices industry, delivering reliable products and user-centric experiences to consumers worldwide. Our product offerings cover three major product lines — smart charging and power storage, smart home, and smart audio and video — featuring a broad range of products including mobile charging, consumer power storage, smart home security, smart cleaning, printing, smart audio, and smart projectors. We operate under a fabless model, under which we primarily focus on the design and sale of smart devices, while outsourcing manufacturing to our manufacturing partners.

Our Product Offerings

We currently operate three main product lines:

- *Smart Charging and Power Storage:* Smart charging and power storage solutions are the cornerstone of our business. This business line includes the full portfolio of charging devices and accessories under the Anker brand, as well as the Anker SOLIX brand of consumer power storage products.

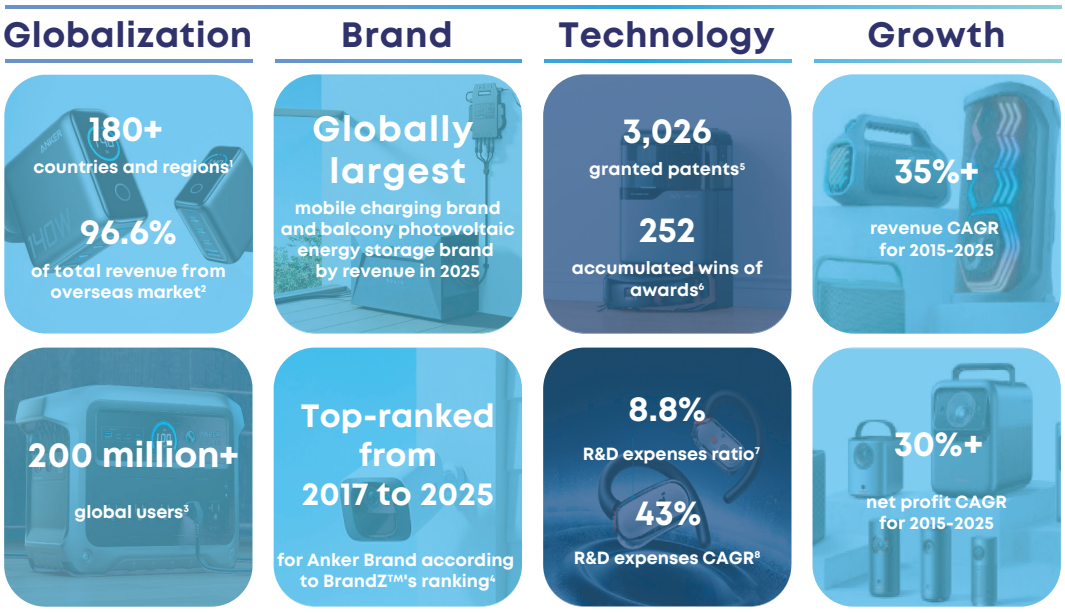
- *Smart Home:* We continue to focus on upgrading everyday home scenarios through intelligent solutions. Under the eufy label, we have incubated three product families. eufy Security offers a full range of home security systems, utilizing local data storage to deliver reliable, privacy-first protection with products such as security cameras, video doorbells, and alarm systems. eufy Clean specializes in home cleaning solutions, with robot vacuums that feature powerful suction, smart navigation, and efficient performance. eufyMake serves the growing consumer printing market, with 3D-texture UV printers that inspire creativity at home while extending our expertise and reach in smart manufacturing.

- *Smart Audio and Video:* Our smart audio and video products are built around our brand, soundcore, dedicated to elevating how people experience sound and visuals. soundcore offers a diverse range of wireless products, including headphones, speakers, and conference systems, designed with features such as noise cancellation, open-ear formats, and smart app controls to deliver seamless use across indoor and outdoor settings. In addition, we also offer Nebula-series portable smart projectors, a product line that includes advanced laser projectors with integrated audio systems, creating an all-in-one immersive viewing experience.

Our Accomplishments

Since our founding in 2011, we have grown from the Anker brand and steadily expanded our product portfolio across smart charging and power storage, smart home, and smart audio and video. We now operate three global brands — Anker, eufy, and soundcore — along with two core sub-brands, Anker SOLIX and eufyMake. According to Frost & Sullivan, globally by revenue from 2020 to 2024, we ranked second in the mobile charging products sector, and have been the largest independent mobile charging brand. In 2025, we ranked first globally in the mobile charging products sector by revenue. Our market share of global mobile charging products reached 4.8% in terms of revenue in 2025.

Driven by our globalization strategy, we continue to expand our business footprint, with our products sold in more than 180 countries and regions worldwide. While maintaining solid positions in key markets such as North America and Europe, we are also achieving rapid growth in emerging markets. As of December 31, 2025, we had served over 200 million users globally.



Notes: 1. As of December 31, 2025; 2. Percentage of total revenue from overseas market in 2025; 3. As of December 31, 2025; 4. Based on ranking of Anker Brand on the BrandZ™ "Top 50 Chinese Globalizing Brands" jointly released by Google and Kantar; 5. Number of granted patents globally as of December 31, 2025, consisting of invention patents, utility patents and design patents; 6. Number of wins of international industrial design and innovation product awards, as of December 31, 2025; 7. Ratio of total R&D expenses to total revenue during the Track Record Period; 8. R&D expenses CAGR from 2023 to 2025.

Product Innovation

Technological Innovation

We are committed to building competitive advantages through technological innovation. To continuously develop foundational and cross-category capabilities, we established the "2023 Laboratory," enabling applications of foundational technologies across multiple product lines. Supported by a platform-based R&D framework organized around product development teams (PDT) and software development teams (SDT), we have built a R&D system and achieved breakthroughs across several key technology areas.

Delivering Strong User Experiences

We believe that product innovation goes beyond simply developing functional solutions, it is about delivering experiences that consistently exceed user expectations. By leveraging both consumer insights system and market insights system, we define what constitutes the "optimal experience," and use this as the cornerstone for product conceptualization, innovation, and ongoing iterative updates. Our commitment to innovation and optimal user experiences continues to drive greater user value.

Commercialization

We maintain a tiered product portfolio and an omni-channel network. Our flagship products showcase advanced technology and distinctive design, enhancing our brand premium. Our main product lines meet the essential needs of mass market users at accessible price points. Entry-level

products address the everyday needs of a broader consumer base, and expand our overall market share. Online, we maintain a strong presence on major third-party e-commerce platforms, achieving growth in key markets through targeted campaigns and high product ratings. Offline, we have established long-term partnerships with major global retailers while expanding our network of self-owned offline retail stores, offering direct customer engagement and convenient purchasing options. Leveraging these strong multi-channel capabilities, we have built a comprehensive sales system spanning online and offline channels, including both direct and third-party distribution, supporting sustained sales growth while reinforcing brand awareness and user experiences. In 2025, revenue from end consumers accounted for over 70% of our total sales.

Our Growth Engine — Value Reinforcement

By integrating high-quality products with efficient commercialization, we have addressed the diverse needs of various customer segments. Our established brand presence enables us to capture user attention more effectively, reducing the effort and cost required to educate the market when we launch new products or enter new markets. As a result, we are able to accelerate successful commercialization, drive sustained business growth and strengthen our market position.

Rapid Growth and Solid Financial Performance

Leveraging the flywheel effect of "Product Innovation — Commercialization— Value Reinforcement," we have established a sustainable and scalable platform for success, enabling us to achieve breakthroughs across multiple regions, product categories, and channels.

Regions: We have established presence in North America, ranking second in the mobile charging market. In Europe, we have expanded rapidly in consumer power storage by capitalizing on the region's green transition initiatives including its promotion of solar energy strategy.

Product Categories: We continue to maintain our market leadership in mobile charging, power storage, smart security and wireless headphones. Globally by revenue from 2020 to 2024, we ranked second in the mobile charging products sector, and have been the largest independent mobile charging brand. In 2025, we ranked first globally in the mobile charging products sector by revenue. For smart home security products, we ranked among the top five players globally by revenue in 2025. In audio, soundcore ranked sixth in 2025 globally in wireless headphone markets by revenue.

Channels: Online, we have performed strongly across major global third-party e-commerce platforms, holding strong sales positions across Amazon in multiple regions. In 2025, revenue from online channels accounted for 70.2% of total revenue, representing a year-over-year growth rate of 21.7%. Offline, we strengthened partnerships with leading global retailers, established local teams and expanded networks, achieving 27.8% year-over-year growth in offline revenue in 2025.

Over a longer horizon, our revenue grew more than 23-fold from 2015 to 2025, achieving a CAGR of over 35%, demonstrating our strong capabilities in long-term business expansion and value creation. We have also consistently prioritized delivering sustainable returns to our shareholders. Our dividend payout ratios for 2023, 2024, and 2025 were 50.3%, 52.8% and 50.6%, respectively. With a solid business foundation, innovation and outstanding execution, we are devoted to generating greater long-term value for our shareholders and all stakeholders.

OUR GROWTH STRATEGIES

To achieve our mission and further strengthen our market position, we intend to pursue several key strategies. We will continue to drive user-centric product innovation and expand into new product categories. We plan to accelerate innovation through sustained investment in talent and advanced technologies. We will further enhance our global brand presence and build stronger consumer recognition worldwide. In addition, we aim to construct and optimize a global, direct-to-customer sales channel and supply chain network to support scalable and efficient growth. For details, see "Business — Our Growth Strategies."

OVERVIEW OF GLOBAL SMART DEVICES INDUSTRY

Our strategy focuses on "shallow-sea" markets, a concept we use to refer to product categories with market sizes under US$80 billion. These categories feature diverse user needs and relatively unconsolidated competitive landscapes, offering substantial room for innovation and strong growth potential. The shallow-sea markets are characterized by a broad variety of product categories, each with relatively small individual market sizes. Many of these segments are still in the early or high-growth phase, exhibiting rapid expansion potential. Product innovation and iteration occur at a faster pace, generating diverse avenues for value creation. The competitive landscape is generally fragmented, with frequent entries from emerging players driving continuous opportunity. Total size of these markets is approximately US$380.4 billion in 2025 and are expected to reach US$676.8 billion by 2030, representing a CAGR of 12.2% from 2025 to 2030, according to Frost & Sullivan. In these categories, companies that are able to address user pain points, maintain sustained R&D innovation, and cultivate effective team collaboration are best positioned to build competitive advantages across multiple product categories. See "Industry Overview — Overview of Global Smart Devices Industry" for more details.

SUMMARY OF KEY FINANCIAL INFORMATION

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

The table below sets forth key items of our consolidated statements of profit or loss and other comprehensive income for the periods indicated derived from the Accountants' Report included in Appendix I to this Document:

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Revenue	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**
Cost of sales	(10,026,828)	(57.3)	(14,065,293)	(56.9)	(17,127,972)	(56.1)
Gross profit	**7,480,375**	**42.7**	**10,644,787**	**43.1**	**13,386,431**	**43.9**
Other income and losses, net	319,219	1.8	365,063	1.5	575,314	1.9
Research and development expenses	(1,413,867)	(8.1)	(2,108,445)	(8.5)	(2,892,785)	(9.5)
Selling and distribution expenses	(3,886,613)	(22.2)	(5,569,791)	(22.5)	(6,826,803)	(22.4)
General and administrative expenses	(658,897)	(3.8)	(984,217)	(4.0)	(1,246,690)	(4.1)
Impairment loss on trade and other receivables	(32,853)	(0.2)	(6,909)	(0.0)	(46,017)	(0.2)
Operating profit	**1,807,364**	**10.3**	**2,340,488**	**9.5**	**2,949,450**	**9.7**
Finance costs	(26,687)	(0.2)	(27,760)	(0.1)	(52,051)	(0.2)
Share of profits of associates	31,835	0.2	35,621	0.1	25,075	0.1
Profits before taxation	**1,812,512**	**10.4**	**2,348,349**	**9.5**	**2,922,474**	**9.6**
Income tax	(118,573)	(0.7)	(137,225)	(0.6)	(305,280)	(1.0)
Profit for the year	**1,693,939**	**9.7**	**2,211,124**	**8.9**	**2,617,194**	**8.6**
Equity shareholders of the Company	1,614,872	9.2	2,114,430	8.6	2,545,132	8.3
Non-controlling interests	79,067	0.5	96,694	0.4	72,062	0.2

Revenue

By Types of Products and Services

During the Track Record Period, we generated revenue mainly from sales of smart devices. The following table sets forth the breakdown of our revenue in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Smart charging and power storage	8,603,582	49.1	12,667,007	51.3	15,401,753	50.5
Smart home	4,541,291	25.9	6,336,477	25.6	8,271,292	27.1
Smart audio and video	4,285,272	24.5	5,692,427	23.0	6,833,491	22.4
Others*	76,147	0.4	14,169	0.1	7,867	0.0
Subtotal	**17,506,292**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**
Gross rentals from investment property	911	0.0	–	–	–	–
Total	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**

Note:

* In 2023, others primarily include agency services, which included managing online store operations for third-parties, and the subsidiary responsible for providing agency services was divested in 2023. Since 2024, others primarily include revenue generated from certain accessories that were previously not categorized into our major product lines.

Sales Volume and Average Selling Price by Product Category

The following table sets forth a breakdown of the sales volume and average selling price by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Volume	Average selling price	Volume	Average selling price	Volume	Average selling price
	thousands	*RMB*	*thousands*	*RMB*	*thousands*	*RMB*
Smart charging and power storage	62,226	138.3	83,152	152.3	93,521	164.7
Smart home	6,917	656.5	9,639	657.4	10,778	767.5
Smart audio and video	14,179	302.2	23,258	244.7	27,588	247.7
Total	**83,322**	**209.2**	**116,049**	**212.8**	**131,887**	**231.3**

Gross Profit and Gross Profit Margin

Gross profit is calculated as total revenue minus cost of sales. The ratio of gross profit to total revenue is referred to as the gross profit margin, representing our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit and gross profit margin by type of goods or service for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
		%		%		%
	(RMB in thousands, except for percentages)					
Smart charging and power storage	3,557,514	41.3	5,179,550	40.9	6,134,123	39.8
Smart home	2,064,236	45.5	2,903,391	45.8	3,941,304	47.7
Smart audio and video	1,849,450	43.2	2,551,537	44.8	3,304,427	48.4
Others	9,161	12.0	10,309	72.8	6,577	83.6
Subtotal	7,480,361	42.7	10,644,787	43.1	13,386,431	43.9
Gross rentals from investment property	14	1.5	–	–	–	–
Total	**7,480,375**	**42.7**	**10,644,787**	**43.1**	**13,386,431**	**43.9**

The increase in our gross profit margin during the Track Record Period was primarily driven by the continuous launch of new products as well as product iterations with higher gross profit margins, and enhanced cost control measures that resulted in margin improvement. For instance, the gross profit margin of smart home products and smart audio and video products are improving during the Track Record Period. Additionally, due to a reduction in international freight costs and our enhanced product cost control measures, the production costs declined, resulting in an increase in gross profit margins.

Summary Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report included in Appendix I to this Document:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	3,601,746	4,236,158	3,980,366
Total current assets	9,174,957	12,367,550	16,086,527
Total assets	**12,776,703**	**16,603,708**	**20,066,893**
Total non-current liabilities	1,194,235	1,557,676	2,586,711
Total current liabilities	3,421,169	5,901,512	6,768,512
Total liabilities	**4,615,404**	**7,459,188**	**9,355,223**
Net current assets	**5,753,788**	**6,466,038**	**9,318,015**
Net assets	**8,161,299**	**9,144,520**	**10,711,670**

We have net current assets position as of December 31, 2023, 2024 and 2025. Our net assets increased from RMB8,161.3 million as of December 31, 2023 to RMB9,144.5 million as of December 31, 2024, primarily due to (i) our profit for the year of RMB2,211.1 million, (ii) issuance of shares under share award schemes of RMB103.5 million, and (iii) dividends declared and approved of RMB1,145.5 million. Our net assets increased from RMB9,144.5 million as of December 31, 2024 to RMB10,711.7 million as of December 31, 2025, primarily due to (i) profit for the year of RMB2,617.2 million, (ii) issuance of shares under share award schemes of RMB164.3 million, and (iii) dividends declared and approved of RMB1,189.0 million. For detailed discussion on our net current assets, please see "Financial Information – Discussion of Certain Key Items From Our Consolidated Statements of Financial Position – Current Assets and Liabilities"

Summary Consolidated Statements of Cash Flows

The following table sets forth our consolidated cash flow data for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash generated from operating activities	1,429,913	2,745,459	480,807
Net cash (used in)/generated from investing activities	(4,453)	(1,503,479)	306,007
Net cash used in financing activities	(613,180)	(809,833)	(129,476)
Net increase in cash and cash equivalents	**812,280**	**432,147**	**657,338**
Cash and cash equivalents at the beginning of the year	928,610	1,789,101	2,328,704
Effect of foreign exchange rate changes	48,211	107,456	81,700
Cash and cash equivalents at the end of the year	**1,789,101**	**2,328,704**	**3,067,742**

Net cash generated from operating activities in 2025 was RMB480.8 million, which primarily consists of profit before taxation of RMB2,922.5 million, partially offset by tax paid of RMB336.1 million, adjusted for certain non-cash and non-operating items.

Net cash generated from operating activities in 2024 was RMB2,745.5 million, which primarily consists of profit before taxation of RMB2,348.3 million, partially offset by tax paid of RMB200.0 million, adjusted for certain non-cash and non-operating items.

Net cash generated from operating activities in 2023 was RMB1,429.9 million, which primarily consists of profit before taxation of RMB1,812.5 million, partially offset by tax paid of RMB87.2 million, adjusted for certain non-cash and non-operating items.

For a more comprehensive discussion of our liquidity and capital resources, see "Financial Information — Liquidity and Capital Resources — Net Cash Generated from/(Used in) Operating Activities" for further details.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consisted of end users who purchase our products, distributors to whom we sell our products and retailers. In 2023, 2024 and 2025, the aggregate revenue generated from our five largest customers in each year were RMB1,985.2 million, RMB2,474.8 million and RMB2,620.2 million, representing 11.3%, 10.0% and 8.6% of our revenue, respectively. Revenues generated from our largest customer in the same years were RMB652.5 million, RMB651.2 million and RMB588.0 million, representing 3.7%, 2.6% and 1.9% of our revenue, respectively. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest customers in each year were independent third parties, and none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year. In 2023, 2024 and 2025, the aggregate purchase amounts from our five largest suppliers in each year were RMB3,638.9 million, RMB4,851.0 million and RMB5,920.4 million, representing 33.7%, 33.8% and 34.0% of our total purchase amount, respectively. The purchase amounts from our largest supplier in the same periods were RMB1,073.8 million, RMB1,274.2 million and RMB1,553.6 million, representing 9.9%, 8.9% and 8.9% of our total purchase amount, respectively. During the Track Record Period, we did not experience any material fluctuation in prices set by our suppliers or material breach of contract on the part of our suppliers. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year. For details, see "Business — Our Customers" and "Business — Our Suppliers."

OUR RELATIONSHIP WITH AMAZON

Amazon operates a leading global e-commerce platform with extensive geographic reach, standardized operating rules and a large, diversified consumer base. According to Frost & Sullivan, it is industry practice for global smart device companies to sell through such third-party platforms. We leverage Amazon as one of our earliest and key overseas sales channels to access major developed markets, benefiting from its scale, transparent review mechanisms and growing market penetration to enhance brand visibility, consumer trust, customer acquisition and repeat purchases in North America, Europe and East Asia.

During the Track Record Period, revenue generated from sales through Amazon were RMB9,996.3 million, RMB13,417.7 million, and RMB15,955.4 million, representing 57.1%, 54.3% and 52.3% of our total revenue for 2023, 2024 and 2025, respectively.

Our Directors are of the view that our close relationship with Amazon does not have any material and adverse impact on our business operations and financial performance, based on the following considerations: (i) our arrangements with Amazon are non-exclusive and conducted on standard commercial terms generally applicable to all sellers on the Amazon platform. Either party may terminate the agreement, with Amazon entitled to terminate upon providing 30 days' prior

notice to us, and we entitled to terminate at any time. In addition, Amazon may terminate the agreement in accordance with its platform compliance requirements and rule-based enforcement mechanisms; (ii) we have operated on Amazon's platform for more than 15 years with a consistent record of compliance with platform rules relating to product quality, intellectual property, customer service and seller conduct. We have not experienced any material disputes, or account suspensions during the Track Record Period; (iii) consumer demand for our products on Amazon is primarily driven by brand recognition, product performance and customer reviews rather than traffic allocation or algorithmic preferences granted by Amazon; (iv) our products are not customized for Amazon and are technically and commercially suitable for distribution across multiple online and offline channels, enabling redeployment if required; and (v) we have actively diversified our sales channels by expanding onto other third-party e-commerce platforms, strengthening our direct-to-consumer capabilities, and growing our offline retail presence across multiple regions, supported by flexible logistics arrangements including overseas warehouses and third-party providers. In parallel, we continue to invest in brand building and R&D to enhance product competitiveness and reduce reliance on any single sales platform.

For detailed discussion about our relationship with Amazon, please see "Business — Sales and Marketing of Our Products — Our Relationship with Amazon."

OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [**REDACTED**], our Company was held as to 43.39% by Mr. Yang and 3.64% by Ms. He. Mr. Yang and Ms. He are parties acting in concert. Accordingly, Mr. Yang and Ms. He are our Controlling Shareholders before the [**REDACTED**].

Immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds), Mr. Yang and Ms. He will be entitled to control an aggregate of approximately [**REDACTED**]% of the voting rights in our Company and will remain as our Controlling Shareholders upon [**REDACTED**].

RISK FACTORS

Our operations and the [**REDACTED**] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [**REDACTED**] in us and/or the value of your [**REDACTED**]. Some of the major risks we face include, but are not limited to, the following:

- the success of our business depends on continuous innovation and responsiveness to evolving market and technological trends;
- our products may experience quality problems that can result in harm to our reputation. Significant return or exchange, product-related liability and product recall costs could also adversely affect our business and financial performance;
- we generate a significant portion of our revenue from third-party e-commerce platforms. Disruptions of our relationships with third-party e-commerce platforms, changes in, or interpretation of, policies of such third-party e-commerce platforms or unfavorable changes in our arrangements with them, could have a material adverse effect on our business, financial condition and results of operations.
- we are subject to risks associated with our global presence and will continue to be subject to such risks as we continue to expand our business overseas. Changes to the global economic environment as well as trade relationships could negatively impact our operating results and result in fluctuations to the demand for our products; and
- we participate in highly competitive markets and we may not be able to compete successfully.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming the [**REDACTED**] and the [**REDACTED**] are not exercised and an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the midpoint of the indicative [**REDACTED**] stated in this Document.

In line with our strategies, we intend to use the net [**REDACTED**] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions: approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to drive product iteration and innovation as well as to expand product categories. We remain committed to a user-centric approach, continuously advancing and innovating our existing product lines while focusing on shallow-sea markets. By leveraging real world usage scenarios, we aim to create differentiated products and expand our product portfolio; approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to R&D and talent acquisition, strengthening our technological foundation to support ongoing innovation and global expansion; approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to strengthen our direct-to-consumer global market strategy; approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to upgrade supply chain management to support ongoing global expansion efforts; approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to enhance our brand's appeal and deepen consumer loyalty; and approximately [**REDACTED**]% or HK$ [**REDACTED**] will be allocated for working capital and general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" for further details.

[**REDACTED**]

[**REDACTED**]

OUR A-SHARE LISTING ON THE CHINEXT MARKET OF THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange since August 24, 2020. Our Directors have confirmed that the Company has had no instance of non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A-Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to [**REDACTED**] attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Adviser is of the view that the Company has complied with all applicable securities laws and regulations in the PRC in relation to its listing on the ChiNext Market of the Shenzhen Stock Exchange in all material respects throughout the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in any material respect.

[**REDACTED**]

Our [**REDACTED**] mainly include (i) [**REDACTED**], such as [**REDACTED**] fees and [**REDACTED**], and (ii) [**REDACTED**] expenses, comprising professional fees paid to our legal advisers and reporting accountants for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [**REDACTED**] (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**]. Among such estimated total [**REDACTED**], we expect to pay [**REDACTED**] expenses of RMB[**REDACTED**], professional fees for our legal advisers and reporting accountants of RMB[**REDACTED**] and other fees and expenses of RMB[**REDACTED**]. An estimated amount of RMB[**REDACTED**] for our [**REDACTED**] was and is expected to be expensed through the consolidated statements of profit or loss and other comprehensive income and an estimated amount of RMB[**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. We did not recognize any [**REDACTED**] in 2023 and 2024. We recognized [**REDACTED**] of RMB[**REDACTED**] through profit and loss in 2025.

DIVIDENDS

We have adopted both Articles of Association and a separate dividend guideline governing the principles and considerations applicable to dividend distributions. Pursuant to our dividend guideline, dividend distributions are determined with a view to balancing shareholder returns and the Company's long-term development needs. Our Board considers a range of factors, including the Company's financial performance, cash flow, capital requirements, development stage, investment plans, debt repayment capability and other relevant circumstances, and seeks to maintain a stable and sustainable dividend policy while preserving sufficient resources to support the Company's future growth. In addition, our dividend guideline provides that we shall distribute no less than 10% of our distributable profits realized in the current year as cash dividends annually.

However, we do not have a formal dividend policy on a pre-determined fixed dividend payout ratio. During the Track Record Period, we have paid dividend of RMB487.7 million, RMB1,131.9 million and RMB1,172.6 million for the year ended December 31, 2023 and 2024 and 2025, respectively. According to the applicable laws in the PRC and our Articles of Association, we will, in principle, declare cash dividend distribution annually after the conclusion of our annual general meeting of shareholders, and may also distribute interim cash dividends based on our profitability and capital requirements, provided that it meets the conditions for cash dividends while ensuring our normal operations and long-term development. In conjunction with the aforementioned cash dividend distributions, we may also distribute stock dividend.

RECENT DEVELOPMENTS

Our business has continued to grow following the Track Record Period, with year-over-year revenue growth in the first quarter of 2026, reflecting sustained customer demand. For the three months ended March 31, 2026, average selling prices were RMB180.6 per unit for smart charging

and power storage, RMB779.4 per unit for smart home, and RMB248.6 per unit for smart audio and video, and the sales volume was 23.1 million units for smart charging and power storage, 2.4 million unit for smart home, and 6.2 million unit for smart audio and video.

Unaudited Financial Information for the Three Months Ended March 31, 2026

Our revenue increased by RMB1,614.3 million, or 26.9%, from RMB5,993.4 million for the three months ended March 31, 2025 to RMB7,607.6 million for the three months ended March 31, 2026, primarily due to an increase in the revenue generated from smart charging and power storage, and to a lesser extent to an increase in the revenue generated from smart home and smart audio and video. Total sales volume of our three major product categories increased from 28.1 million units to 31.7 million units, while the average selling price rose from RMB213.1 per unit to RMB240.1 per unit over the same periods.

Our unaudited condensed consolidated interim financial information for the three months ended March 31, 2026 has been reviewed by our Reporting Accountants in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity,* as issued by the Hong Kong Institute of Certified Public Accountants. For details, see Financial Information and Appendix IA to this Document.

Dividend Distribution for 2025

Subsequent to the end of the Track Record Period, a final dividend in respect of the year ended December 31, 2025 of RMB1.7 per share (tax inclusive), in an aggregate amount of approximately RMB911,670,000, was approved by the shareholders at the annual general meeting and paid in May 2026.

U.S. Tariffs

On November 1, 2025, the U.S. government released a fact sheet that documents the latest actions to be taken by the U.S. and Chinese governments to relax tariff and other trade controls as a result of a trade and economic deal reached between the two sides. The U.S. among other measures, lowered the tariffs on Chinese imports by removing 10 percentage points of the cumulative rate, effective November 10, 2025, and maintained its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. The U.S. agreed to extend the expiration of certain Section 301 tariff exclusions, currently due to expire on November 29, 2025, until November 10, 2026. The U.S. also agreed to suspend for one year, starting on November 10, 2025, the implementation of the interim final rule titled Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities.

On February 20, 2026, the Supreme Court of the United States ruled that the International Economic Emergency Powers Act ("**IEEPA**") does not authorize the President to impose tariffs. As a result, the "reciprocal" tariffs and the "fentanyl-related" tariffs imposed by the President pursuant to IEEPA in March and April 2025 were declared to be unlawful. On February 24, 2026, a 10% global baseline tariff under Section 122 of the Trade Act of 1974 became effective for a 150-day period, notwithstanding the U.S. President's prior announcement of the intent to impose a tariff of up to 15% for the same duration under the same statutory authority. For a detailed discussion of tariffs applicable to us and the related risks, see "Risk Factors — Risks Relating to Our Business and Industry — Changes in international trade policies, geopolitics and trade protection measures, export controls and economic or trade sanctions may affect our business, financial condition and results of operations." and "Regulatory Overview — Law and Regulations Related to Our Business in the U.S."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had 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 the periods reported on in the Accountants' Report set out in Appendix I to this Document, and there had 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 Document.

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

"2024 Restricted Share Incentive Plan"	the restricted share incentive plan of our Company approved and adopted on July 16, 2024, a summary of the principal terms of which is set forth in the section headed "Statutory and General Information — Restricted Share Incentive Plans" in Appendix IV to this Document
"2025 Convertible Bonds"	the convertible bonds issued by our Company of RMB1,104,820,000 at a par value of RMB100 in 2025, and listed on the ChiNext Market of the Shenzhen Stock Exchange (bond code: 123257)
"2025 Restricted Share Incentive Plan"	the restricted share incentive plan of our Company approved and adopted on August 19, 2025, a summary of the principal terms of which is set forth in the section headed "Statutory and General Information — Restricted Share Incentive Plans" in Appendix IV to this Document
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are traded in Renminbi and listed on the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of the A Share(s)
"Accountants' Report"	the accountants' report prepared by KPMG, details of which are set out in Appendix I to this Document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, as amended, which shall become effective on the [**REDACTED**], a summary of which is set out in Appendix III to this Document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "our Board"	the board of Directors
"business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[**REDACTED**]

"China", "Chinese mainland" or "PRC"	except otherwise noted, the People's Republic of China, which, for the purpose of this Document and for geographical reference only, excludes Hong Kong, the Macao Special Administrative Region of the People's Republic of China, and Taiwan Region
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	Anker Innovations Technology Co., Ltd. (安克創新科技股份有限公司), a limited liability company incorporated in the PRC on December 6, 2011 and converted into a joint stock company with limited liability on June 6, 2016, the A Shares of which have been listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300866) since August 24, 2020
"Compliance Adviser"	Rainbow Capital (HK) Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Mr. Yang and Ms. He. See the section headed "Relationship with Our Controlling Shareholders" in this Document
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company

"dividend payout ratio"	dividend payout ratio of 2023 is calculated by final dividend approved and paid during 2024 divided by profit attributable to equity shareholders of the Company in 2023; dividend payout ratio of 2024 is calculated by the sum of interim dividend declared and paid during the year ended 2024 and final dividend approved and paid during 2025, divided by profit attributable to equity shareholders of the Company in 2024; and dividend payout ratio of 2025 is calculated by the sum of interim dividend declared and paid during the year ended 2025 and final dividend approved and paid during 2026, divided by profit attributable to equity shareholders of the Company in 2025
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party

[**REDACTED**]

"Group", "our Group, "our", "we" or "us"	our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time

"H Share(s)"	[**REDACTED**] ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and [**REDACTED**] in Hong Kong dollars and to be [**REDACTED**] on the Hong Kong Stock Exchange
	[**REDACTED**]
"HK$", "HKD" or "Hong Kong dollar(s)"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
	[**REDACTED**]
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited

"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules

[**REDACTED**]

"International Trade Legal Adviser"	Jacobson Burton Kelley PLLC, our legal adviser as to U.S. sanctions, U.S. export controls and U.S. customs duties and tariffs

[**REDACTED**]

"Joint Sponsors"	the joint sponsors as named in the section headed "Directors and Parties Involved in the [**REDACTED**]" in this Document

"Latest Practicable Date"	May 29, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[**REDACTED**]

"Listing Committee"	the listing committee of the Hong Kong Stock Exchange

[**REDACTED**]

"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
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Yang"	Mr. Yang Meng (陽萌), our executive Director and chairman of the Board, and one of our Controlling Shareholders
"Ms. He"	Ms. He Li (賀麗), one of our Controlling Shareholders
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[**REDACTED**]

[**REDACTED**]

"Overseas Listing Trial Measures"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) issued by the CSRC on February 17, 2023 and effective on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the PRC's central bank
"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 Data Compliance Legal Adviser"	Haiwen & Partners, our legal adviser as to PRC data compliance laws in connection with the [**REDACTED**]
"PRC Legal Adviser"	Haiwen & Partners, our legal adviser as to PRC laws in connection with the [**REDACTED**]

[**REDACTED**]

"Document"	this document being issued in connection with the [**REDACTED**]
"QIB(s)"	qualified institutional buyer(s) within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Restricted Share Incentive Plan(s)"	the 2024 Restricted Share Incentive Plan and 2025 Restricted Share Incentive Plan
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program to be developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) for the establishment of mutual market access between Hong Kong and Shenzhen
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Track Record Period"	the period comprising the three financial years ended December 31, 2023, 2024 and 2025
"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. dollar(s)", "US$" or "USD"	United States dollar(s), the lawful currency of the U.S.
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"VAT"	value-added tax

[**REDACTED**]

"%"	per cent

GLOSSARY OF TECHNICAL TERMS

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

"3D MatrixEye™ Obstacle Avoidance"	an advanced three-dimensional vision system for precise obstacle detection and navigation in robot vacuums
"3D-texture UV Printer"	a consumer-grade UV printer capable of full-color 3D texture printing through an integrated hardware — software workflow
"Active Noise Cancelling" or "ANC"	a four-stage algorithm using multiple microphones to analyze ambient sound and generate precise anti-noise in real time, significantly reducing noise while preserving natural, high-fidelity audio
"alpha testing"	internal pre-release testing conducted by the company's development teams to validate core functions, uncover major defects, and ensure basic product stability before any external user trials
"AR/VR display devices"	augmented-reality or virtual-reality display systems that project digital content into real-world environments or immersive virtual environments through specialised headsets or screens
"auto-framing"	an intelligent camera feature that automatically detects subjects and adjusts the frame to keep them centred during video recording or conferencing
"balcony photovoltaic energy storage"	small-scale solar energy systems installed on residential balconies, consisting of compact solar panels, inverters and sometimes battery storage
"battery management system" or "BMS"	a system monitoring and controlling battery performance, safety, temperature, and charging cycles in energy-storage applications
"Best Experience Enhancement System" or "BEES"	a system for optimizing user experiences through iterative testing, evaluation, and refinement of product features
"Beta testing"	a limited external trial in which selected users evaluate a near-final product to provide practical feedback on performance, usability, and potential issues prior to commercial launch
"binaural beats"	an audio phenomenon produced when two tones of slightly different frequencies are presented separately to each ear, creating the perception of a third tone and often used in relaxation or focus applications
"CAGR"	a financial metric that represents the average annual growth rate of an investment, revenue, user base, or other metric over a specified multi-year period, assuming the value grows at a steady compounded rate each year

GLOSSARY OF TECHNICAL TERMS

"direct-to-consumer" or "DTC"	a commercial model in which a company markets and sells products directly to end consumers without relying on traditional retail intermediaries
"Dolby Audio"	an audio processing technology developed by Dolby Laboratories that improves sound clarity, spatial detail and playback consistency in multimedia applications
"dynamic equalization"	a technology that balances individual battery cells to preserve capacity and extend runtime, particularly under frequent or heavy use
"Edge AI Agent"	an on-device AI module handling local data processing and self-learning to improve response speeds and privacy
"energy management system" or "EMS"	a system optimizing the storage, distribution, and usage of electrical energy across residential or device-level applications
"energy storage PACK system"	a structured battery pack integrating cells, thermal management, and protective circuits for energy-storage applications
"four-stage system"	a purification or filtration mechanism consisting of four sequential treatment steps, typically designed to enhance cleaning, deodorisation or sanitisation efficiency
"Gallium Nitride" or "GaN"	a wide-bandgap semiconductor material originally used in aerospace applications, now enabling smaller, higher-efficiency consumer chargers
"high-fidelity codecs"	digital audio encoding and decoding formats designed to preserve audio quality by efficiently compressing and reproducing sound with minimal distortion or data loss
"Hi-Res Audio"	refers to audio recordings and playback systems that reproduce sound at a quality significantly higher than that of standard CDs or compressed digital audio formats, aiming to deliver the closest possible representation of the original studio recording
"independent mobile charging brand"	a non-mobile-phone brand, unaffiliated with mobile phone manufacturers, that designs and produces mobile charging products
"Internet of Things" or "IoT"	a network of interconnected devices capable of communication and data exchange, enabling integrated smart home and wearable applications
"interoperability"	the ability of different devices, systems or software platforms to exchange information and operate together seamlessly
"IPX4 water resistance"	a water-resistance rating indicating that a device can withstand splashing water from any direction under standardised testing conditions

GLOSSARY OF TECHNICAL TERMS

"Joint Maker Lab" or "JML"	an internal research and testing framework used to evaluate user profiles, product concepts, competitiveness and user-experience feedback
"MFi program"	Apple Inc.'s licensing programme that certifies third-party accessories for compatibility with Apple devices and associated communication protocols
"multi-port charging technology"	charging designs enabling simultaneous charging of multiple electronic devices, enhancing efficiency across portable and travel scenarios
"obstacle recognition"	vision-based dual-camera technology enabling robot vacuums to identify and avoid obstacles for improved navigation
"on-device AI"	Artificial intelligence algorithms processed locally on the device, enabling real-time event detection without cloud computation
"pass-through charging"	a feature allowing a device to be charged while it simultaneously delivers power to other connected devices
"photovoltaic inverters"	inverters used across photovoltaic systems to convert solar-generated DC electricity into AC electricity for household or grid consumption
"portable power storage"	small power storage devices equipped with built-in batteries, featuring high capacity, high power output, safety and portability, used mainly for outdoor activities and emergency scenarios
"power conversion system" or "PCS"	a system handling bidirectional conversion between AC and DC electricity in energy-storage systems
"Qi-certified devices"	devices that comply with the Qi wireless charging standard established by the Wireless Power Consortium, ensuring interoperability and safety in wireless power transfer
"recreational vehicle" or "RV"	a self-contained vehicle or trailer designed for travel, leisure, and temporary accommodation and often require specialized mobile charging, power storage, or off-grid energy solutions
"residential energy storage"	home-based power storage systems, capable of charging during off-peak hours and supplying electricity during peak periods or outages
"self-cleaning roller technology"	a mechanism that performs real-time cleaning of the roller brush in robot vacuums to maintain performance and hygiene
"semi-solid-state technology"	a battery technology that uses semi-solid electrolytes, combining features of liquid and solid-state systems to improve safety, thermal stability and energy density
"situational awareness"	the ability of a device or system to perceive environmental inputs — such as motion, sound or visual cues — and respond accordingly to support safe or efficient operations

GLOSSARY OF TECHNICAL TERMS

"smart stair-climbing carrier for robot vacuum"	generally speaking, "smart" refers to the device's ability to independently perceive its environment, make decisions, and perform tasks without external assistance. In particular for our stair-climbing carrier for robot vacuum, "smart" means that the device can complete tasks such as climbing stairs on its own, without the support of a robot vacuum, demonstrating independent operation and control capabilities
"snore-masking system"	an audio or algorithmic system designed to reduce or mask snoring noise through sound processing or noise-masking techniques
"triple-composite diaphragm drivers"	audio drivers constructed using three different layered materials to improve rigidity, responsiveness and sound fidelity across frequency ranges
"ultra-low power consumption"	power-saving system enabling smart security devices to operate on a single battery charge for up to one year
"uninterruptible power supply" or "UPS"	a device that provides emergency backup power and protects electronic equipment from power interruptions, voltage fluctuations, and surges

FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements and information relating to us and our subsidiary that are based on the intentions, beliefs, expectations or predictions of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would," "vision," "aspire," "target," "schedules," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Document, some of which are beyond our control and 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. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties.

The risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, forward-looking statements include, but are not limited to, factors relating to our operations and business prospects; our ability to maintain relationships with major customers and suppliers and developments affecting them; future trends and conditions in the industries and markets in which we operate or plan to operate; and general economic, political and business conditions in such markets. They also include changes in the regulatory environment; our ability to maintain our market position; competitive developments; our ability to control costs and optimize pricing; the performance of third parties under contractual arrangements; and our ability to retain senior management and key personnel and recruit qualified staff. In addition, risks relate to the execution of our business strategies and expansion plans, protection of our intellectual property and confidential information, effectiveness of our quality control systems, fluctuations in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, capital market developments, and other risks and uncertainties described in the section headed "Risk Factors" in this Document.

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

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

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

An [**REDACTED**] *in our H Shares involves various risks, some of which could be significant. You should carefully consider all of the information in this Document, including the risks and uncertainties described in this "Risk Factors" section, before making an* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled "Forward-Looking Statements" of this Document.*

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

The success of our business depends on continuous innovation and responsiveness to evolving market and technological trends

Our success depends on our ability to timely develop and launch innovative products that align with evolving consumer preferences, industry trends and technological standards. The smart devices markets in which we operate are highly competitive and characterized by rapid technological advancements and shifting demand. If we misjudge market trends, fail to anticipate changes in consumer preferences, or are unable to introduce new products with features, performance levels and/or pricing acceptable to customers, our competitiveness and market position may be adversely affected.

Our significant investments in research and development are critical to sustainable growth. In 2023, 2024 and 2025, our R&D expenses were RMB1,413.9 million, RMB2,108.4 million, and RMB2,892.8 million, respectively. There is no assurance that our R&D efforts will result in commercially successful products within expected timeframes or budgets, however. Product development cycles may be prolonged, R&D projects may fail to achieve anticipated outcomes, and new products may not gain market acceptance. In addition, investments in general technology infrastructure and emerging business areas, such as smart home, may not generate immediate returns and could involve substantial sunk costs. Newly introduced products may also fail to meet expected sales and profitability targets.

Furthermore, our ability to compete effectively depends on factors including brand reputation, product quality, portfolio diversification, pricing, marketing effectiveness and customer acquisition and retention capabilities. Existing or potential competitors may develop similar or superior products, adopt new technologies more rapidly, or offer more competitive pricing. If we fail to keep pace with technological evolution, adapt to emerging industry standards, or compete effectively, we may experience loss of market share, reduced profitability and adverse impacts on our business, financial condition and results of operations.

Our products may experience quality problems that can result in harm to our reputation. Significant return or exchange, product-related liability and product recall costs could also adversely affect our business and financial performance.

Product quality is critical to our success. Latent defects or failures in design, manufacturing or components may create safety hazards or operational issues, potentially resulting in product liability or warranty claims, regulatory penalties, product recalls or market withdrawals. We may also be required to compensate customers for repair, replacement or indemnification costs, and our insurance coverage may be insufficient or inapplicable. Any failure to promptly and effectively address such issues could harm customer relationships and brand reputation, reduce market acceptance of our products, and materially and adversely affect our business, financial condition and results of operations.

Furthermore, if any products sold by us are alleged or perceived to have quality or safety issues or defective, we may need to recall such products from the market, resulting in reduced revenue and/or increased costs or expenses. Product recalls are not uncommon in the smart devices industry. We had in the past experienced voluntary recalls in several countries. During the Track Record Period, we conducted several voluntary product recalls which we believe will not have a material adverse impact on our operations or financial performance. We voluntarily initiated product recalls in June and October 2025 upon issues were identified with the battery cell models used in certain production batches. We cannot guarantee that product recalls will not occur. We have been involved in litigations concerning our product recalls and may face product liability claims arising from product recalls. We cannot assure you that we will not face similar product liability claims in the future. Any product recalls, claims or legal proceedings against us, regardless of merit, can strain our financial resources, hurt our reputation, divert significant management time and attention and subject us to investigations and penalties from regulatory authorities. Should any product liability claims be upheld, we may incur liabilities, and our reputation may be severely damaged, which could make it difficult for us to sell our products to existing and prospective customers. We may also face disruptions in our product manufacturing and supply chain resulting from temporary halt of production, quality inspection or change of suppliers due to product recalls. Any of the foregoing circumstances could materially and adversely affect our business, results of operations and financial condition.

We generate a significant portion of our revenue from third-party e-commerce platforms. Disruptions of our relationships with third-party e-commerce platforms, changes in, or interpretation of, policies of such third-party e-commerce platforms or unfavorable changes in our arrangements with them, could have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period, we sold our products through third-party e-commerce platforms to consumers. We have established a strong presence on global leading third-party e-commerce platforms, including but not limited to Amazon, Rakuten, JD.com and Shopee, where data-driven, refined management enables us to efficiently convert traffic to sales volume. The revenue generated from third-party e-commerce platforms amounted to RMB11,063.4 million, RMB15,096.6 million, and RMB18,292.4 million in 2023, 2024, and 2025, respectively, representing 63.2%, 61.1%, and 60.0% of our revenue, respectively. In particular, revenue generated from Amazon amounted to RMB9,996.3 million, RMB13,417.7 million and RMB15,955.4 million in 2023, 2024, and 2025, accounting for 57.1%, 54.3% and 52.3% of our revenue in each year during the Track Record Period. We expect that sales through such third-party e-commerce platforms will continue to contribute to our total revenue in the foreseeable future. As such, our profitability and business performance rely on, among other things, the continued stable cooperation between third-party e-commerce platforms and us.

We have entered into standard agreements with third-party e-commerce platforms. We cannot guarantee that we will be able to maintain and renew our agreements on favorable terms, or at all. In the case that third-party e-commerce platforms amend the terms of agreements or render such terms unfavorable to us, our business performance, results of operations and profitability may be adversely affected. In addition, if stricter laws and regulations or other regulatory requirements on e-commerce activities are established and impose additional compliance obligations on us, we may incur significant compliance costs.

Furthermore, our sales of products depend on the proper operation of third-party e-commerce platforms. However, we do not have control over such third-party e-commerce platforms, and they may be vulnerable to damage or interruptions such as power failure, computer viruses, acts of hacking, vandalism and similar events. Any material interruption or damage to the third-party e-commerce platforms may have an adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with our global presence and will continue to be subject to such risks as we continue to expand our business overseas. Changes to the global economic environment as well as trade relationships could negatively impact our operating results and result in fluctuations to the demand for our products.

We operate our business in the PRC and overseas, including multiple markets in North America, Europe, and other regions. We may enter into new geographic markets where we have limited or no experience in marketing, selling, localizing, and deploying our products. International expansion has required and will continue to require us to invest other resources and our efforts may not be successful. During the Track Record Period, overseas revenues amounted to RMB16,869.2 million, RMB23,825.1 million and RMB29,482.8 million, representing 96.4%, 96.4% and 96.6% of our total revenue, respectively. With our global presence, we may be subject to various risks, including challenges in managing overseas sales channels and support networks, recruiting local talent, and commercializing products in new markets where we have limited experience or infrastructure. We may face revenue fluctuations due to unfavorable market conditions, intensified competition, pricing pressures and other risks inherent in international operations. In addition, we are subject to diverse regulatory regimes, licensing requirements and government policies, as well as differences in accounting standards, tax regimes and foreign exchange controls that may adversely affect our financial results or restrict the repatriation of earnings. Our operations may also be impacted by political and economic instability, changes in laws and regulations, civil unrest, and difficulties in enforcing contractual or legal rights in certain jurisdictions.

Our operating results are also affected by the broader global economic conditions. Some of our business units can be affected by the economic and market conditions in each of the geographic areas in which we operate. The global economic conditions vary by geographic regions and can involve substantial volatility. There is no assurance as to how the trade tensions may evolve or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies. On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023. The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions." Notably, President Trump issued the America Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies of concern. We believe we are not a "Covered Foreign Person" as defined in the Final Rule. However, if we were in the future deemed to be a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations or the interpretation thereof, our ability to raise capital from U.S. persons could be significantly and negatively affected. We cannot predict the implications of the ongoing trade tensions and the resulting impact on our industry and the global economy. In addition, any economic downturn, decrease in economic growth rates and other uncertain economic outlook in the market that we operate in could also affect our business, financial condition and results of operations.

In addition, given our global presence, we are required to comply with customs regulations in the jurisdictions where we import or export products, including accurate customs declarations. These declarations can be complex and subject to differing interpretations by customs authorities. Any misclassification or incorrect declaration may result in additional or retrospective duties, administrative penalties, or delays in the release of goods. For instance, in the ordinary course of business and with support from our professional advisers, we have previously successfully challenged adverse determinations made by U.S. Customs and Border Protection. Due to the complexity of such regime, the processes can require substantial cost and management effort and resources. If customs authorities determine that our past or future customs declarations were inaccurate, we may be required to pay additional duties or fines, face shipment delays or disruptions, or risk suspension of import or export privileges. Such events could increase our costs, disrupt our supply chain, and adversely affect our business, financial condition, and results of operations.

Accordingly, any failure to effectively manage the risks inherent in our international operations, including evolving regulatory, geopolitical, economic and market conditions, may impair our overseas expansion and profitability. Deterioration in political or trade relationships, trade restrictions, foreign exchange volatility, tax changes, legal compliance challenges or local market instability in the jurisdictions where we operate could increase our costs, reduce demand for our products, disrupt business partnerships and materially and adversely affect our business, financial condition, results of operations and prospects.

We participate in highly competitive markets and we may not be able to compete successfully.

The smart devices industry is highly competitive, and increased competition from existing or new entrants may adversely affect our business, results of operations and financial condition. We compete with well-established companies that may have greater technical, marketing and distribution resources, stronger supplier relationships and broader brand recognition. Competitors may introduce superior products, adopt aggressive pricing strategies or increase marketing efforts, potentially rendering our offerings less competitive. If we fail to respond effectively and in a timely manner, we may lose market share, experience reduced growth and suffer material adverse effects on our business and prospects.

Changes in international trade policies, geopolitics and trade protection measures, export controls and economic or trade sanctions may affect our business, financial condition and results of operations.

Our business operations and financial performance can be influenced by various factors related to international trade policies, geopolitics, trade protection measures, export controls, and economic or trade sanctions. For example, starting in February 2025, the President of the United States declared a national emergency under the International Economic Emergency Powers Act ("**IEEPA**") to prevent the export of fentanyl and related precursor chemicals to the U.S. (the so-called "fentanyl-related" tariffs.") As a result, the President announced the imposition of a 10% tariff on Chinese origin imports. The President later raised the fentanyl-related tariffs on Chinese products from 10% to 20%. On April 2, 2025, the U.S. President announced another national emergency pursuant to IEEPA due to "persistent annual U.S. goods trade deficits." As a result, a 10% so-called "reciprocal" baseline tariff was imposed on imports from all countries. Subsequently, a country specific tariff, ranging from 11% to 50%, including an additional 34% tariff on imports of Chinese origin products was imposed. The China-specific tariff rate was increased on April 9, 2025 to 84%.

Other countries, including China, announced retaliatory actions or plans for retaliatory actions due to the U.S. tariff actions. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs (except for those on Chinese goods, which were temporarily increased to 125% on April 10, 2025), leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain of their trade restrictions, such that the United States would reduce its reciprocal tariffs from 125% to 10% (resulting in a 30% baseline duty on most Chinese imports during this period), while China reduced its tariff rate to 10% on U.S. imports. On August 12, 2025, the US-China tariff truce was extended for another 90 days until November 10, 2025. On October 10, 2025, the U.S. announced its intent to impose an additional 100% tariff on products of Chinese origin, effective from November 1, 2025. On October 20, 2025, the U.S. President threatened that the United States may impose additional tariffs of up to 155% on goods imported from China starting November 1, 2025, if no trade agreement is reached between the two countries before November 1, 2025. Against this backdrop, China has, in addition to the retaliatory tariffs noted above, also implemented, and may further implement countermeasures. On November 1, 2025, the two countries reached an agreement to de-escalate trade tensions, averting the implementation of the proposed tariff and extending the existing trade truce for approximately one year.

On February 20, 2026, the Supreme Court of the United States ruled that the IEEPA does not authorize the President to impose tariffs. As a result, the reciprocal tariffs and the "fentanyl-related" tariffs imposed pursuant to IEEPA were declared to be unlawful. On February 24, 2026, a 10% global baseline tariff under Section 122 of the Trade Act of 1974 became effective for a 150-day period, notwithstanding the U.S. President's prior announcement of the intent to impose a tariff of up to 15% for the same duration under the same statutory authority. Additionally, the United States continues to assess the tariff rates it will impose on other countries, which might directly or indirectly impact our business or financial performance. As relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts and our interpretation of tariff policies may not be accurate. It is unknown whether new tariffs will be imposed by the U.S. or other governments, or whether new laws and regulations will be enacted. However, if tariffs that are applicable to our products were further increased, it may adversely affect our sales to overseas customers. Geopolitical and trade conflicts like this may also lead to volatility in financial markets, fluctuations in currency exchange rates and increased procurement costs. In extreme cases, such conflicts could result in economic downturns that adversely impact our operations. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if any government takes retaliatory trade actions due to recent global trade tensions, such changes could have an adverse effect on our business, financial condition and results of operations.

Likewise, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets, or affect our supply chain. In this regard, various trade, export controls, and economic sanctions laws and regulations may affect our businesses.

These factors are subject to frequent changes and uncertainties, often driven by political, economic and social dynamics beyond our control. Such changes and uncertainties can have an impact on trade agreements, tariffs, customs duties, and other aspects of international trade, and could lead to actions, investigations or challenges raised by relevant regulatory authorities, resulting in increased operational costs and affecting our market access. Additionally, alterations in trade protection measures, such as the imposition of anti-dumping duties, countervailing duties, or safeguard measures, may lead to higher costs or restrictions on our exports. Moreover, export controls and economic or trade sanctions can impose limitations on our ability to export products or conduct business in specific markets. Non-compliance with these controls and sanctions can result in legal penalties, reputational harm, and the loss of export privileges.

We may incur substantial warranty-related expenses, and our provisions for future potential warranty claims may be insufficient.

We provide warranty for our products and the terms of our warranty policies vary based on the type of products and the market where such products are sold, in compliance with local laws and regulations. We provide provisions for these potential warranty expenses based on a certain percentage of sales revenue during the period. As we continue to upgrade our products design and introduce new products, there is no assurance that future warranty claims will be consistent with history, and in the event that we experience a significant increase in warranty claims, there is no assurance that our provision will be sufficient, which may have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period, the provision made for warranties represented 6.9% of the total revenue.

Any unforeseen or prolonged disruption to our warehousing network could adversely affect our business operations.

We operate overseas warehousing facilities for our global operations. See "Business — Logistics and Warehousing — Warehousing." Any unforeseen and prolonged disruption in utilities supply or access to our warehouses, such as due to fire, earthquake or other incidents, and our inability to promptly restore or relocate operations, could interrupt our business. Significant

incidents may result in inventory losses, restoration or relocation costs, regulatory penalties, or third-party compensation claims, which may not be fully covered by insurance and could adversely affect our business, financial condition and results of operations.

In addition, certain warehouses are leased, exposing us to risks of rising rental costs, more stringent lease terms or failure to renew leases on commercially reasonable terms. Any required relocation may disrupt operations and involve significant costs and capital expenditures, and we may not be able to secure suitable alternative premises in a timely manner, which could adversely affect our financial condition and operating results.

We depend on third-party manufacturing partners to produce our products. Any failure by these manufacturing partners to maintain consistent high-quality standards, disruptions in material supply or production timelines, fluctuations in raw materials and labor costs, or unfavorable renewal terms or non-renewal with our manufacturing partners, our business, financial condition and results of operations could be materially and adversely affected.

We depend on third-party manufacturing partners to produce our products. As of the Latest Practicable Date, our top 20 manufacturing partners are responsible for approximately 80% of the manufacturing and assembly tasks and they are primarily located in the PRC and Southeast Asia. These partners mainly operate as OEMs for assembling our products. Our reliance on manufacturing partners exposes us to operational risks, including insufficient production capacity, quality control issues, delays and potential product recalls. Although past voluntary recalls did not materially affect our results, future recalls arising from component defects, manufacturing flaws or non-compliance with specifications could result in significant costs, regulatory exposure, reputational damage and loss of customer trust. Failure to effectively oversee our manufacturing partners' quality control could materially and adversely affect our business, financial condition and results of operations.

Our manufacturing partners may also face disruptions beyond their control, such as equipment failures, labor shortages, raw material constraints, cost increases, regulatory violations or natural disasters. We had not experienced any disruption of operations caused by labor strikes or fluctuation in prices of key raw materials during the Track Record Period and up to the Latest Practicable Date. If we are unable to promptly replace affected partners, we may incur additional costs or delays. In addition, fluctuations in the prices of raw materials and labor costs may increase our procurement expenses and affect our cost structure. We cannot assure you that we will be able to renew agreements with manufacturing partners on favorable terms or identify qualified alternatives in a timely manner, which could adversely affect our business and financial performance. For details, see "Business — Supply Chain Management."

We are subject to associated risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, we accepted payments made by third parties to settle the amounts that certain customers owed to us in connection with their purchases of our products (the "**Third-Party Payment Arrangements**"). In 2023, 2024 and 2025, our risk exposure to the Third-Party Payment Arrangements, represented by the aggregate amounts settled through such Third-Party Payment Arrangements were RMB128.8 million, RMB199.1 million and RMB144.4 million, respectively, representing 0.7%, 0.8% and 0.5% of our total revenue for the corresponding periods, respectively. The number of distributors and end customers who settled payments through third-party channels was 13 in 2023, 18 in 2024 and 20 in 2025. See "Business — Third-party Payment Arrangement" for more details.

We are subject to various risks relating to such Third-Party Payment Arrangements during the Track Record Period, including possible claims from third-party payers for return of funds as some of them were not contractually indebted to us, and possible claims from liquidators of third-party payers. In the event of any claims from third-party payers or their liquidators, or legal proceedings instituted or brought against us in respect of the historical Third-Party Payment Arrangements, we may have to spend significant financial and managerial resources to defend against such claims and

legal proceedings, and our financial condition and results of operations may, as a result, be adversely affected. During the Track Record Period and up to the Latest Practicable Date, we did not receive any claims arising from third-party payors.

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

Under the laws and regulations in the countries and regions where we operate, arrangements and transactions among intergroup companies may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, we carried out our operations mainly in North America, Europe and Chinese mainland. We follow the fundamental principle that intercompany transactions must be conducted on an arm's length basis, and we have engaged a transfer pricing adviser to review the intercompany transactions. Our transfer pricing adviser reviewed the intercompany transactions and was of the view that the transaction arrangements aligned with the arm's length principle during the Track Record Period. Nevertheless, we could face material and adverse tax consequences if the relevant tax authorities determine that certain intercompany transactions of ours do not represent arm's length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. For detailed discussion on the transfer pricing arrangements, see "Business — Transfer Pricing Arrangements." A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. Our business, financial condition and results of operations may therefore be adversely affected.

We are subject to evolving and changing laws and regulations of cybersecurity, data security and personal information protection. Any failure or perceived failure to comply with such laws and regulations could materially and adversely affect our business, financial condition, reputation and results of operations.

We collect and store business and transaction data generated during or related to our operations, including records of interactions and transactions with customers, suppliers, and business partners. The secure storage and maintenance of such data are critically important. We process this data in compliance with applicable legal requirements to ensure its security. See "Business — Data Privacy and Information Technology Systems" for more information. The laws and regulations regarding privacy and data protection across different jurisdictions where we operate are generally complex and still evolving and changing. As such, we cannot assure you that our privacy and data protection measures will be always considered sufficient under applicable laws and regulations. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers from using our solutions and could subject us to adverse legal, financial and operational consequences.

In recent years, cybersecurity, data security and personal information protection has become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies for the protection of cybersecurity, data security and personal information protection in the past few years. See "Regulatory Overview — Laws and Regulations Relating to Network Security and Data Security, E-commerce, Advertising." The regulatory developments relevant to cybersecurity, data security and personal information protection could generally impact the data collection, use, storage and other data processing activities conducted by the enterprises in technology industry, including us.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》, the "**Cybersecurity Review Measures**"), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. See "Regulatory Overview — Laws and Regulations Relating to Network Security and Data Security, E-commerce, Advertising" for more information.

On October 31, 2025, we and our PRC Data Compliance Legal Adviser conducted a consultation through telephone on a namely basis with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) (the "**CCRC**"), which is delegated by the CAC to accept applications for cybersecurity review and therefore the competent organization for such consultation. During the consultation, the staff of CCRC confirmed that a listing in Hong Kong does not fall within the scope of the term of "listing abroad (國外上市)" under the Measures for Cybersecurity Review. Given that (i) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad; (ii) as of the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as Critical Information Infrastructure ("**CII**"), and therefore we are not deemed as a CII operator; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, therefore, our PRC Data Compliance Legal Adviser is of the view that as of the Latest Practicable Date, we were not required to file cybersecurity review under the Measures for Cybersecurity Review for our proposed [**REDACTED**].

Although we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed [**REDACTED**], since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

Further, the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), promulgated on July 7, 2022 and effective since September 1, 2022, the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), promulgated and effective on March 22, 2024, have provided that the transfer of personal information and important data by data handler meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, in order to satisfy the legal and regulatory requirements, we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

In addition, we may not be able to comprehensively assess the scope and extent of our compliance of data privacy and security laws, regulations and standards at a global level. We may be subject to federal and state regulations in the United States and Europe, including Biometric Information Privacy Act and General Data Protection Regulation (EU) 2016/679. Our data processing activities may also be subject to evolving federal and state privacy laws, which impose additional obligations regarding data access, deletion, opt-out mechanisms, and restrictions on cross-border sharing. Any change in such regulatory regimes, or our failure to comply, could materially and adversely affect our business, financial condition, and results of operations.

We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, data security and personal information protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. If we cannot meet relevant requirements under the evolving applicable laws or regulations relating to cybersecurity, data security and personal information protection, or any compromise of security that results in unauthorized access, use or leakage of our customers' personal information, we could face damage in our reputation or other negative consequences, such as investigations, fines, or suspension of our business, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, complying with various laws and regulations on cybersecurity, data security and personal information protection could cause us to incur additional costs or require us to change our business practices, including our data practices, which may significantly distract our management's attention and adversely affect our business.

We may not be able to effectively manage and develop our distribution network, or efficiently sustain our business relationships with our distributors, which could adversely affect our brand, business, results of operations, and future financial performance.

We primarily rely on online channels to reach our end customers directly. Additionally, we collaborate with distributor partners to extend our customer reach in certain jurisdictions. Maintaining an effective distribution network enables the stable delivery of our products to customers, and our distributors play an important role in expanding our geographic footprint and driving sales of our products. For the years ended December 31, 2023 and 2024 and 2025, our total sales to offline distributors amounted to RMB3,077.0 million, RMB4,261.4 million and RMB5,731.7 million, respectively, accounting for 17.6%, 17.2% and 18.8%, respectively, of our revenue for the corresponding periods. Failure to maintain our business relationships with existing distributors, to establish relationships with new distributors, and to manage and expand our distributors' distribution coverage could adversely affect our distribution network and hence our business, as well as our brands, business, results of operations, financial performance and prospects. Our ability to expand our distribution coverage is also affected by changes in the relevant regulatory requirements, competitive landscape, and customer preferences and spending habits. Failure to effectively respond to such changes may result in an adverse effect on our business and prospects.

Additionally, some of our distributors may engage sub-distributors to further distribute our products. We do not enter into direct agreements with these sub-distributors, nor do we maintain a direct relationship with them. Any misconduct by a sub-distributor, such as violations of local laws, misleading promotional activities, or poor customer service, could harm our brand reputation, lead to customer dissatisfaction, and potentially result in legal or regulatory liabilities.

We may be involved in legal or other proceedings arising out of our business operations, from time to time, and may face reputational risks and significant liabilities as a result.

We may from time to time be subject to various litigation, legal or contractual disputes, claims or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our suppliers, customers, business partners, employees and other third parties. Ongoing or threatened litigation, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. For details, please see "Business — Legal Proceedings and Compliance" Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In view of our ongoing litigations, our ending balance of provision for outstanding litigation was RMB198.5 million as of December 31, 2025. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and adversely affect the image of our brands and products, which may further materially and adversely affect our business.

Any failure to obtain and maintain necessary approvals, licenses and permits for our operations may materially and adversely affect our business, financial condition and results of operations.

Our business requires us to obtain and renew, from time to time, a multitude of approvals, licenses and permits. For details, see "Business — Licenses, Approvals and Permits." Obtaining and renewing these approvals, licenses and permits could be costly and time-consuming, if we fail to obtain, maintain or renew any necessary approval, license or permit for our operations in a timely manner or at all, or if the scope of our operations exceeds the scope permitted under the applicable approvals, licenses and permits, we may be subject to fines, penalties or suspension of operations or even revocation of operating licenses, and our business, financial condition and results of operations may be materially and adversely affected.

Negative publicity or rumors about us, our products, management, directors, employees, shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

Negative publicity or rumors involving our industry, Company, products, management, directors, employees, customers, distributors, business partners or their affiliates, or our relationship with any of these parties may materially and adversely harm our business and reputation, and cause fluctuations in the potential [**REDACTED**] price of our H Shares. We cannot preclude media reports of a similar nature or similar allegations from other parties from being made in the future, nor can we assure you that we will be able to defuse such negative publicity to the satisfaction of our [**REDACTED**], customers and business partners or prevent related misconception and other damages caused by such reports. We may have to incur significant expenses as we may need to seek legal recourse or defend our Company in court in response to such allegations, which may cause us to incur significant expenses and divert our management's time and attention in order to remedy the effects of these negative reports or allegations even if they are baseless, which may materially and adversely affect our results of operations.

Our facilities or operations could be damaged or adversely affected as a result of natural disasters or other catastrophic events.

Our facilities or operations could be adversely affected by events outside of our control, such as natural disasters, wars and pandemics, and other calamities. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to produce our products and provide services. We also face various risks related to public health issues, including epidemics, pandemics, and other outbreaks. The impact of such public health issues, including changes in consumer and business behavior, pandemic fears and market downturns, and restrictions on business and individual activities, may create significant volatility in the global economy and lead to reduced economic activity.

The success of our business is affected by our ability to attract, train and retain highly skilled employees and key personnel.

Our business operations depend on the continuing efforts of our management, particularly the members of our senior management team. For details, see "Directors and Senior Management." If one or more members of our management are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner, or at all. We may incur additional expenses to recruit and retain qualified replacements. In addition, our management may join a competitor or form a competing company. We can provide no assurance that we will be able to successfully enforce our contractual rights included in employment agreements with our management. As a result, our business may suffer the loss of services of one or more members of our management, and our business, financial condition and results of operations may be materially and adversely affected.

We have limited insurance coverage which could expose us to significant costs and business disruption.

We maintain third-party insurance policies covering certain potential risks and liabilities including product liability, property liability, and employee liability. We do not, however, carry insurance in respect of certain risks that we believe are not insured under customary industry practice, or which are uninsurable on commercially acceptable terms, if at all, such as those caused by war, nuclear contamination, tsunami, pollution, acts of terrorism and civil disorder. Accordingly, there may be circumstances in which we will not be covered or compensated, in part or at all, for

specific losses, damages and liabilities. We cannot guarantee that our insurance coverage is sufficient to cover potential losses. Any risk that is not adequately covered by insurance may have an adverse effect on our business, results of operations and financial condition.

Environmental, social, and governance matters may impact our business and reputation.

To identify, manage, and mitigate ESG risks, we may incur costs and expenses. We monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short, medium- and long-term horizons. We monitor a wide range of indicators such as power consumption, emission of greenhouse gas, water consumption and waste generation to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See "Business — Environmental, Social and Governance."

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and cost of sales may rise. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products from other companies, which may materially and adversely affect our results of operations and financial conditions.

Legal defects regarding some of our leased properties may affect our interests in such properties.

As of the Latest Practicable Date, for certain leased properties, the lessors with whom we enter into lease agreements did not provide valid property ownership certificates or sufficient documentation to prove their rights to lease the properties to us for our intended use. Therefore, we cannot ensure that they have the rights to lease or sublease such properties to us for our intended use. In addition, for certain leased properties, the stated use in the property ownership certificates does not match our actual leasing use, which may require us to relocate from such properties. As advised by our PRC Legal Adviser, although we, as the lessees, are not subject to the monetary penalties, we may not be able to continue to lease such properties if the lease was challenged by a third party or relevant government authorities. As a result, we may face challenges from the legal owners of the properties or other third parties, and may be forced to vacate the relevant properties and relocate our offices. We may incur additional expenses during the process, and our business, financial condition and results of operations may be negatively affected.

Furthermore, according to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As of the Latest Practicable Date, we had not filed our lease agreements for certain properties we leased with the local housing administration authorities as required under PRC laws and regulations, primarily due to the difficulty of procuring the relevant landlords' cooperation to register their leases. As advised by our PRC Legal Adviser, if we and the lessors fail to handle filing for such lease registration 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 agreements. We estimate that as of December 31, 2025, based on the number of our leases that had not been registered as required by PRC law, the potential monetary fines we may face for such failure to comply with lease registration range between RMB23,000 to RMB 230,000. As of the Latest Practicable Date, we have not been aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements.

Reliance on third-party suppliers and raw material sources exposes us to supply, pricing and liquidity risks.

Our suppliers during the Track Record Period included manufacturing partners, warehousing and logistics solution providers as well as suppliers for raw materials. During the Track Record Period, purchases from our largest supplier in each year during the Track Record Period accounted for 9.9%, 8.9% and 8.9% of our total purchases in 2023, 2024 and 2025, respectively, while purchases from our five largest suppliers in each year during the Track Record Period accounted for 33.7%, 33.8% and 34.0%, respectively. Our dependence on a limited number of key suppliers exposes us to risks of supply shortages, delays, non-compliance, price increases or unfavorable commercial terms. If we are unable to maintain relationships with existing suppliers or secure alternative sources on comparable terms in a timely manner, our operations and profitability could be materially and adversely affected.

Our supply chain may also be disrupted by shortages or interruptions in the supply of components and raw materials, particularly battery cells, the availability and pricing of which may fluctuate due to factors beyond our control, including resource constraints, market demand, speculation, geopolitical tensions, natural disasters and other market disruptions. Any extended supply chain disruption could delay product development or commercialization, increase procurement costs, affect delivery schedules and pricing, and cause customers to reduce, delay or cancel orders, thereby adversely affecting our business, financial condition and results of operations. We did not experience material shortages or interruptions during the Track Record Period and up to the Latest Practicable Date. There can be no assurance that such disruptions will not occur in the future.

In addition, we are generally granted credit periods of 30 to 90 days by our suppliers. Specifically, our trade payables turnover days amounted to 34.4 days, 38.1 days and 38.9 days in 2023, 2024 and 2025, respectively. We have also experienced fluctuations in trade and bill payables during the Track Record Period. If suppliers cease to offer favorable credit terms, shorten credit periods or impose more stringent commercial terms, our working capital requirements and liquidity position may be adversely affected. Any increase in procurement prices or tightening of credit terms could negatively impact our cash flows, financial condition and overall operating performance.

We are subject to the risks relating to third-party logistics and storage solutions and service providers.

We rely on multiple delivery methods to fulfill customer orders, including fulfillment services provided by third-party e-commerce platforms and logistics solutions offered by various third-party logistics solutions providers. Our collaboration with third-party logistics solutions providers could expose us to potential service disruptions, inefficiencies or non-compliance risks. If such third-party logistics solutions providers fail to meet their service obligations due to operational issues, misjudgment, inaccurate determinations, financial difficulties or other unforeseen circumstances, we may not be able to deliver products to customers in a timely and cost-effective manner, which could cause a decline in product sales, loss of revenue, or we may be subject to penalties.

Additionally, such logistics solutions providers may mishandle our products resulting in product damage, which could lead to product liabilities or claims and damage our brand reputation. Furthermore, fluctuations in the prices of logistics solutions affect our ability to provide cost-effective products to our customers, potentially harming our profitability and operational performance. Any of these events could materially and adversely affect our business, financial condition and results of operations.

Our liquidity may be adversely affected if our associates do not declare dividends or are unable to distribute dividends to us.

We make investments in a number of individually immaterial associates that are measured using the equity method, from time to time. The declaration and payment of dividends by our associates are subject to, among other things, their financial performance, cash flow position, capital requirements, business plans and the discretion of their respective boards and shareholders, over which we generally do not have control. As a result, there can be no assurance that our associates will declare or distribute dividends to us in any given period, even if they are profitable. If our associates do not declare dividends, or if their ability to distribute dividends to us is restricted by applicable laws, regulations, contractual arrangements or other factors, we may not receive cash returns from these investments on a timely basis or at all. Accordingly, the cash generated from our investments in associates may be less than the amount of earnings recognized under the equity method, which could adversely affect our liquidity, cash flows and ability to fund our operations, capital expenditures, strategic investments or shareholder distributions.

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

Our inventories primarily include finished goods and goods in transit. As of December 31, 2023, 2024 and 2025, we had inventories of RMB2,411.3 million, RMB3,233.6 million and RMB4,997.1 million, respectively, and the write-down of inventories amounted to RMB141.6 million, RMB124.1 million and RMB365.0 million, respectively. Our inventory turnover days were 70.8 days, 73.2 days and 87.7 days in 2023, 2024 and 2025, respectively. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Current Assets and Liabilities — Inventories."

We are committed to adopting a flexible approach to inventory management, adjusting our inventory levels in response to market demand fluctuations. When market demand increases, we correspondingly raise our inventory levels to ensure supply stability. However, such an approach is inherently uncertain, and the demand for our products could change significantly between the order date and the projected delivery date. We cannot assure you that we are able to always maintain optimal inventory levels in the future. If we fail to accurately assess the demand, we may experience inventory obsolescence and inventory shortage risk. Inventory levels in excess of demand, or substantial decrease in the expected market price of our products, may result in inventory write-downs or write-offs and we may sell the excess inventory at discounted prices, which would have an adverse effect on our profitability.

Our sales and results of operations are subject to seasonal variations and industry cyclicality.

There are certain seasonal patterns for purchases of our products due to holiday-driven promotions. In particular, we typically experience a surge in sales during the second half of each year, driven by seasonal holidays and promotional campaigns across several e-commerce channels. We expect the impact of seasonality on our business to remain in the future. As a result of these seasonal variations, we believe that comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. In addition, any of the factors below, or the cumulative effect of some of these factors may result in significant fluctuations in our operating results. Many of these factors are outside of our control and may be difficult to predict, including fluctuations in product demand (including seasonality), the timing and success of competitors' new product launches, and the level and timing of sales, marketing and other operating expenses.

Moreover, we face exposure to the cyclical nature of the smart devices industry, where demand fluctuates with macroeconomic conditions, consumer confidence, and product replacement cycles. During economic downturns, some consumers may delay or forego purchases of non-essential electronics, which could affect sales volumes. This cyclicality also affects inventory

management, as demand forecasting becomes complex, potentially leading to inventory obsolescence or supply shortages. Additionally, industry downturns could lead to intensified price competition, compressing profit margins.

We may fail to recover our trade receivables in a timely manner, which may affect our financial condition and results of operations.

We are exposed to credit risks related to delay in payment of our customers. Our trade receivables represent the amounts due from our customers for the products sold or services performed in our ordinary course of business. As of December 31, 2023, 2024 and 2025, our trade receivables amounted to RMB1,527.8 million, RMB1,654.2 million and RMB1,872.6 million, respectively. We recorded impairment loss on trade and other receivables of RMB32.9 million, RMB6.9 million and RMB46.0 million in 2023, 2024 and 2025, respectively. Our trade receivables turnover days amounted to 28.7 days, 23.5 days and 21.1 days in 2023, 2024 and 2025. There can be no assurance that we will be able to maintain our trade receivables turnover days at a reasonable level. Should the credit worthiness of our customers deteriorate or should a significant number of our customers fail to settle their trade receivables in full for any reason, we may continue to incur impairment losses in the future and our results of operations and financial position could be materially and adversely affected. In addition, there may be a risk of delay in payment by our customers within their respective credit period, which in turn may also result in an impairment loss provision. There is no assurance that we will be able to fully recover our trade receivables from the customers or that they will settle our trade receivables in a timely manner. In the event that settlements from customers are not made on a timely manner, or at all, our financial condition and results of operations may be materially and adversely affected. For details, see "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Trade Receivables" for further details."

We are exposed to fair value change of other financial assets, which are subject to fluctuations in their values and would affect our results of operations and financial conditions.

In 2023, 2024, and 2025, we recorded fair value change of other financial assets in the amount of RMB220.4 million, RMB237.3 million, and RMB386.4 million, respectively. The amount of fair value change of other financial assets are affected by the market value of our equity investment and investment in financial products. Factors beyond our control, such as general economic condition, changes in market interest rates, stability of the capital markets and other market-driven variables, can significant affect the fair value of our financial assets. In addition, the fair value of financial products may be subject to unobservable inputs, which, by their nature, are subjective and uncertain. As such, the fair value of other financial assets has been and will continue to be subject to uncertainties, and result in fluctuations in our profitability from year to year.

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

The value of RMB against U.S. dollars, British pounds, euros, and Japanese yen fluctuates is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and U.S. dollars, British pounds, euros, and Japanese yen in the future. In 2023, the net exchange losses amounted to RMB32.6 million. We recorded net exchange gains of RMB53.5 million and RMB88.8 million in 2024 and 2025, respectively.

During the Track Record Period, we received the majority of payments in U.S. dollars and Euros, and we expect this to continue for the foreseeable future. As a result, any depreciation of the U.S. dollar or Euros against the RMB may result in exchange losses and negatively impact our operating results. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In

addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY

We may not be able to adequately protect or enforce our patents, trade secrets and other intellectual property rights throughout the world, and our efforts to do so may be costly.

Our business relies significantly on our ability to protect and defend our intellectual property rights. As of December 31, 2025, we had 3,026 granted patents, consisting of 308 invention patents, 1,286 utility patents, and 1,432 design patents worldwide. We seek to protect the technologies that we consider commercially important by filing patent applications in the PRC and other jurisdictions, relying on patent or trade secrets or employing a combination of these methods. For further information on our patent portfolio, see "Business — Intellectual Property." Patent prosecution is costly, time-consuming and complex, and we may not be able to file, maintain, defend or enforce all necessary patents in a timely or cost-effective manner across all jurisdictions. Intellectual property protection also varies by country, and in some jurisdictions may be less robust, limiting our ability to prevent competitors from developing or commercializing competing products. Even if granted, patent protection is limited in scope and duration, and may not fully shield us from competition. For example, invention patents and utility model patents in China generally have terms of 20 years and 10 years from the filing date, respectively. Upon expiration, or if protection is limited, competitors may enter the market with similar products, which could adversely affect our business.

In addition, any litigation initiated by us concerning the infringement by third parties of our intellectual property rights is likely to be expensive and time consuming and could lead to the invalidation of, or render unenforceable, our intellectual property rights, or could otherwise have negative consequences for us. We may be a party to claims and litigation as a result of alleged infringement by third parties of our intellectual property rights. Even when we sue other parties for such infringement, that suit may have adverse consequences for our business. Any such suit may be time consuming and expensive to resolve and may divert our management's time and attention from our business. Furthermore, it could result in a court or governmental agency invalidating, narrowing the scope of, or rendering unenforceable our patents or other intellectual property rights upon which the suit is based, which may seriously harm our business. Additionally, monitoring unauthorized use and disclosures of our proprietary technology, intellectual property and confidential information can be difficult and expensive. We cannot be sure that the steps we have taken will prevent misappropriation, infringement and violation of our intellectual property or proprietary rights. If we are unable to adequately protect, establish, maintain or enforce our intellectual property or other proprietary rights, our business, financial condition and results of operations may be adversely affected.

We may become subject to litigation brought by third parties claiming infringement by us of their intellectual property rights.

The industry in which our business operates is characterized by a large number of patents, trademark and other intellectual properties, some of which may be of questionable scope, validity or enforceability. As a result, there is uncertainty in the industry regarding patent protection and infringement, and we cannot be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise violate intellectual property or proprietary rights of third parties. In recent years, there has been significant litigation globally involving patents and other intellectual property rights. We are also involved in litigation alleging that our devices, technologies, and services infringe certain third-party patents, including patents relating to the design and technology of certain of our charging products, and we are vigorously defending against these claims. Our Directors believe that appropriate provisions have been made in accordance with the applicable accounting standards. We could also become subject to claims and litigation alleging

infringement by us of third-party copyrights or trade secrets. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our solutions or business operations, or invalidate or render unenforceable our intellectual property rights. An adverse judgment could also result in loss of reputation or may force us to take costly remediation actions, such as redesigning our solutions.

In addition, because patent applications can take many years until the patents issue, there may be applications now pending of which we are unaware, which may later result in issued patents that our solutions may infringe. If any of our solutions infringes a valid and enforceable patent, or if we wish to avoid potential intellectual property litigation on any alleged infringement of our products, we could be prevented from selling, or elect not to sell, our products unless we obtain a license, which may be unavailable or be available only at commercially unreasonable, unfavorable or otherwise unacceptable terms. Alternatively, we could be forced to pay substantial royalties or to redesign one or more of our products to avoid any infringement or allegations thereof. Additionally, we may face liability to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products.

We also may not be successful in any attempt to redesign our products to avoid any alleged infringement. A successful claim of infringement against us, or our failure or inability to develop and implement non-infringing technology, or license the infringed technology, on acceptable terms and on a timely basis, could materially adversely affect our business and results of operations. Furthermore, such lawsuits, regardless of their success, could likely be time consuming and expensive to resolve and may divert management's time and attention from our business, which could seriously harm our business.

Our patent applications may not be issued as patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting solutions similar to ours.

We cannot be certain that we are the first inventor of the subject matter for which we have filed a particular patent application, or if we are the first party to file such a patent application. Patent applications may not be granted for a number of reasons, including a later application date, known or unknown prior art, deficiencies in the patent application or the lack of novelty or non-obviousness of the underlying invention or technology. China, the U.S. and Europe have adopted the "first-to-file" system, under which the first inventor to file a patent application will be awarded the patent if all other patentability requirements are met. Moreover, patent applications in China, the U.S., Europe and other jurisdictions are typically not published until an 18-month waiting period after filing, or in some cases, not at all. If another party has filed a patent application covering the same subject matter as we have developed, and such application has priority against our patent application, we may not be entitled to the protection sought by our patent application, including preventing third parties from commercializing the same or similar technologies. Further, the scope of protection of patent claims may be limited or narrowed if the examining authority determines there is cause to do so, such as if claims included in the patent application cover subject matter that is ineligible for patent protection or is obvious, or are deemed to lack sufficient detail to enable practicing the invention or in the event of the existence of prior art. As a result, we cannot be certain that the patent applications that we file will result in issued patents, or that our issued patents will be broad enough to protect our technology or otherwise afford protection against competitors with similar technology. In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Our competitors may challenge or seek to invalidate our issued patents, or design around our issued patents, which may adversely affect our business, prospects, financial condition or operating results. Also, the costs associated with enforcing patents, confidentiality and invention agreements, or other intellectual property rights may make aggressive enforcement impracticable.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our solutions.

The scope and strength of patent protection across jurisdictions are uncertain, and changes in patent laws or their interpretation may limit our ability to obtain, maintain, defend or enforce our intellectual property rights. We cannot predict whether current or future patent applications will be granted in any jurisdiction, or whether granted claims will provide adequate protection. The scope of claims may be narrowed during prosecution or reinterpreted after issuance. Even if patents are granted, they may not provide meaningful protection, prevent competition or confer a competitive advantage. Accordingly, the validity, enforceability, scope and commercial value of our patent rights remain uncertain.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, non-compete covenants in a way that benefits us. In addition, the risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The unauthorized use or disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products and harming our ability to maintain or increase our consumer base. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

Risk of unpatented proprietary technology and trade secret disclosure or independent development by competitors.

In addition to our patented technology, we also rely on unpatented proprietary technology, trade secrets, processes and know-how. Even though we employ various methods, including entering into confidentiality agreements with employees, consultants, marketing partners and contract manufacturers, to safeguard them, there can be no assurance, however, that we will be able to maintain the confidentiality of any such unpatented proprietary technology, trade secrets, processes and know-how, or that others will not independently develop substantially equivalent technology, trade secrets, processes and know-how. The failure or inability to protect these unpatented proprietary technology, trade secrets, processes and know-how could have a material adverse effect on our results of operations. Moreover, there can be no assurance that our products utilizing such unpatented proprietary technology, trade secrets, processes and know-how will not infringe on the rights of others. If disputes arise in such circumstances, we may be forced to expend substantial resources if we have to defend against any such infringement claims.

Our reputation and profitability may be adversely affected if our products are counterfeited or imitated in the market.

Our products may be counterfeited in the market, such as unauthorized imitation, replication of our design, infringement of trademarks or labeling by third parties, which may affect our reputation and profitability. We are not currently aware of any substantial counterfeiting of our products. Although we monitor any unauthorized use of our registered designs and trademarks, counterfeiting or imitation of our products to ensure that our intellectual property rights are protected, we cannot assure you that counterfeiting and imitation would not occur, or if it does occur, that we would be able to detect and address the problem effectively. A significant presence of counterfeit products in the market could have a negative impact on the value and image of our brands, lead to loss of consumer confidence in our brands and materially and adversely affect our business, financial condition and results of operations.

RISKS RELATED TO THE JURISDICTIONS IN WHICH WE OPERATE OUR BUSINESS

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines could have a material and adverse effect on our business, financial condition and results of operations.

We operate our business in China and overseas, including multiple North America, European and Asian markets. Our business, financial condition and results of operations may be influenced by the economic, regulatory, political and social conditions in the country where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The consumer electronics industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, customer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our business, financial condition and results of operations.

Differences embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses still needs further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which may have retroactive effects. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention depending on the complexity of the cases.

Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Developments in current laws or regulations or the imposition of new laws and regulations in our geographic markets may affect the growth of our industries and affect our business, financial condition and results of operations.

As a company listed on the ChiNext Market of the Shenzhen Stock Exchange, we, our Directors, senior management, employees and shareholders are subject to securities regulations and exchange listing rules in the PRC.

As a company listed on the ChiNext Market of the Shenzhen Stock Exchange, we, our Directors, senior management, employees and shareholders are subject to securities regulations issued by the CSRC and the listing rules of the ChiNext Market of the Shenzhen Stock Exchange. New regulations and rules, and changes in the interpretation or enforcement of existing regulations and rules, may be adopted from time to time. In addition, the CSRC and the Shenzhen Stock Exchange may have periodic or ad hoc inspections, examinations and inquiries with respect to our compliance with relevant regulatory requirements. We expect to fully comply with such regulations and rules at all times and such compliance would require us to incur increased expenses and devote considerable time and resources to such compliance. Accordingly, our business reputation, financial condition and results of operations may be adversely affected.

You should assess the legal protections you are entitled to under legal system in the jurisdictions where we operate.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. In addition, legal proceedings may incur significant costs, divert our resources, and negatively affect our management's focus on strategic planning and execution, which may materially and adversely impact our operational efficiency and overall business performance.

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

According to the Announcement on Value-Added Tax and Consumption Tax Policies for Export Businesses (《關於出口業務增值税和消費税政策的公告》) issued by the MOF and the SAT, which became effective on 1 January 2026, and other relevant PRC tax laws and regulations, qualified export goods and services are generally subject to VAT exemption and refund policies, unless otherwise stipulated. Subject to the relevant PRC laws, we are entitled to a rebate of VAT from the PRC tax authority in connection with our export sales for our products. During the Track Record Period, our products were eligible for VAT export rebates at rates generally ranging from 9% to 13%. The tax rebate comprised a refund of VAT incurred on the raw materials we used for production of our products in the PRC, which are subsequently exported to overseas countries. We cannot assure you that the PRC governmental policies on tax rebate will not change or that the current policies we enjoy will not be cancelled. If there is any reduction, suspension, discontinuation or cancellation of tax rebate which may adversely affect the recoverability of our VAT recoverable, our business, financial condition and profitability would be adversely affected.

Change in tax treatments may adversely affect our results of operations and financial performance.

During the Track Record Period, some of our subsidiaries were entitled to preferential income tax rates pursuant to the relevant tax regulations. According to the Administrative Measures for Determination of High and New Tech Enterprises, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, an

enterprise recognized as a high and new technology enterprise is subject to a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law. We and certain subsidiaries of us were qualified for a preferential income tax rate of 15% in 2023 and 2024. From January 1, 2023 to December 31, 2027, for small and low-profit enterprise, the taxable income is reduced by 25% and the corporate income tax can be paid at a tax rate of 20%. Certain subsidiaries which meet the criteria of "small and low-profit enterprise" are eligible for preferential tax rate of 20%. Please refer to Note 7 of the Accountants' Report in Appendix I to this Document.

Continued eligibility for preferential tax treatment is subject to recognition and evaluation by the relevant government authorities in China. We cannot assure you that we will continue to receive such preferential tax treatment at historical levels, or at all. Such changes or uncertainties in tax treatment may adversely affect our results of operations and financial performance.

Our Company is a PRC enterprise and is subject to PRC tax on our global income, and any gains on the sales of our H Shares by [REDACTED] and dividends paid to [REDACTED] on our H Shares may be subject to PRC tax.

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

Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax issued by the MOF and SAT (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) on May 13, 1994, dividends and bonuses income gained by foreign individuals from foreign-invested enterprises is exempted from individual income tax for the time being.

According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (《國務院批轉發展改革委等部門關於深化收入分配制度改革 若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cease foreign individuals' tax exemption for their dividends and bonuses income obtained from foreign-invested enterprises, and the MOF and the SAT should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT. Considering the situations, non-resident individual holders of our H Shares should be aware that they may be obligated to pay PRC income tax on dividend and bonuses income realized from the H Shares.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC individuals on the transfer of shares in PRC enterprises listed on overseas stock exchanges, and there is no assurance that the PRC tax authorities will not change these practices, which could result in levying income tax on non-PRC individuals on gains from the sale of our H shares.

For non-PRC enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of our H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to 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税有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your [**REDACTED**] in our H Shares.

We could be subject to changes in our tax rates, the adoption of new overseas tax legislation or exposure to additional tax liabilities.

We operate in countries and regions overseas and are subject to various taxes. See "Financial Information — Description of Major Components of Our Results of Operations — Income Tax." Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rate could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. The tax treatments of our transaction arrangements may be subject to interpretation by the respective tax authorities, and there can be no assurance as to the outcome of these examinations. If our weighted average effective tax rate was to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

We are subject to various laws, regulations and regulatory standards and any inability to comply with such requirements and standards may subject us to liabilities.

We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in Chinese mainland. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), a Chinese mainland enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a Chinese mainland enterprise is required to

complete social insurance registration for its employees and to pay the social insurance contributions in time and in full. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain of our employees, as required by relevant laws and regulations, which we believe is not material and will not have a material adverse impact on our operations or financial performance. We had not been subject to any administrative penalties in connection with our contribution of social insurance plans and housing provident fund during the Track Record Period. However, we cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall or impose late payment penalties and fines on us, thereby adversely affecting our financial condition and results of operations. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in Chinese mainland, we may be exposed to penalties or be required to compensate employees.

Moreover, the Interpretation II of the Supreme People's Court of 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)》) (the "**New Judicial Interpretation**") was enacted by the Supreme People's Court on July 31, 2025 and effective as of September 1, 2025. According to the New Judicial Interpretation, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the People's Court shall support such requests in accordance with the law. See "Regulatory Overview — Laws and Regulations on Labor, Social Insurance and Housing Provident Fund" for details.

Furthermore, labor laws, regulations and regulatory standards in other jurisdictions may vary significantly from those in Chinese mainland. If we do not fully understand, correctly interpret and comply with applicable labor laws and regulations in the jurisdictions in which we operate, we may experience compliance issues that may result in regulatory inquiries, civil claims, penalties, fines or other liabilities, which may divert our management's time and attention and adversely affect our business reputation, operation, financial condition and profitability.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in the PRC or to enforce against them in the PRC any judgments obtained from non-Chinese courts.

We are a company incorporated under the laws of the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may not be possible to affect service of process upon most of our Directors and senior management outside the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom or Japan. However, judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《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民商事案件判決的安排》) are met. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions other than Hong Kong in relation to any matter not subject to binding arbitration provisions may be difficult or impossible.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [**REDACTED**] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

RISKS RELATED TO THE [REDACTED]

We will be concurrently subject to PRC and Hong Kong [REDACTED] and regulatory requirements.

As we are listed on the ChiNext Market of the Shenzhen Stock Exchange and will be [**REDACTED**] on the Main Board of the Hong Kong Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and consume additional resources in complying with the requirements of both jurisdictions.

Our A Shares are listed on the ChiNext Market of the Shenzhen Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the ChiNext Market of the Shenzhen Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the ChiNext Market of the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no [**REDACTED**] or settlement between the H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share market have divergent [**REDACTED**] volumes, liquidity and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the [**REDACTED**] history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

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

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

There has been no prior [REDACTED] for our H Shares and an active [REDACTED] market for our H Shares may not develop or be sustained.

There was no [**REDACTED**] for our H Shares prior to the [**REDACTED**]. There can be no guarantee that a [**REDACTED**] for our H Shares with adequate liquidity and [**REDACTED**] volume will develop and be sustained following the completion of the [**REDACTED**]. In addition, the initial [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and us, which may not be indicative of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares may be materially and adversely affected.

The [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The [**REDACTED**] volume and [**REDACTED**] 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, Chinese mainland, the United States and elsewhere in the world. In particular, the performance and fluctuation of the [**REDACTED**] volume and [**REDACTED**] of other companies with business operations located mainly in Chinese mainland that have [**REDACTED**] their securities in Hong Kong may affect the volatility in the price of and [**REDACTED**] volumes for our H Shares. A number of Chinese mainland-based companies have [**REDACTED**] their securities, and some are in the process of preparing for [**REDACTED**] their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines and [**REDACTED**] volume fluctuation after their [**REDACTED**]. The [**REDACTED**] performances of the securities of these companies at the time of or after their [**REDACTED**] may affect the overall [**REDACTED**] sentiment towards Chinese mainland-based companies [**REDACTED**] in Hong Kong and consequently may impact the [**REDACTED**] performance of our H Shares. These factors may significantly affect the [**REDACTED**] and volatility of our H Shares, regardless of our actual operating performance.

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

We have declared dividends in the past. During the Track Record Period, we have paid dividend of RMB487.7 million, RMB1,131.9 million and RMB1,172.6 million for the year ended December 31, 2023 and 2024 and 2025, respectively. Our annual dividend payout ratios for 2023, 2024, 2025 were 50.3%, 52.8%, and 50.6%, respectively. We aim to protect Shareholders' interests through a consistent dividend policy; however, there is no assurance that dividends will be declared or paid in any future year. Dividend payments are subject to applicable PRC laws and regulations, our constitutional documents and profits lawfully available for distribution, and profit calculations under the Accounting Standards for Business Enterprises may differ from those under IFRS. For details, see "Financial Information — Dividends." Historical dividends should not be regarded as indicative of future distributions.

Under the existing foreign exchange regulations of Chinese mainland, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain statutory procedural requirements. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of Chinese mainland.

A future or perceived significant increase in the supply of our Shares in [REDACTED] could cause the [REDACTED] of our H Shares to decrease significantly, and dilute shareholdings of holders of H Shares.

The [**REDACTED**] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**], or the issuance of new shares or other securities (including but not limited to any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds), or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

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

The [**REDACTED**] of our [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of our [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution. Existing Shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible assets value per share of their shares. See Unaudited [**REDACTED**] Financial Information in Appendix II to this Document.

Certain facts, forecasts and statistics derived from official government sources contained in this Document have not been independently verified and the market opportunity estimates may not be accurate.

Certain facts and statistics in this Document, particularly those relating to the economy and industry, are derived from official government and have not been independently verified. Such information may be subject to inaccuracies due to data limitations or collection methods, and you should carefully consider the weight placed on these statistics. In addition, market opportunity estimates, including our ability to capture market share, are based on assumptions that involve significant uncertainty and may not materialize as expected. Even if the markets grow as forecasted, our business may not achieve similar growth due to competitive, operational and strategic risks.

[REDACTED] should read the entire Document carefully and should not consider any particular statements in this Document or in published media reports without carefully considering the risks and other information contained in this Document.

The [**REDACTED**] is being made solely on the basis of the information and representations contained in this Document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this Document should not be relied upon in making an [**REDACTED**] decision with respect to the securities being [**REDACTED**]. Prior to the publication of this Document, there has been coverage in the media regarding us and the [**REDACTED**], which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the [**REDACTED**] may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets, and the demand of advertisers.

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

This Document contains certain statements and information that are forward-looking and uses forward looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

Rules	Subject matter
Rules 8.12 and 19A.15 of the Listing Rules	Management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules	Appointment of joint company secretaries
Paragraph 26 of Appendix D1A to the Listing Rules	Disclosure of particulars of alteration in share capital
Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance	Disclosure of particulars of convertible bondholders
[**REDACTED**]	
Rules 4.04(2) and 4.04(4)(a) of the Listing Rules	Post-Track Record Period acquisition

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. Most of our executive Directors ordinarily reside in the PRC, and they play very important roles in our Company's business operations. It is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our existing executive Directors or appointment of additional executive Directors. Therefore, we do not have, and do not contemplate to have, in the foreseeable future, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) we have appointed Mr. Zhao Dongping (趙東平), our executive Director and president, and Ms. Cheung Wing Sum (張穎沁) ("**Ms. Cheung**") as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange, and will be readily contactable by phone and email to promptly deal with inquiries from the Hong Kong Stock Exchange. Ms. Cheung is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the Authorized Representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e., mobile phone number, office phone number, email address and fax number, if applicable) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period of time;

(d) we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser upon the [**REDACTED**] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**]. The Compliance Adviser will always have access to our Authorized Representatives, Directors and members of our senior management, and will act as an additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available. The contact details of the Compliance Adviser have been provided to the Hong Kong Stock Exchange;

(e) the Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Hong Kong Stock Exchange and us. Meetings between the Hong Kong Stock Exchange and our Directors can be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser; and

(f) the Company has designated one of our employees as the communication officer at the Company's headquarters after the [**REDACTED**] who will be responsible for maintaining day-to-day communication with the Authorized Representatives and the Company's professional advisers in Hong Kong, including our legal adviser in Hong Kong and the Compliance Adviser, to keep abreast of any correspondence with and/or inquiries from the Hong Kong Stock Exchange and report to the executive Directors to further facilitate communication between the Hong Kong Stock Exchange and the Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Stock Exchange 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 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 (Chapter 159 of the Laws of Hong Kong); and (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual: (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 laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Peng Wenting (彭文婷) ("**Ms. Peng**"), our Board secretary, as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as Ms. Peng as its joint company secretary, who is responsible for overseeing information disclosure, corporate governance and investor relations as well as Board related matters of the Company and has day-to-day knowledge of the Company's affairs. Ms. Peng has the nexus to the Board and close working relationship with the management of the Company necessary to perform the function of a joint company secretary and to take required actions in the most effective and efficient manner. However, Ms. Peng presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Cheung, who is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Ms. Peng for an initial period of three years from the [**REDACTED**], to enable Ms. Peng 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.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Peng may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [**REDACTED**], and is granted on the condition that Ms. Cheung, as a joint company secretary of our Company, will work closely with Ms. Peng to jointly discharge the duties and responsibilities as company secretaries and assist Ms. Peng in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Cheung will also assist Ms. Peng in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Cheung is expected to work closely with Ms. Peng and will maintain regular contact with Ms. Peng, the Directors and the senior management of our Company. In addition, Ms. Peng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Ms. Peng will also be assisted on matters concerning our

Company's ongoing compliance with the Listing Rules and applicable laws and regulations by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Cheung ceases to provide assistance to Ms. Peng as a joint company secretary for the three-year period after the [**REDACTED**] or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Ms. Peng 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 ongoing assistance will continue. We will demonstrate and seek the Stock Exchange's confirmation that Ms. Peng, having benefited from the assistance of Ms. Cheung for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RESPECT OF ALTERATION IN SHARE CAPITAL

Paragraph 26 of Appendix D1A to the Listing Rules requires disclosure of the particulars of any alterations in the capital of any member of the Group within the two years immediately preceding the issue of this Document.

As of the Latest Practicable Date, we have over 60 subsidiaries in total. It would be unduly burdensome for us to disclose the required information in respect of each of our subsidiaries, as our Company would have to incur additional costs and devote significant resources to compiling and verifying the relevant information for such disclosure, which would not be material nor meaningful to [**REDACTED**].

We have identified eight subsidiaries (collectively, the "**Major Subsidiaries**" and each a "**Major Subsidiary**") that we consider to be material to our operations and/or to have contributed significantly to our financial performance during the Track Record Period. These Major Subsidiaries were identified based on various factors, including their significance from business lines, geographical presence and financial contribution perspectives. By way of illustration, without eliminating intra-Group transactions, the Major Subsidiaries have, in aggregate, accounted for (i) 83.20%, 79.18% and 74.29% of our revenue and 32.53%, 20.20% and 32.60% of our net profits for each of the years ended December 31, 2023, 2024 and 2025, respectively; and (ii) 49.89%, 46.09% and 45.88% of our total assets as at December 31, 2023, 2024 and 2025, respectively.

None of the other subsidiaries of our Company that are not Major Subsidiaries have individually contributed 5% or more of our Group's revenue or net profits for each and every year within the Track Record Period, or 5% or more of our Group's total assets as of December 31, 2023, 2024 and 2025, nor hold any assets, intellectual property rights, proprietary technologies or licenses and permits that are considered by the Directors to be material to the Group's business and operations. Accordingly, the remaining subsidiaries which are not Major Subsidiaries of our Group are relatively insignificant to the overall results of our Group, and the non-disclosure of information about them would not prejudice the interests of our Shareholders and potential [**REDACTED**]. Rather, the disclosure of the required information under the Listing Rules in respect of our Company and the Major Subsidiaries already provide sufficient information that is reasonably necessary for potential [**REDACTED**] to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group, its profits and losses and the rights attaching to the securities for which [**REDACTED**] is sought, as required under Rule 11.07 of the Listing Rules.

We have disclosed the particulars of the changes in share capital of our Company and the Major Subsidiaries in the sections headed "Statutory and General Information — Further Information About Our Company — Changes in Share Capital of Our Company" and "Statutory and General Information — Further Information About Our Company — Changes in Share Capital of Our Major Subsidiaries", respectively, in Appendix IV to this Document.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under paragraph 26 of Appendix D1A to the Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this Document.

EXEMPTION IN RELATION TO THE DISCLOSURE OF CONVERTIBLE BONDHOLDERS

Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in the Document, among other things, details of the number, description and amount of any of its shares or debentures which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration given or to be given (if any) and the names and addresses of the persons to whom it or the right to it was given.

In 2025, we issued RMB1,104,820,000 as the 2025 Convertible Bonds to a large number of public investors that we believe are mostly Independent Third Parties. The 2025 Convertible Bonds were listed on the ChiNext Market of the Shenzhen Stock Exchange (bond code: 123257). For details, see the section headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Issuance of 2025 Convertible Bonds".

To our knowledge, (a) financial institutions, including broker-dealers, may hold and trade the 2025 Convertible Bonds through participant accounts with clearing agencies; (b) ultimate bondholders that do not have these accounts typically hold and trade the 2025 Convertible Bonds in the names of their brokers through their brokers' participant accounts with the clearing agencies; (c) the 2025 Convertible Bonds are frequently traded among investors and hence the identities of the ultimate bondholders may change constantly; and (d) the trustee does not have information on the identities of the ultimate bondholders and at most, would only be able to ascertain the identities of the participants/brokers through which the 2025 Convertible Bonds are traded.

We have applied for, and the SFC [has granted], a certificate of exemption from the requirements under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, to the extent not strictly met by the disclosure in this Document on the following basis:

(a) since the identities of the ultimate bondholders are practically unavailable and given the expected frequent changes of the identities of the ultimate bondholders, it would be practically impossible for us to disclose the names and addresses of all such ultimate bondholders which are Independent Third Parties in this Document. This disclosure, even if it can be made, would also not provide meaningful information to the potential [**REDACTED**] of our Company;

(b) strict compliance with the applicable disclosure requirements under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance for each ultimate bondholder on an individual basis (including the disclosure of names and addresses of all bondholders) in this Document will be unduly burdensome on us in light of the practical impossibility in identifying the ultimate bondholders and the potentially significant increase in cost and time for information compilation, document preparation and printing;

(c) material information relating to the 2025 Convertible Bonds has been disclosed in the section headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Issuance of 2025 Convertible Bonds", including but not limited to the aggregate principal amount, the maturity date, the annual coupon rate, the conversion mechanism including the conversion price and adjustment, the maximum number of A Shares which may be issued upon conversion of all the outstanding 2025 Convertible Bonds and the potential dilution effect upon full conversion of the 2025 Convertible Bonds, and the Company's right to redeem the 2025 Convertible Bonds;

(d) material information regarding the bondholders of the 2025 Convertible Bonds who are also our core connected persons has been disclosed in the section headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Issuance of 2025 Convertible Bonds", including but not limited to the identities of the bondholders who are our core connected persons, the principal amount underlying the outstanding 2025 Convertible Bonds held by the core connected persons, the conversion price, the maximum number of A Shares which may be issued upon conversion of the outstanding 2025 Convertible Bonds held by the core connected persons, and the potential dilution effect upon full conversion of the 2025 Convertible Bonds held by the core connected persons. Accordingly, along with the disclosures made in (c) above, information that should be reasonably necessary for potential [**REDACTED**] to make an informed assessment of our Company in their [**REDACTED**] decision process has been included in this Document; and

(e) non-compliance with the abovementioned disclosure requirements under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would not prevent us from providing potential [**REDACTED**] with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company and would not prejudice the interests of the [**REDACTED**].

The SFC [has granted] an exemption referred to above on the following conditions:

(a) with respect to the 2025 Convertible Bonds issued by our Company, the following details are fully disclosed in this Document: the total principal amount of the 2025 Convertible Bonds; the maximum number of A Shares to be converted from the 2025 Convertible Bonds; the conversion rate of the 2025 Convertible Bonds; the conversion period of the 2025 Convertible Bonds; and the potential dilution effect upon full conversion of the 2025 Convertible Bonds issued;

(b) an individual basis, full details of the outstanding 2025 Convertible Bonds issued to the core connected persons of our Company are disclosed in this Document, including: the names of the bondholders who are the core connected persons of our Company; the principal amount underlying the outstanding 2025 Convertible Bonds held by the core connected persons; the conversion price; the maximum number of A Shares which may be issued upon conversion of the outstanding 2025 Convertible Bonds held by the core connected persons; and the percentage of our Company's total issued share capital represented by such number of A Shares as of the Latest Practicable Date and upon [**REDACTED**];

(c) the particulars of such exemption are set out in this Document; and

(d) this Document be issued on or before [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

WAIVER IN RESPECT OF POST-TRACK RECORD PERIOD ACQUISITION

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants' report to be included in a listing document is required to include the results and balance sheet of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the issuer have been made up in respect of each of the three financial years immediately preceding the issue of this Document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions as set out thereunder.

Target Investment in SolarCan

On January 27, 2026, our wholly-owned subsidiary, Anker Innovations Limited ("**Anker HK**"), entered into a share purchase agreement with, among others, SolarCan GmbH ("**SolarCan**") and other existing shareholders of SolarCan, pursuant to which SolarCan agreed to issue and Anker HK agreed to subscribe for 6,250 series angel preferred shares at a consideration of 1 million euros (the "**Target Investment**"). Such consideration was determined after arm's length negotiations with reference to factors including (i) market conditions in the energy solutions industry, being the sector in which SolarCan operates, (ii) a mutually agreed valuation between the parties, (iii) the financial conditions of SolarCan, and (iv) the stage of development and business prospects of SolarCan. The consideration for the Target Investment was fully settled with the Company's internal funds in April 2026. To the best of the information, knowledge and belief of our Directors having made all reasonable enquiries, each counterparty and the ultimate beneficial owners of such counterparty in respect of the Target Investment is an Independent Third Party.

SolarCan is a limited liability company incorporated in Germany which is a renewable energy service provider. Upon completion of the Target Investment, Anker HK is expected to hold 20.00% equity interests in the SolarCan; SolarCan will not be consolidated into our Group.

Reasons and benefits of the Target Investment

The Company believes that the Target Investment will contribute to our overseas business synergy, supporting our long-term business development through cooperation with our business partners. Our Directors consider that the Target Investment has been entered into on normal commercial terms which are fair and reasonable, and is in the interests of our Company and the Shareholders as a whole.

The Company has applied to the Stock Exchange for, 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 respect of the Target Investment on the following grounds:

(a) The requested waiver would not prejudice the interests of the [REDACTED] in our Company.

(i) The scale of the business operated by SolarCan, compared to that of the Group, is not material. Under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the Target Investment are below 5% by reference to the most recent fiscal year of the Track Record Period. We consider the Target Investment to be immaterial in the context of our Company's operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential [**REDACTED**] assessment of our business and future prospects when considering an [**REDACTED**] in our Company.

(ii) Based on the equity interests in SolarCan held by our Group as a result of the Target Investment, our Group has not been and will not be able to exercise control over SolarCan at its board or shareholders' level. The equity interest in SolarCan held by our Group has been and will continue to be accounted for as an investment in an associate and the financials of SolarCan will not be consolidated into the financials of our Group.

(iii) The Target Investment will not result in any material change to the financial position of our Group since the end of the Track Record Period, and all information that is reasonably necessary for the potential [**REDACTED**] to make an informed assessment of our Company's activities or financial position has been included in this Document.

(b) It would be impracticable and unduly burdensome to reproduce historical financial information for strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

(i) As a minority shareholder, we will not control SolarCan upon the completion of the Target Investment, hence we are unable to receive, let alone provide our reporting accountants with, full access to its financial records. In addition, it would require considerable time and resources for our Company to become fully familiarized with the management accounting policies of SolarCan and compile the necessary financial information and supporting documents for disclosure in this Document in accordance with the Listing Rules, or for the reporting accountants to perform their audit work in accordance with the applicable requirements. As such, we believe that it would be impractical and unduly burdensome for us to disclose the audited financial information of SolarCan as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

(ii) In addition, having considered the Target Investment to be immaterial and that the Company does not expect the Target Investment to have any material effect on its business, financial condition or operations, our Company believes that it would not be meaningful and would be unduly burdensome for us to prepare and include the financial information of SolarCan during the Track Record Period in this Document. As our Company does not expect the Investments to result in any material changes to its financial position after the Track Record Period, we do not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interests of the [**REDACTED**].

(c) Alternative information has been provided in this Document.

(i) The Company has provided alternative information about the Target Investment in this Document, including information which would be required to be disclosed for a notifiable transaction under Chapter 14 of the Listing Rules and that the Directors consider to be material, including, for example, descriptions of SolarCan's principal business activity, the consideration for the Target Investment, and a statement as to whether each counterparty and the ultimate beneficial owners of such counterparty in respect of the Target Investment is an Independent Third Party. Since the relevant percentage ratios of the Target Investment are less than 5% by reference to the most recent fiscal year of our Track Record Period, the current disclosure is adequate for potential [**REDACTED**] to form an informed assessment of the Company. The Company will not use any [**REDACTED**] from the [**REDACTED**] to fund the Target Investment.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Yang Meng (陽萌)	302, Building R, Chunshuian Phase IV No. 1 Xiangshan Middle Street Nanshan District, Shenzhen City Guangdong Province, PRC	Chinese
Mr. Zhao Dongping (趙東平)	Flat E, G/F, Block E, Splendour Villa No. 10 South Bay Road Repulse Bay, Hong Kong	Chinese (Hong Kong)
Mr. Zhu Fanghao (祝芳浩)	4-10A, Building 1, Junfeng Lishe Garden No. 43 Longzhu 7th Road Nanshan District, Shenzhen City Guangdong Province, PRC	Chinese
Mr. Xiong Kang (熊康)	1-3/F, No. 32, Lane 390 Huapeng Road, Pudong New District Shanghai, PRC	Chinese
Non-executive Directors		
Mr. Zhang Shanfeng (張山峰)	A-47C, Donghai International Apartment No. 7888 Shennan Avenue Futian District, Shenzhen City Guangdong Province, PRC	Chinese
Mr. Lian Meng (連萌)	Room 6C, No. 94 Tianrun Road, Shipai Street Tianhe District, Guangzhou City Guangdong Province, PRC	Chinese
Independent Non-executive Directors		
Mr. Li Congliang (李聰亮)	1/F, Yee Fat Building, No. 51 Sai Street Sheung Wan, Hong Kong	Chinese (Hong Kong)
Ms. Yi Xuan (易玄)	Room 506, Sunshine 100 International New City Phase II, Yuelu District Changsha City Hunan Province, PRC	Chinese
Mr. Han Xi (韓曦)	16-2-602 Yunhui City Yuhang District, Hangzhou City Zhejiang Province, PRC	Chinese

See the section headed "Directors and Senior Management" in this Document for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors
(in alphabetical order)

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

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

J.P. Morgan Securities (Far East) Limited
28/F, Chater House
8 Connaught Road Central
Hong Kong

[**REDACTED**]

Legal advisers to our Company

As to Hong Kong and United States laws:

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC and PRC data compliance laws:

Haiwen & Partners
2605, Jing An Kerry Centre Tower 1
1515 Nanjing West Road
Shanghai
PRC

As to UAE laws:

Winson Partners and Legal Consultants
Office 1002, 10th Floor
The H Dubai Office Tower, Sheikh Zayed Road
Dubai
United Arab Emirates

As to applicable state and federal laws of the United States in relation to legal due diligence on two U.S. subsidiaries' business operations in the United States:

Shanze Partners PLLC
701 5th Avenue
Suite 4200
Seattle
WA 98104

As to UK laws:

Addleshaw Goddard LLP
Cornerstone
107 West Regent Street
Glasgow
G2 2BA
United Kingdom

As to Japan laws:

TMI Associates
23rd Floor, Roppongi Hills Mori Tower
6-10-1 Roppongi
Minato-ku
Tokyo 106-6123
Japan

As to Hong Kong regulatory matters:

Li & Partners
22nd Floor, World-Wide House
19 Des Voeux Road Central
Hong Kong

As to U.S. sanctions, U.S. export controls and U.S. customs duties and tariffs:

Jacobson Burton Kelley PLLC
1725 I Street, NW
Suite 300
Washington, DC 20006
USA

Legal advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and United States laws:* **Linklaters** 11th Floor, Alexandra House Chater Road Central Hong Kong *As to PRC laws:* **Commerce & Finance Law Offices** 10/F, Jing An Kerry Centre Tower 1 1515 Nanjing West Road Shanghai PRC
Reporting Accountants	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road, Central, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc. Shanghai Branch Co.** Room 2504 Wheelock Square 1717 Nanjing West Road Shanghai PRC
Compliance Adviser	**Rainbow Capital (HK) Limited** Room 710, 7/F, Wing On House 71 Des Voeux Road Central Central Hong Kong

[**REDACTED**]

CORPORATE INFORMATION

Registered Office, Headquarters and Principal Place of Business in the PRC	Room 701, 7th Floor Building 7, Phase I Changsha Zhongdian Software Park Co., Ltd. No. 39 Jianshan Road Changsha National Hi-Tech Industrial Development Zone Hunan Province PRC
Principal Place of Business in Hong Kong	Room 56, 8th Floor Admiralty Centre Tower 2 18 Harcourt Road Admiralty Hong Kong
Company's Website	**www.anker.com** *(Note: the information contained on this website does not form part of this Document)*
Joint Company Secretaries	**Ms. Peng Wenting (彭文婷)** Building 1, Runzhi R&D Center Xuehua Science and Technology Innovation City Xin'an Sub-district, Bao'an District Shenzhen City Guangdong Province PRC **Ms. Cheung Wing Sum (張穎沁)** *(ACG, HKACG)* 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	**Mr. Zhao Dongping (趙東平)** Building 1, Runzhi R&D Center Xuehua Science and Technology Innovation City Xin'an Sub-district, Bao'an District Shenzhen City Guangdong Province PRC **Ms. Cheung Wing Sum (張穎沁)** 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

Audit Committee	Ms. Yi Xuan (易玄) *(chairperson)* Mr. Li Congliang (李聰亮) Mr. Han Xi (韓曦)
Remuneration and Appraisal Committee	Mr. Li Congliang (李聰亮) *(chairperson)* Mr. Zhang Shanfeng (張山峰) Ms. Yi Xuan (易玄)
Nomination Committee	Mr. Han Xi (韓曦) *(chairperson)* Mr. Yang Meng (陽萌) Ms. Yi Xuan (易玄)
Strategy Committee	Mr. Yang Meng (陽萌) *(chairperson)* Mr. Zhao Dongping (趙東平) Mr. Han Xi (韓曦)

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Principal Banks

Standard Chartered Bank (China) Co., Ltd.
Shenzhen Branch
11/F, 12/F, 14/F Tower A Kingkey100 Building
No. 5016 Shennan East Road
Luohu District, Shenzhen
Guangdong Province
PRC

Citibank (China) Co., Ltd.
Shenzhen Branch
36/F, Duty-Free Business Building
No. 6, 1st Fuhua Road
Futian District, Shenzhen
Guangdong Province
PRC

Industrial and Commercial
Bank of China Limited
Jinpeng Branch
No. 56 Yinshuang Road
Yuelu District, Changsha
Hunan Province
PRC

Industrial Bank Co., Ltd.
Changsha Branch
Xingye Building, No. 567 Furong Middle Road
Yuhua District, Changsha
Hunan Province
PRC

The information and statistics set out in this section and other sections of this Document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us or any other parties involved in the* [**REDACTED**]*, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

OVERVIEW OF GLOBAL SMART DEVICES INDUSTRY

Smart devices generally refer to hardware products that, building on traditional hardware, integrate sensors, chips, operating systems, and network communication modules, as well as peripheral accessories such as mobile charging products. Typical products include smart phones and accessories, personal computers and accessories, smart home devices, smart audio and visual devices, etc., and the market size of global smart devices is approximately RMB9.3 trillion (equivalent to US$1.3 trillion) in 2025. Based on market size and consumer demand characteristics, the smart devices market can be segmented into medium-to-small sized market, which is also referred to as the shallow-sea market, and large sized market. The Company only sells certain products within medium-to-small sized markets including power banks, chargers and accessories, consumer power storage, smart cleaning appliance, smart security device, wireless headphone, smart speaker, smart projector, etc.

Large sized markets of smart devices include smart phones, PCs, smart televisions, etc., each with a market size generally over RMB576.0 billion (equivalent to US$80 billion). The market is dominated by giant corporations, and consumer demand for these markets is relatively stable and mature. Medium-to-small sized markets refer to the markets with a size under RMB576.0 billion and in general, these markets are at emerging stage with relatively greater growth potential. These medium-to-small sized markets are characterized by a broad variety of product categories, each with relatively small individual market sizes. Many of these segments are still in the early or high-growth phase, exhibiting rapid expansion potential. The competitive landscape is generally fragmented, with frequent entries from emerging players driving continuous opportunity. Total size of these markets is approximately RMB2,739.1 billion (equivalent to US$380.4 billion) in 2025. The Company operates across a number of medium-to-small sized markets, including chargers and accessories, power banks, consumer power storage products, smart cleaning appliances, smart home security devices, smart speakers, smart projectors, wireless headphones, and consumer 3D printers. In 2025, the global market sizes of these segments were RMB70.3 billion, RMB173.8 billion, RMB229.0 billion, RMB208.3 billion, RMB149.5 billion, RMB118.6 billion, RMB34.2 billion, RMB350.7 billion, and RMB41.5 billion, respectively. From 2025 to 2030, these markets are projected to grow at CAGRs of 8.9%, 10.0%, 19.6%, 14.9%, 11.3%, 4.0%, 7.5%, 7.8%, and 33.0%, respectively.

OVERVIEW OF GLOBAL MOBILE CHARGING PRODUCTS INDUSTRY

Introduction and Definition of Mobile Charging Products Industry

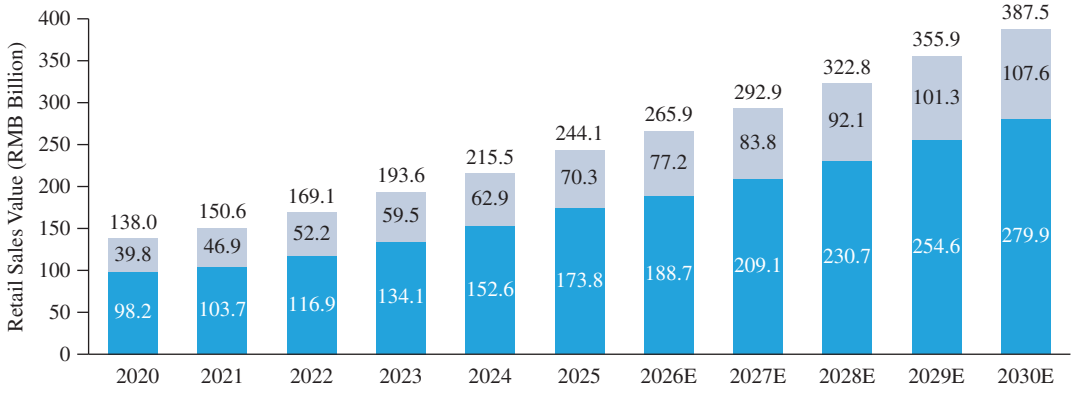
Mobile charging product is the sector that supplies portable power to mobile devices, including power banks, chargers, and accessories such as protective cases, etc.. Power banks refer to portable mobile power sources designed to charge electronic. Chargers and accessories include wired chargers, wireless chargers, charging cables, and others such as multi-port charging stations and charging docks.

Market Size of Global Mobile Charging Products Industry

Global mobile charging products market reached RMB244.1 billion in 2025, representing a CAGR of 12.1% from 2020 to 2025. By product category, the market size of power bank reached RMB173.8 billion in 2025, and is expected to continue a strong growth trajectory, reaching RMB279.9 billion by 2030, representing a CAGR of 10.0% from 2025 to 2030, driven by increasing consumer demand for portable and high-capacity charging solutions, frequent smartphone and wearable device upgrades, and greater reliance on mobile devices for work, entertainment, and travel.

Market Size of Mobile Charging Products Market, by Category (Global), 2020-2030E

	CAGR (2020-2025)	*CAGR (2025-2030E)*
Power Bank	12.1%	10.0%
Chargers and Accessories	12.1%	8.9%
Total	12.1%	9.7%



Source: IDC, Frost & Sullivan Analysis

Regionally, North America is the largest market with the size of RMB59.7 billion in 2025, with a CAGR of 13.6% from 2020, followed by Europe, PRC, Japan and Middle East, with market sizes of RMB56.4 billion, RMB52.2 billion, RMB9.0 billion and RMB6.4 billion, respectively.

Market Size of Mobile Charging Products Market, by Region, 2020-2030E

		2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 20/25	CAGR 25/30E
Total	**Bn RMB**	**138.0**	**150.6**	**169.1**	**193.6**	**215.5**	**244.1**	**265.9**	**292.9**	**322.8**	**355.9**	**387.5**	**12.1%**	**9.7%**
North America	Bn RMB	31.6	35.1	41.5	47.2	52.8	59.7	64.7	72.0	79.3	87.1	93.9	13.6%	9.5%
Europe	Bn RMB	31.6	32.0	36.9	44.1	48.5	56.4	60.0	65.4	71.7	79.1	85.9	12.3%	8.8%
PRC	Bn RMB	30.7	36.3	37.2	41.3	47.2	52.2	57.7	64.1	70.3	77.1	83.9	11.2%	10.0%
Japan	Bn RMB	5.5	5.4	5.8	6.6	7.8	9.0	9.8	10.7	11.7	12.9	13.7	10.4%	8.8%
Middle East	Bn RMB	3.9	4.1	4.8	5.5	5.9	6.4	7.1	7.9	8.9	10.0	10.9	10.4%	11.2%
Others	Bn RMB	34.7	37.7	42.9	48.9	53.3	60.4	66.6	72.8	80.9	89.7	99.2	11.7%	10.4%

Source: IDC, Frost & Sullivan Analysis

By price level and features, power banks and chargers can be further classified into mid-to-high end and mass-market. Product positioning and price perceptions may vary across countries and regions, depending on local income levels, consumer preferences, competitive landscape, brand recognition, and distribution channels. Therefore, a unified global segmentation standard is not available.

The table below illustrate the product level of power banks:

Level	Price Range, USD/Unit	Battery Capacity, mAh	Typical Output, W	Key Feature
Mid-to-high end	30 and above	10000~20000	20 and above	Smart Display, MagSafe-Compatible, Fast Charging, Compact Design
Mass-market	Below 30	5000~10000	10 to 22.5	Basic Function

Note: Price range is based on the U.S. market.

Source: Frost & Sullivan Analysis

The table below illustrate the product level of chargers:

Level	Price Range, USD/Unit	Typical Output, W	Key Feature
Mid-to-high end	15 and above	25 and above	Fast Charging, Compact Design, Smart Display, MagSafe-Compatible, Wireless Charger
Mass-market	Below 15	<25	Basic Function

Note: Price range is based on the U.S. market.

Source: Frost & Sullivan Analysis

Market Drivers and Future Trends

Upgrades and Iterations in Multi-Port and Fast-Charging Technology: New technologies such as PD3.2, GaN and multi-port fast charging are increasingly adopted, boosting users' willingness to upgrade to and pay for high-end products. Fast-charging technology not only shortens charging time but also enhances the user experiences, meeting the demand for a fast-paced modern lifestyle. Meanwhile, the development of multi-port charging technology caters for the

consumers' rising demand for charging multiple devices at same time, especially when they are traveling. In addition, improvements in safety performance, heat dissipation efficiency, and intelligent power technologies further strengthen users' trust and reliance on premium products.

Popularization of Smart Devices: The global installed base of smart devices has been growing rapidly, driving a continuous expansion in charging demand. As device types and functionalities become increasingly diverse, users now prefer efficient charging solutions to meet multi-device usage and high energy consumption needs. With the development of Internet of Things (IoT), the integration of smart home, wearable devices, and mobile terminals further stimulates charging demand.

Enhancement of Consumer Awareness to Brands, Quality and Aesthetic Design: Consumer preference for charging solutions is increasingly shaped by brand credibility and product quality. Concerns over charging safety, device compatibility, and user experiences are now driving a higher consumer willingness to pay for safer and more durable products with reliable after-sales services. Moreover, consumers are increasingly focusing on product aesthetics. Leading brands are reinforcing their positions in the market through technological innovation, improved design, and multi-scenario applications to foster long-term customer loyalty.

Enhancing Intelligence of Smart Charging Technology: With the variety of electronic devices, the demand for charging solutions becomes more diversified, driving the need for smarter charging methods. Intelligent chargers will focus more on automatic optimization, personalized adjustment and better device compatibility that lead to a more efficient and safer charging experience.

Strengthened Regulation Drives Market Consolidation: China's Notice on Carrying out Centralized Rectification of Power Bank Quality and Safety (《關於開展充電寶質量安全集中整治的通知》) in 2025 has tightened regulatory enforcement over the industry. Stricter certification requirements have eliminated uncertified products, as well as raised consumer awareness of certified and high-quality power banks. Consequently, the market is concentrating toward leading brands with robust compliance and quality control capabilities.

Challenges

Intensifying Industry Competition: With the market expansion, mobile charging products industry is witnessing intensified competition. Leading firms leverage brand and technological advantages to expand market share, while smaller players face price wars and shrinking margins. To remain competitive, companies need to increase investments in R&D and marketing, which in turn raises cost pressures. Over the long term, such competitive dynamics may lead to industry consolidation, further strengthening the market dominance of the robust players.

OVERVIEW OF GLOBAL CONSUMER POWER STORAGE INDUSTRY

Introduction and Definition of Consumer Power Storage Industry

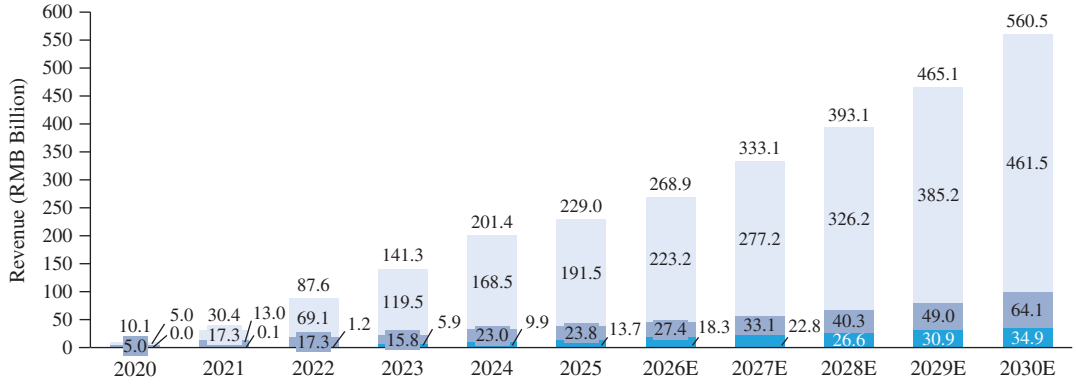
Consumer power storage industry consists of portable power storage, balcony photovoltaic energy storage and residential energy storage. The portable power storage market mainly includes portable power station. Portable power station is a small power storage device with a built-in battery. It features large capacity, high power, safety, and portability. Balcony photovoltaic energy storage refers to small-scale solar energy systems installed primarily for individual or household use and typically consist of compact solar panels, an inverter, and sometimes a battery storage unit. Residential energy storage refers to a home-based power storage system connected to the grid, requiring rewiring and installation.

Market Size of Global Consumer Power Storage Industry

The market size of global consumer power storage market in terms of revenue increased from RMB10.1 billion in 2020 to RMB229.0 billion in 2025, with a CAGR of 86.7% and is expected to reach RMB560.5 billion by 2030, with a CAGR of 19.6% from 2025 to 2030.

Market Size of Consumer Power Storage Market, by Product (Global), 2020-2030E

	CAGR (2020-2025)	*CAGR (2025-2030E)*
Residential Energy Storage	107.3%	19.2%
Portable Power Storage	36.6%	21.9%
Balcony Photovoltaic Energy Storage	228.2%	20.6%
Total	86.7%	19.6%



Source: China Industrial Association of Power Sources, Frost & Sullivan Analysis

In terms of regions, Europe and North America are two major markets of global consumer power storage market.

Market Size of Consumer Power Storage Market, by Region, 2020-2030E

		2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 20/25	CAGR 25/30E
Total	**Bn RMB**	**10.1**	**30.4**	**87.6**	**141.3**	**201.4**	**229.0**	**268.9**	**333.1**	**393.1**	**465.1**	**560.5**	**86.7%**	**19.6%**
Europe	Bn RMB	1.8	10.2	48.5	62.6	98.0	76.8	86.4	112.3	141.1	177.8	217.4	111.8%	23.1%
North America	Bn RMB	4.3	10.1	20.2	33.6	48.8	64.9	77.0	86.4	96.5	108.0	121.0	72.1%	13.3%
Rest of World	Bn RMB	4.0	10.1	18.9	45.1	54.6	87.3	105.5	134.4	155.5	179.3	222.1	91.8%	30.8%

Source: China Industrial Association of Power Sources, Frost & Sullivan Analysis

Market Drivers and Future Trends

Intensified Impact of Grid Instability and Power Outages, and Rising Electricity Prices: Frequent power instability and outages increase reliance on consumer power storage. Households increasingly view consumer power storage, such as balcony photovoltaic systems and residential energy storage units, as a practical way to manage fluctuations and uncertainties in electricity supply. These systems enable households to store self-generated solar energy and maintain stable power usage during temporary interruptions or periods of limited grid reliability. Meanwhile, rising electricity prices following global energy crisis have become a key driver for the consumer power storage industry.

Advancement of Power Storage Technologies Enhances Efficiency and Experience: With continuous technological development, power storage devices have seen significant improvements in power density, lifespan, and safety, allowing consumers to access more reliable products at lower costs. Moreover, smart management systems make it easier for users to monitor and optimize power

use, improving convenience. In recent years, innovations such as fast charging, remote control, and visualized interfaces have further enhanced the user experiences. Looking ahead, the integration of IoT may enable more personalized and intelligent power solutions.

Favorable Policies Supporting Industry Development: Most European countries are introducing new regulations to promote consumer power storage products, including higher inverter output limits and streamlined registration procedures. For instance, Germany's Solarpaket I legislation has raised inverter limits to 800 watts and simplified registrations for balcony solar systems, lowering entry barriers for household users. Austria has provided subsidies covering up to 50% of the cost of balcony solar systems, and France has streamlined the permitting process for small-scale solar system installations. As distributed energy resources are more encouraged globally, the consumer power storage market is expected to experience sustained expansion.

Challenges

Lack of Standards and Compatibility: The global consumer power storage industry lacks unified technical standards. Differences in interface protocols, safety norms, and software platforms among manufacturers create compatibility issues when integrating storage systems with solar panels, smart home devices, or the grid, raising complexity and operational risks. Moreover, product quality varies widely among smaller players, posing safety concerns and reducing consumer trust. A lack of consistent standards not only restricts large-scale application but also hinders coordination across the supply chain.

OVERVIEW OF GLOBAL SMART HOME INDUSTRY

Introduction and Definition of Smart Home Industry

Smart home industry consists of smart home appliances, smart home security devices, smart cleaning appliances, and others including smart lighting, smart control, consumer 3D printers, etc. Smart home appliances are household appliances embedded within the IoT to enable automation and remote control, such as smart refrigerators and air conditioners. Smart home security devices mainly include smart cameras, smart locks and smart doorbells. Smart cleaning appliances are IoT-enabled devices that utilize connectivity, sensors, and other technologies to automate cleaning tasks, including vacuum cleaners, and robotic vacuum cleaners. Others include other types of smart home products that enhance home automation and user experience, such as smart lighting systems, smart controllers and gateways.

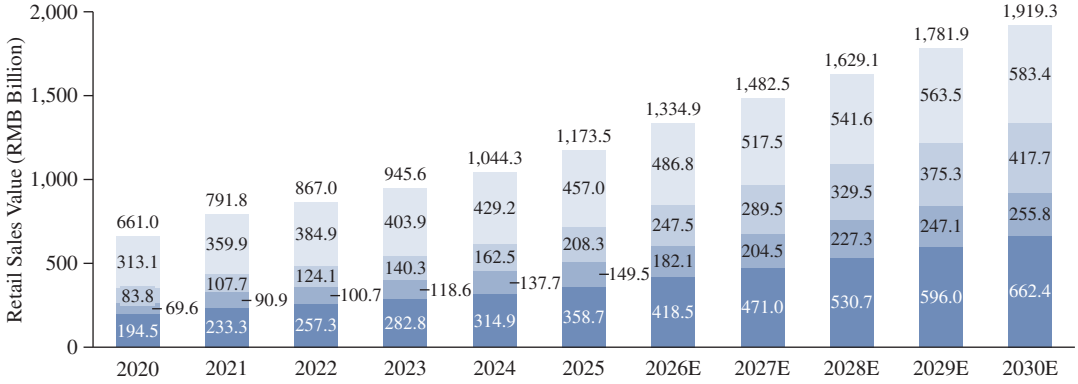
Market Size of Global Smart Home Industry

From 2020 to 2025, the global smart home market recorded steady growth, expanding from RMB661.0 billion to RMB1,173.5 billion, representing a CAGR of 12.2%.

Looking forward, the smart home market is expected to reach RMB1,919.3 billion by 2030, representing a CAGR of 10.3% since 2025. Growth will be further driven by the integration of intelligent and IoT technologies, rising demand for personalized and intelligent user experiences, and the emphasis on energy efficiency and sustainable development.

Market Size of Smart Home Market, by Product (Global), 2020-2030E

	CAGR (2020-2025)	*CAGR (2025-2030E)*
Smart Home Appliance	7.9%	5.0%
Smart Cleaning Appliance	20.0%	14.9%
Smart Home Security Device	16.5%	11.3%
Others	13.0%	13.1%
Total	12.2%	10.3%



Source: China Household Electrical Appliances Association, US Census Bureau, Frost & Sullivan Analysis

By region, North America represented the largest smart home market in 2025, with a market size of RMB355.4 billion and a CAGR of 11.4% from 2020, followed by PRC, Europe, Japan, Middle East, with market sizes of RMB334.9 billion, RMB273.9 billion, RMB63.3 billion and RMB37.6 billion, respectively, with CAGRs of 14.5%, 11.6%, 14.6% and 11.8% from 2020. The rapid growth was underpinned by continued technological innovation, rising consumer preference for convenience and efficiency, and the expansion of interconnected ecosystems that enabled seamless integration of devices.

Market Size of Smart Home Market, by Region, 2020-2030E

		2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 20/25	CAGR 25/30E
Total	**Bn RMB**	**661.0**	**791.8**	**867.0**	**945.6**	**1,044.3**	**1,173.5**	**1,334.9**	**1,482.5**	**1,629.1**	**1,781.9**	**1,919.3**	**12.2%**	**10.3%**
North America	Bn RMB	207.0	246.1	269.9	292.1	321.5	355.4	391.8	441.0	489.6	547.2	594.6	11.4%	10.8%
Europe	Bn RMB	158.4	188.1	197.2	215.7	242.9	273.9	305.9	336.4	374.0	411.1	453.2	11.6%	10.6%
PRC	Bn RMB	170.4	208.9	241.0	258.3	278.6	334.9	373.8	418.9	462.6	487.9	513.1	14.5%	8.9%
Middle East	Bn RMB	21.5	26.2	27.7	30.6	33.7	37.6	42.8	48.1	53.2	57.4	59.4	11.8%	9.6%
Japan	Bn RMB	32.0	38.9	43.6	48.3	54.5	63.3	69.2	78.1	86.1	92.3	94.8	14.6%	8.4%
Others	Bn RMB	71.7	83.6	87.6	100.6	113.1	108.4	151.4	160.0	163.6	186.0	204.2	8.6%	13.5%

Source: China Household Electrical Appliances Association, US Census Bureau, Frost & Sullivan Analysis

The table below illustrate the product level of outdoor security cameras:

Level	Price Range, USD/Unit	Key Feature
Mid-to-high end	80 and above	2K-4K Resolution, Solar Powered, AI Motion Tracking, Strobe Light, Pan & Tilt
Mass-market	Below 80	1080P-2.5K Resolution

Note: Price range is based on the U.S. market.

Source: Frost & Sullivan Analysis

Creative printing is an emerging segment within global smart home market, which empowers personalized creation by transforming virtual designs into unique physical objects. Key product categories include consumer 3D printer, consumer laser engraver and 3D-texture UV printer. Among these, consumer 3D printer market represents a relatively mature segment with the market size of RMB41.5 billion in 2025 and a projected CAGR of 33.0% from 2025 to 2030. 3D-texture UV printer offers instant curing, high color fidelity, and compatibility with diverse materials, driving demand growth in personalized, small-batch customization markets such as crafts, cultural products, and e-commerce, and is expected to showcase vast growth potential within the industry.

Market Drivers and Future Trends

Advancement of IoT and Industrial Technology Empower Smart Home Industry: The rapid evolution of technology — ranging from high-speed digital motors in intelligent cleaning devices to smart control, IoT, big data, algorithms, and motion control — has significantly enhanced the performance and capabilities of home appliances. As modern living becomes increasingly complex, continuous technological progress ensures that home appliances remain essential, adaptable to the household.

Increasing Demand for Intelligent Lifestyle: The rapid pace of urban living and the growing prevalence of dual-income households are driving strong demand for smart cleaning solutions. Consumers increasingly value products that reduce labour intensity and save time, such as robotic vacuum cleaners with automated scheduling, intelligent navigation, and self-cleaning capabilities. In addition, the smart home security system market is fueled up by consumers' demand for intelligent home security system which is safe and efficient. This shift reflects a broader lifestyle upgrade, where efficiency and convenience are prioritized.

Challenges

Fragmented Standards and Limited Interoperability: Fragmented systems and limited interoperability remain significant challenges of smart home industry. Different brands adopt proprietary protocols and ecosystems, making seamless connectivity difficult. Users have to install different apps or gateways, which undermines the overall experience and complicates the operation of smart home appliances. Rapid market evolution and "ecosystem barriers" among firms continue to hinder integration, which is specifically critical in intelligent security where a failure in communication between a door sensor, camera, and alarm system due to protocol mismatch can create a security gap.

OVERVIEW OF GLOBAL SMART AUDIO AND VIDEO DEVICES INDUSTRY

Introduction and Definition of Smart Audio and Video Devices Industry

Smart audio and video devices refer to devices that integrate intelligent operating systems, network connectivity, and interactive functions to enrich users' access to and enjoyment of audio and video content. Key categories include smart televisions, smart speakers, smart projectors, and wireless headphones.

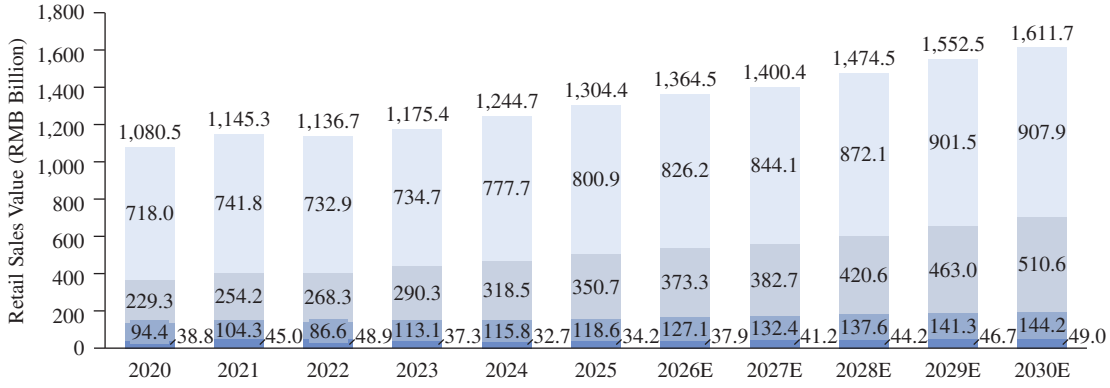
Market Size of Global Smart Audio and Video Devices Industry

From 2020 to 2025, the global smart audio and video devices market expanded steadily from RMB1,080.5 billion to RMB1,304.4 billion, with a CAGR of 3.8%.

Looking forward, the smart audio and video devices market is expected to accelerate, reaching RMB1,611.7 billion by 2030, at a projected CAGR of 4.3% from 2025 to 2030. The expected accelerated growth rate of the market is primarily driven by faster growth in certain sub-segments. Wireless headphone market is expected to have sustained growth at a CAGR of 7.8% from 2025 to 2030, driven by technological advancements such as bone-conduction technology, increasing functional diversification including features like meeting recording, and continuous new product iterations and upgrades. For smart television, market growth is supported by rising average selling prices driven by higher raw material costs and an increasing share of large-screen and high-end models, alongside stable shipment volumes. For smart speaker and smart projector, demand is expected to grow steadily, supported by expanding user scenarios and broader adoption within smart home ecosystems and outdoor use such as outdoor camping, live sports viewing, and entertainment gatherings. While intensified competition in the past led to price declines in these industries, prices are expected to stabilize as competition eases and leading companies adopt more rational pricing, supporting an accelerated increase in market size going forward. Growth will be further supported by advancements in display and audio technologies and increasing demand for personalized, multi-device entertainment setups. In addition, increasing global demand for smart living environments, and greater affordability of entry-level smart audio and video devices are expected to drive market expansion during the forecast period.

Market Size of Smart Audio and Video Devices Market, by Product (Global), 2020-2030E

Market Type		*CAGR (2020-2025)*	*CAGR (2025-2030E)*
Large Sized Market	Smart Television	2.2%	2.5%
Medium-to-Small Sized Market	Wireless Headphone	8.9%	7.8%
	Smart Speaker	4.7%	4.0%
	Smart Projector	-2.5%	7.5%
Total		3.8%	4.3%



Source: National Bureau of Statistics, Frost & Sullivan Analysis

By region, the market size of North America, Europe, PRC, Middle East and Japan reached RMB135.0 billion, RMB127.9 billion, RMB64.5 billion, RMB26.9 billion and RMB10.0 billion in 2025, with CAGRs of 6.6%, 7.0%, -0.3%, 12.8% and 1.2%, respectively, from 2020 to 2025, driven by the maturation of technology and the expansion of application scenarios, alongside continuous innovation in core components for portable audio and video products.

Looking forward, by region, the market size of North America, Europe, PRC, Middle East and Japan markets are expected to reach RMB172.7 billion, RMB184.9 billion, RMB73.9 billion, RMB48.0 billion and RMB11.5 billion in 2030, with CAGRs of 5.0%, 7.6%, 2.8%, 12.3% and 2.8%, respectively, from 2025 to 2030, driven by the deepening interoperability within smart ecosystems, particularly the synergy between audio and video devices and IoT platforms, and coupled with advancements in sensor integration and adaptive audio algorithms.

Market Size of Smart Audio and Video Devices — Medium-to-small Sized Market, by Region, 2020-2030E

		2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 20/25	CAGR 25/30E
Total	**Bn RMB**	**362.5**	**403.5**	**403.8**	**440.7**	**467.0**	**503.5**	**538.3**	**556.3**	**602.4**	**651.0**	**703.8**	**6.8%**	**6.9%**
North America	Bn RMB	98.3	109.1	106.8	123.1	128.0	135.0	144.4	144.6	151.2	165.9	172.7	6.6%	5.0%
Europe	Bn RMB	91.2	97.3	102.3	113.2	121.0	127.9	136.0	140.8	153.1	166.9	184.9	7.0%	7.6%
PRC	Bn RMB	65.6	81.9	62.7	55.5	61.8	64.5	66.5	66.8	68.2	71.8	73.9	-0.3%	2.8%
Middle East	Bn RMB	14.7	16.0	17.8	20.8	23.7	26.9	29.3	31.5	37.0	42.3	48.0	12.8%	12.3%
Japan	Bn RMB	9.4	9.8	9.4	9.8	9.7	10.0	10.5	10.7	11.0	11.2	11.5	1.2%	2.8%
Others	Bn RMB	83.3	89.4	104.8	118.3	122.8	139.2	151.6	161.9	181.9	192.9	212.8	10.8%	8.9%

Source: National Bureau of Statistics, Frost & Sullivan Analysis

Market Drivers and Future Trends

Diversifying Consumer Demand Across Various Applications: With rising living standards and increasingly diverse consumer activities, innovation in smart audio and video devices is now focused on developing products designed for specific lifestyles and usage scenarios. Examples include the adoption of bone-conduction headphones for sports, conference speakers for professional settings, and portable projectors for outdoor activities, which is driving demand for multi-scenario usage and accelerating product upgrade cycles.

Smart Audio and Video Technology Advancements, and Functionality Innovation: Smart audio and video devices are transitioning from basic playback tools to intelligent home assistants with capabilities to understand, predict, and learn. Intelligent technology will be extensively integrated into content recognition, user profiling, and behaviour prediction, facilitating personalized recommendation algorithms, adaptive audio configurations, and natural semantic interactions. In addition, leading companies are introducing new features and functions such as real-time translation capabilities, into smart audio and video devices. These new functions would attract new consumers and also stimulate replacement demand.

Challenges

Technological and Cost Limitation: Although smart audio and video devices continue to advance, core technologies such as intelligent chips, voice processing engines, and high-performance audio modules remain concentrated among a limited number of international companies. The technological bottleneck restricts the ability of smaller firms to access the high value segment. Additionally, the development and integration of advanced smart features require substantial R&D investments, which many small and medium-sized enterprises are unable to sustain due to constraints in capital and technical resources.

COMPETITIVE LANDSCAPE ANALYSIS

Competitive Landscape of Global Mobile Charging Products Industry

In 2025, the number of market players in global mobile charging products industry is more than 1,000. The global mobile charging products market was relatively fragmented with top 5 players taking 15.2% of the market in 2025 in terms of revenue. The Group ranked first in mobile charging sector by revenue globally in 2025.

Top 5 Mobile Charging Products Company by Revenue (Global), 2025

Rank	Company	Identities and Background	Market Share (%) 2025	Mobile Phone Brand
1	The Group	/	4.8%	NO
2	Company A	*Founded in 1976, Company A is a public company primarily engaged in consumer electronics and software, offering an integrated ecosystem of hardware and operating systems. Company A is headquartered in California, United States, and listed on the NASDAQ Stock Market.*	4.6%	YES
3	Company B	*Founded in 2011, Company B is a private company primarily engaged in digital charging and digital accessories. Company B is headquartered in Shenzhen, China.*	2.3%	NO
4	Company C	*Founded in 1938, Company C is a public company primarily engaged in comprehensive portfolio of consumer electronics, semiconductor components, and IT solutions. Company C is headquartered in Seoul, South Korea, and listed on the Korea Exchange.*	2.0%	YES
5	Company D	*Founded in 2012, Company D is a public company primarily engaged in the 3C consumer electronics and digital solutions, offering charging accessories and other smart devices. Company D is headquartered in Shenzhen, China, and listed on the Shenzhen Stock Exchange.*	1.5%	NO

Source: Frost & Sullivan Analysis

Competitive Landscape of Global Consumer Power Storage and Portable Power Storage Industry

In 2025, the Group ranked eighth in global consumer power storage market in terms of revenue.

In 2025, the number of market players in global portable power storage industry is more than 500. The global portable power storage market was relatively concentrated with top 5 players taking 66.0% of the market in 2025 in terms of revenue. The Group was the third largest portable power storage company in terms of revenue in 2025, with a market share of 10.2%.

Top 5 Portable Power Storage Company by Revenue (Global), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	Company E	*Founded in 2017, Company E is a private company primarily engaged in the portable power stations and renewable energy solutions. Company E is headquartered in Shenzhen, China.*	29.3%
2	Company F	*Founded in 2011, Company F is a public company primarily engaged in the portable energy solutions. Company F is headquartered in Shenzhen, China, and listed on the Shenzhen Stock Exchange.*	13.9%
3	The Group	/	10.2%
4	Company G	*Founded in 2013, Company G is a private company primarily engaged in the portable power stations and renewable energy storage systems. Company G is headquartered in Shenzhen, China.*	7.1%
5	Company H	*Founded in 2008, Company H is a private company primarily engaged in the portable solar generators and power stations. Company H is headquartered in Utah, United States.*	5.5%

Source: Frost & Sullivan Analysis

Competitive Landscape of Global Balcony Photovoltaic Energy Storage Industry

In 2025, the number of market players in global balcony photovoltaic energy storage industry is more than 300, including solar panel manufacturers. The global balcony photovoltaic energy storage market was relatively fragmented with top 3 players taking 24.8% market in 2025 in terms of revenue. The Group ranked first among balcony photovoltaic energy storage companies in terms of revenue in 2025, with a market share of 14.6%. Moreover, the Group ranked first in terms of energy storage shipments in balcony photovoltaic energy storage industry, with a market share of approximately 50.0% in 2025.

Top 3 Balcony Photovoltaic Energy Storage Company by Revenue (Global), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	The Group	/	14.6%
2	Company I	*Founded in 2017, Company I is a private company primarily engaged in energy storage system and integrated solar storage solutions. Company I is headquartered in Guangzhou, China.*	5.8%
3	Company F	*Founded in 2011, Company F is a public company primarily engaged in the portable energy solutions. Company F is headquartered in Shenzhen, China, and listed on the Shenzhen Stock Exchange.*	4.4%

Source: Frost & Sullivan Analysis

Competitive Landscape of Global Smart Home Industry

In 2025, the Group ranked fifteenth in global smart home industry in terms of revenue.

Competitive Landscape of Global Medium-to-small Sized Smart Audio and Video Devices and Wireless Headphone Industry

In 2025, the Group ranked ninth in global medium-to-small-sized smart audio and video market in terms of revenue.

In 2025, the number of market players in global wireless headphone industry is more than 500. The Group was the 6th largest wireless headphone company in global market in terms of revenue in 2025, with a market share of 1.7%.

Top 6 Wireless Headphone Company by Revenue (Global), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	Company A	*Founded in 1976, Company A is a public company primarily engaged in consumer electronics and software, offering an integrated ecosystem of hardware and operating systems. Company A is headquartered in California, United States, and listed on the NASDAQ Stock Market.*	21.0%
2	Company C	*Founded in 1938, Company C is a public company primarily engaged in comprehensive portfolio of consumer electronics, semiconductor components, and IT solutions. Company C is headquartered in Seoul, South Korea, and listed on the Korea Exchange.*	7.4%
3	Company J	*Founded in 1946, Company J is a public company primarily engaged in electronics, gaming, music and entertainment. Company J is headquartered in Tokyo, Japan, and listed on the New York Stock Exchange.*	4.8%
4	Company K	*Founded in 1987, Company K is a private company primarily engaged in the information and communication technology infrastructure and smart devices. Company K is headquartered in Shenzhen, China.*	3.1%
5	Company L	*Founded in 2010, Company L is a public company primarily engaged in smartphones, IoT ecosystems, smart appliances and consumer electronics. Company L is headquartered in Beijing, China, and listed on the Hong Kong Stock Exchange.*	2.3%
6	The Group	/	1.7%

Source: Frost & Sullivan Analysis

Entry Barriers

Brand Established brands have built strong user loyalty through consistent product quality and reputation in industry, making it difficult for newcomers to achieve comparable influence in the short term. Moreover, leading brands enjoy stronger channel bargaining power and pricing advantages, further raising the entry threshold for potential competitors.

Technology Proficiency in core technologies is central to competitiveness, including advanced battery management systems, intelligent algorithms, audio-visual processing, and security monitoring. Industry leaders have built strong barriers through sustained R&D investment and patent accumulation, ensuring continuous product performance improvements. New entrants without proprietary technologies face disadvantages in competition, potential intellectual property risks, and long catch-up cycles.

Talent The fast-paced innovation cycle in consumer electronics and smart hardware creates strong reliance on talent in R&D, product design, and supply chain management. Industry leaders with brand and resource advantages, are better positioned to attract and retain top professionals to sustain technological and product leadership. New entrants face high recruitment costs and additional investment in talent development, constituting a significant entry barrier.

Cost Analysis of China's Mobile Charging Products Industry

The main raw material of the mobile charging products is battery cell, whose price is primarily influenced by fluctuations of the lithium carbonate price. From 2020 to 2022, the price of battery cell increased from RMB10.2 per unit to RMB13.0 per unit, driven by the surging new energy demand under the global "Dual Carbon" goal and tight supply of raw materials such as lithium carbonate. From 2023, the price of battery cell started to decrease, from RMB12.4 per unit in 2023 to RMB8.6 per unit in 2025, primarily due to the overcapacity from earlier industry expansion, coupled with a slowdown in downstream EV demand and a plunge in lithium carbonate prices.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, a market research and consulting company and an independent third party, to conduct an analysis of, and to report on global mobile charging products, consumer power storage, smart home and smart audio and video devices industry. The report prepared by Frost & Sullivan for us is referred to in the document as the F&S Report. The F&S Report has been prepared by Frost & Sullivan independent of our influence. The fee payable to Frost & Sullivan for preparing the F&S Report is RMB650,000 which we believe reflects market rates for similar services. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists. Our Directors confirm, to the best of their knowledge, and after making reasonable enquiries, that there have been no adverse changes in the industry since the date of the F&S Report and up to the Latest Practicable Date which may qualify, contradict or have an impact on the information set out in this section.

The F&S Report contains a series of market projections which were produced based on the following assumptions, without limitations: (i) Global economy is likely to maintain steady growth in the next decade; (ii) China's and global social, economic, and political environment is likely to remain stable from 2026 to 2030 ("Forecast Period").

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

Laws and Regulations on Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which was last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the market supervision and administration department under the State Council is in charge of the national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring property safety. Products must be free from unreasonable dangers threatening personal and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines; earnings from sales in contravention of such standards or requirements, if any, may also be confiscated, and in severe cases, an offender's business license may be revoked.

The Administrative Provisions on Compulsory Product Certification (《強制性產品認證管理規定》) were promulgated by the State Administration for Market Regulation on July 3, 2009, last revised on September 29, 2022 and became effective on November 1, 2022. For products that are subject to compulsory product certification, the State shall implement a unified product catalogue (the 'Catalogue'), unified compulsory requirements, standards and compliance assessment procedures in the technical specification, unified certification marks and unified charging standards. Producers or sellers or importers of products included in the catalogue shall entrust certification authorities designated by the State Administration for Market Regulation to certify their produced, sold or imported products. Producers or sellers of products included in the catalogue shall, upon finding that a potential safety hazard in their produced or sold products may cause damage to human health and life safety, announce the relevant information to the public, proactively adopt remedying measures such as recalling the products, and report the matter to the relevant supervision and administration departments in accordance with relevant provisions.

Laws and Regulations on Import and Export of Goods

According to the Customs Law of the PRC (《中華人民共和國海關法》) last amended by the SCNPC on April 29, 2021 and effective on the same day, the Customs is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory, who is authorized to supervise the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and combats smuggling, compiles customs statistics and handles other customs operations. Customs declaration entities refer to the consignees and consignors of imported or exported goods and customs declaration enterprises recorded with the Customs. The consignee or the consignor of imported or exported goods may complete the declaration formalities either by themselves or engaging an agent.

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

According to the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》) last amended by the SCNPC on April 29, 2021 and came into effect on the same day, and the Regulations for the Implementation of the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》) last amended by

the State Council on March 29, 2022 and effective on May 1, 2022, the General Administration of Customs of the PRC ('the General Administration of Customs') is responsible for inspection of imported and exported commodities nationwide, and its subordinate entry-exit inspection and quarantine authorities shall conduct inspections on the imported and exported commodities listed in the catalogue and other imported and exported commodities that shall be subject to the inspection by the entry-exit inspection and quarantine authorities as prescribed by laws and administrative regulations. No imported commodity subject to statutory inspection that has not been inspected could be sold or used. No export commodity subject to statutory inspection that has not been inspected or fails to pass the inspection could be exported. Consignees or consignors of the import and export commodities may complete the inspection procedures themselves, or engage an agent to do this.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023 and effective on the same day, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

Laws and Regulations on Labor, Social Insurance and Housing Provident Fund

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) last amended by the SCNPC on December 29, 2018 and effective on the same day, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) last amended by the SCNPC on December 28, 2012 and effective on July 1, 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and effective on the same day, labor contracts must be executed in writing if labor relationships are to be established between employers and employees. Employers are prohibited from forcing employees to work beyond certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) last amended by the SCNPC and effective on December 29, 2018, the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) last amended by the State Council and effective on March 24, 2019 and other relevant laws and regulations, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund.

In addition, any employer that fails to make contributions to the above-mentioned social insurance and housing provident fund as required may be ordered to pay the required contributions within a prescribed time limit. If the employer still fails to make the relevant contributions within the prescribed time, a fine may be imposed, and for the overdue contribution, the people's court may enforce collection.

The Interpretation (II) on 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)》), which was published by the Supreme Court on July 31, 2025 and effective September 1, 2025, clarifies the judicial application of key PRC labor laws in resolving labor disputes, with heightened emphasis on compliance with social insurance contributions. It explicitly renders void any agreement or employee commitment to forgo statutory social insurance, granting employees the right to terminate labor contracts and claim economic compensation if employers fail to make contributions. Employers who subsequently rectify non-payment may recover any overpaid compensation from employees. The

Interpretation further addresses employer liability for wages, work injury benefits, and other statutory obligations in subcontracting, affiliation, or related-entity scenarios; recognition of labor relationships with domestic and foreign workers; requirements for written labor contracts and penalties for non-compliance; rules on contract renewals and conversion to open-ended contracts; enforceability of non-compete clauses; remedies for unlawful termination; pre-termination occupational health examinations for employees in hazardous positions; and standardizing the application of limitation periods in labor dispute proceedings.

Laws and Regulations on Intellectual Property

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last amended by the SCNPC on October 17, 2020 and effective on June 1, 2021, and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023 and effective on January 20, 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) last amended by the SCNPC on April 23, 2019 and effective on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last amended by the State Council on April 29, 2014 and effective on May 1, 2014, the trademarks registered with the Trademark Office of China National Intellectual Property Administration are registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. The registration of a trademark shall be valid for ten years from the date of approval.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) last amended by the SCNPC on November 11, 2020 and effective on June 1, 2021, works of Chinese citizens, legal persons or unincorporated organizations, i.e. intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, whether published or not, are entitled to copyright in accordance with the law. Copyright includes a series of personal and property rights such as the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work and the right of reproduction.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and the Regulations on the Computer Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and effective on March 1, 2013, the National Copyright Administration shall be the competent governmental authority for the nationwide administration of software copyright registration and the China Copyright Protection Center is designated as the software registration authority which shall grant registration certificates to the computer software copyright applicants according to the Measures for the Computer Software Copyright Registration and the Regulations on the Computer Software Protection.

Domain Names

According to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain names registrations are handled through domain name service agencies established according to the relevant regulations, and the applicants become domain name holders upon successful registration.

Laws and Regulations on Taxes

EIT

The EIT Law of the PRC (《中華人民共和國企業所得税法》) and its implementation rules are the principal laws and regulations governing the EIT in the Chinese mainland. According to the EIT Law and its implementation rules, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise that is established in the Chinese mainland in accordance with the law, or that is established in accordance with the law of a foreign country (region) but whose actual administration institution is in the Chinese mainland. A non-resident enterprise refers to an enterprise established in accordance with the law of a foreign country (region) and whose actual administration institution is outside the Chinese mainland, but it has institutions or establishments in the Chinese mainland or, if not, it has incomes originating from the Chinese mainland. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or establishments in the Chinese mainland to the extent that such incomes are derived from the Chinese mainland, or such incomes are obtained outside the Chinese mainland but have an actual connection with the set-up institutions or establishments, high-tech enterprises in need of support from the State shall be subject to a reduced enterprise income tax rate of 15%. Non-resident enterprises that have not set up institutions or establishments in the Chinese mainland or have set up institutions or establishments but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or establishments, shall pay enterprise income tax at the rate of 10% in relation to their income sourcing from the Chinese mainland.

VAT

According to the PRC Value-Added Tax Law (《中華人民共和國增值税法》), which was promulgated by the SCNPC on December 25, 2024 and effective on January 1, 2026, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in Chinese mainland are subject to the Value-Added Tax (the "**VAT**"). Unless otherwise specified, the VAT rate is generally 13% in respect of the sale or importation of goods by taxpayers.

Laws and Regulations on Foreign Investment, Overseas Investment and Foreign Exchange Supervision

Company Law

The Company Law of the PRC (《中華人民共和國公司法》), last amended by the SCNPC on December 29, 2023 and came into effect on July 1, 2024, provides that companies established in China may take the form of a limited liability company or a joint stock company with limited liability. Each company has the status of a legal person and owns the assets itself. The Company Law also applies to foreign-invested companies.

Foreign Investment

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the NPC on March 15, 2019 and the Implementing Rules of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) promulgated by the State Council on December 26, 2019, both of which came into effect on January 1, 2020, the State shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field forbidden by the negative list for access of foreign investment; for any field restricted by the negative list, foreign investors shall conform to the investment conditions as required; fields not included in the negative list shall be managed under the principle that domestic investment and foreign investment shall be treated uniformly.

The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was jointly promulgated by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024, and the Encouraged Industry Catalogue for Foreign Investment (2025 version) (《鼓勵外商投資產業目錄(2025年版)》), which was jointly promulgated by the NDRC and the MOFCOM on December 15, 2025 and came into effect on February 1, 2026. These two catalogues further classified businesses into three categories with regard to foreign investment: 'encouraged', 'restricted' and 'prohibited'. Industries not listed in these three categories are generally deemed as falling into the fourth category, that is 'permitted' for foreign investment.

Overseas Investment

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

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the investor, making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, or the projects, report relevant information, and cooperate with the supervision and inspection.

Foreign Exchange Regulation

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014 and effective on the same day, a domestic company shall, within 15 business days from the date of the end of its overseas listing and issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation. The proceeds raised by the domestic companies through overseas listing may be remitted to the domestic account or deposited in an overseas account, provided that the use of the proceeds shall be consistent with the content of the document and other public disclosure documents.

According to the Notice of the People's Bank of China and the SAFE on the Management of Funds for Overseas Listings by Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which is promulgated on December 24, 2025, and effective from April 1, 2026, domestic enterprises listing overseas shall, within 30 business days from the first trading day of the overseas listing or the completion of the over-allotment, submit the relevant materials to a bank within the jurisdiction of the provincial-level or separately listed municipal area where the enterprise is registered to apply for overseas listing registration.

In February 2015, the SAFE issued the Circular of Further Simplifying and Improving Foreign Exchange Administration Policies on Direct Investment (《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》), which was partially abolished in December 2019. It stipulates that banks shall directly examine and handle foreign exchange registration under overseas direct investment, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration and examination of overseas direct investment through banks.

Laws and Regulations on Anti-Unfair Competition

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), or the Anti-unfair Competition Law, lastly amended by the SCNPC on June 27, 2025 and effective on October 15, 2025, operators shall comply with the principle of voluntariness, equality,

impartiality, integrity and abide by laws and business ethics in market transactions. Under the Anti-unfair Competition Law, unfair competition refers to the circumstance that an operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the Anti-unfair Competition Law in the production and operating activities. Operators who violate the provisions of Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》), or the Anti-Monopoly Law, lastly amended on June 24, 2022 and effective on August 1, 2022, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in the PRC as well as the monopolistic practices outside the PRC which have exclusion or restriction effects on domestic market competitions. The monopolistic practices under the Anti-Monopoly Law include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition. The antimonopoly law enforcement agencies designated by the State Council are responsible for enforcement of the Anti-Monopoly Law in accordance with the provisions of the Anti-Monopoly Law. The antimonopoly law enforcement agencies of the State Council may, according to the needs of their work, authorize the corresponding agencies of the people's governments of provinces, autonomous regions, and municipalities to be responsible for the enforcement of the Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law may be subject to fines, confiscation of illegal gains, or cessation of illegal activities by the anti-monopoly law enforcement agencies.

Laws and Regulations on Consumer Protection

Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), or the Consumer Protection Law was promulgated by the Standing Committee of the National People's Congress (the 'SCNPC') on October 31, 1993, latest revised on October 25, 2013 and became effective on March 15, 2014. Business operators, when providing consumers with the commodities produced or sold by them or services, shall abide by the Consumer Protection Law. Business operators that provide goods or services certain circumstances shall bear civil liability in accordance with other relevant laws and regulations, except as otherwise provided in the Law. Business operators who fail to fulfil the obligation of guaranteeing the safety of consumers and cause damage to consumers shall be liable for tort. Business operators who provide goods or services in violation of the provisions of the Consumer Protection Law, infringe the legitimate rights and interests of consumers and constitute crimes shall be investigated for criminal liability in accordance with the law.

The Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), which were promulgated by the State Administration for Market Regulation on March 15, 2021, lastly amended on March 18, 2025 and became effective on May 1, 2025, regulate business activities involving the sale of goods or provision of services through the Internet or other information networks. Operators engaging in online transactions are required to complete market entity registration in accordance with the law (unless exempt under statutory provisions), truthfully disclose business license and product/service information, adhere to principles of voluntariness, fairness, and good faith, protect consumers' rights and interests, and refrain from unlicensed operations, false advertising, or the sale of counterfeit or substandard goods. Operators are subject to supervision and inspection by market regulatory authorities.

Laws and Regulations Relating to Network Security and Data Security, E-Commerce, Advertising

Network security and data security

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) was promulgated by the SCNPC and effective from November 1, 2021. The Personal Information Protection Law requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, using a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information.

Pursuant to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by SCNPC on November 7, 2016 and implemented since June 1, 2017, no individual or entity is allowed to engage in any activities endangering cyber security, including hacking into others' networks, interference with the normal functions of others' networks and theft of cyber data; or provide any programs or tools specifically used for activities endangering cyber security, including hacking, interference with the normal functions and protective measures of a network, and theft of cyber data; it is impermissible for any individual or entity to provide any assistance such as technical support, advertising and promotion, or payment and settlement to any person who, having been brought to such individual or entity's knowledge, engages in activities endangering cyber security. Network operators are required to take technical and any other necessary measures to ensure the security of personal data they collect, and prevent information leaks, damage or loss. In the event that leakage, damage or loss of personal data occurs or is likely to occur, such network operators are required to take remedial measures immediately, and inform users in a timely manner as required and report to relevant competent authorities.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》) which became effective on September 1, 2021. The PRC Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the PRC Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities.

Pursuant to Measures on Cybersecurity Review (《網絡安全審查辦法》) jointly announced by the Cyberspace Administration of China and several regulatory authorities in China on April 13, 2020 and implemented since June 1, 2020, last amended on December 28, 2021 and implemented since February 15, 2022, the Cybersecurity Review Office (網絡安全審查辦公室) is established under the Cyberspace Administration of China, and responsible for formulating cybersecurity review systems and standards and organizing cybersecurity reviews. Key information infrastructure operators who purchase network products and services and network platform operators who engage in data processing activities that affect or may affect national security are subject to cybersecurity review by the Cybersecurity Review Office. Network platform operators with personal data of more than one million users must file applications to the Cybersecurity Review Office for cybersecurity review before listing overseas. If the member units under the cybersecurity review working mechanism opine that any network products and services and data processing activities affect or potentially affect national security, the Cybersecurity Review Office has the duty to conduct a review in accordance with relevant requirements after reporting to the Central Cyberspace Affairs Commission for approval in compliance with the procedure.

E-Commerce

The E-commerce Law of the PRC (《中華人民共和國電子商務法》), enacted by the SCNPC on August 31, 2018, and implemented from January 1, 2019, establishes fundamental guidelines for e-commerce operators engaged in commercial activities. According to this legislation, e-commerce

operators are obligated to uphold principles of voluntariness, equality, fairness, and good faith in their business dealings. They are further mandated to comply with legal provisions and business ethics, participate equitably in market competition, fulfill responsibilities pertaining to consumer rights protection, environmental preservation, intellectual property safeguarding, network security, and personal information confidentiality. E-commerce operators are also held accountable for the quality of their products and services.

Advertising

The Advertisement Law of the PRC (《中華人民共和國廣告法》) promulgated by the Standing Committee of the National People's Congress on October 27, 1994, and effective from February 1, 1995, with the latest amendment taking effect on April 29, 2021, stipulates that advertisements must not contain false content and must not deceive or mislead consumers. Recommendation or certification from advertising endorsers on the goods and services in advertisements, shall be based on facts and in compliance with relevant laws and administrative regulations, and such endorsers are not allowed to recommend or certify the goods or services that they have not used or received. If operators violate the provisions of this law by disseminating false advertisements, the market supervision and management authorities shall order them to cease the publication of the advertisements, require them to eliminate the impact within the corresponding scope, and impose fines of three to five times the advertising expenses. If the advertising expenses cannot be calculated or are significantly understated, fines of no less than RMB200,000 and no more than RMB1,000,000 shall be imposed. For those who commit violations three or more times within two years or have other serious circumstances, fines of five to ten times the advertising expenses shall be imposed. If the advertising expenses cannot be calculated or are significantly understated, fines of no less than RMB1,000,000 and no more than RMB2,000,000 may be imposed. In such cases, business licenses may be revoked, and the advertising review authority may revoke the approval documents for advertising review and not accept their advertising review applications for one year. If the violation constitutes a crime, criminal liability may be pursued.

The Administrative Measures for Internet Advertising (《互聯網廣告管理辦法》), which was promulgated by the SAMR on February 25, 2023 and came into effect on May 1, 2023, provides that an Internet advertisement shall be identifiable so that consumers will identify it is as such, and the advertiser shall be responsible for the authenticity of the content of the Internet advertisement.

Regulations on Overseas Securities Offering and Listing by Domestic Companies

According to the Overseas Listing Trial Measures issued by the CSRC on February 17, 2023 and effective from March 31, 2023, where a domestic company issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas securities offering and listing.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE U.S.

Our U.S. operations are conducted through two entities: a Delaware limited liability company ("**Delaware LLC**") with its principal office in California, and a Washington limited liability company ("**Washington LLC**"). The businesses operating in the U.S. are subject to a variety of federal, state and local laws and regulations ("**U.S. Regulations**"). The U.S. Regulations expected to be material to our operations are those relating to, among others, entity & filing, product liability & consumer protection, advertising, listing & data privacy, shipping & environment, import, tariff & product certification, employment, labor & workplace, and intellectual property as described below.

Entity & Filing

Both LLCs shall comply with applicable federal registration, tax identification and reporting obligations under the Internal Revenue Code of 1986 (26 U.S.C.) and U.S. Department of the Treasury regulations, including obtaining an Employer Identification Number, filing federal tax returns, and maintaining appropriate accounting and recordkeeping.

The Delaware LLC shall maintain its legal existence and good standing in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.) and all other applicable state filing requirements. The Delaware LLC shall timely file its annual franchise tax report and pay the franchise tax pursuant to 6 Del. C. § 18-1107, maintain a registered agent within the State of Delaware, and keep accurate and complete company records as required by 6 Del. C. § 18-305. As its principal office is located in California, it shall register as a foreign entity under the California Corporations Code and comply with California's recordkeeping and reporting requirements applicable to foreign LLCs.

The Washington LLC shall comply with the Washington Limited Liability Company Act (RCW 25.15). The Act requires a limited liability company incorporated in Washington state to satisfy requirements regarding formation, registered agent, reports, governance, records, and annual report filing rules.

Product Liability & Consumer Protection

Both LLCs shall ensure that all products manufactured, imported, or sold comply with applicable federal product safety and consumer protection laws. This includes the Consumer Product Safety Act (15 U.S.C. § 2051 et seq.), the Federal Trade Commission Act (15 U.S.C. § 45), and related regulations issued by the Consumer Product Safety Commission (CPSC) and Federal Trade Commission (FTC). They shall also conform to technical and labeling requirements, such as disclosing net contents, the identity of the commodity, and the name and place of business of the manufacturer, packer, or distributor under the Federal Communications Commission regulations (47 C.F.R. Part 15) and the Fair Packaging and Labeling Act (15 U.S.C. § 1451 et seq.). Both LLCs shall comply with the Magnuson-Moss Warranty Act (15 U.S.C. § 2301 et seq.), which governs product warranties, including written warranty disclosure and obligations to repair, replace, or refund defective goods. Any potentially hazardous product defects or safety incidents must be promptly reported, as required by law.

The Delaware LLC shall ensure compliance with California's consumer protection and business laws. This includes the Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 et seq.) and the Consumers Legal Remedies Act (Cal. Civ. Code § 1750 et seq.), which prohibit false, misleading, or deceptive advertising related to products. The Delaware LLC shall also comply with warranty obligations under the Song-Beverly Consumer Warranty Act (Cal. Civ. Code § 1790 et seq.), which governs repair, replacement, or refund obligations for defective goods.

The Washington LLC shall comply with the Washington Consumer Protection Act (RCW 19.86), which prohibits unfair or deceptive business practices, including misrepresentations regarding product safety. All marketing, warranty, and consumer communications made by the Washington LLC must be truthful and non-deceptive.

Advertising, Listing & Data Privacy

Both LLCs shall comply with the Federal Trade Commission Act (15 U.S.C. § 45), which prohibits unfair or deceptive acts or practices in commerce, including false or misleading advertising. Claims regarding product performance, pricing, and endorsements must comply with the Federal Trade Commission's Endorsement Guides (16 C.F.R. Part 255) and applicable vendor and seller policies, including online marketplace rules such as Amazon selling service policies. In addition, both LLCs shall adhere to all applicable federal data protection and cybersecurity requirements, including provisions under the Federal Trade Commission Act (15 U.S.C. § 45) governing unfair or deceptive practices in data handling.

The Delaware LLC shall comply with the California False Advertising Law (Cal. Bus. & Prof. Code § 17500 et seq.), which prohibits untrue or misleading statements in advertising likely to deceive consumers. The Delaware LLC shall also adhere to the California Online Privacy Protection Act (CalOPPA), which requires a clear privacy policy when collecting personal data online. In addition, the Delaware LLC shall comply with the California Consumer Privacy Act (Cal. Civ. Code § 1798.100 et seq.) and associated breach-notification requirements (Cal. Civ. Code § 1798.82).

The Washington LLC shall ensure that all product advertisements, online listings, and marketing materials comply with Washington Consumer Protection Act (RCW 19.86), which prohibits unfair or deceptive acts or practices. The Washington LLC shall also comply with the Washington Data Breach Notification Law (RCW 19.255), which requires prompt notice of unauthorized access to personal information. All operations shall implement reasonable administrative, technical, and physical safeguards to protect customer and employee data from loss, misuse, or unauthorized disclosure, and shall maintain policies consistent with applicable privacy, information security, and consumer protection standards.

Shipping & Environment

Both LLCs shall comply with all federal laws governing the transportation, storage, and disposal of electronic products and lithium batteries, including the U.S. Department of Transportation Hazardous Materials Regulations (49 C.F.R. § 173). They shall also adhere to applicable environmental protection statutes, such as the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), to ensure proper handling of hazardous materials.

The Delaware LLC shall comply with the California Electronic Waste Recycling Act (Cal. Pub. Res. Code § 42460 et seq.) and the Hazardous Waste Control Law (Cal. Health & Safety Code § 25100 et seq.), which regulate the recycling, labeling, and disposal of covered electronic devices and hazardous materials. The Delaware LLC shall also comply with Proposition 65 (Cal. Health & Safety Code § 25249.5 et seq.), which requires clear warnings for products containing chemicals known to cause cancer or reproductive harm.

The Washington LLC shall comply with the Washington's waste management and electronic product recycling programs under RCW 70A.500 and related regulations. All operations shall be conducted in an environmentally responsible manner, ensuring proper handling of hazardous materials and compliance with applicable sustainability and product stewardship standards.

Import, Tariff & Product Certification

Both LLCs shall comply with all U.S. customs regulations that apply to goods sourced from abroad and sold within the United States. This includes the Tariff Act of 1930 (19 U.S.C. § 1202 et seq.), various U.S. Customs and Border Protection (CBP) regulations found in 19 C.F.R., and relevant Harmonized Tariff Schedule (HTS) classifications.

Our products exported from China to the U.S. are subject to the following categories of U.S. duties and tariffs:

- ***Normal customs duties***: Normal or standard customs duties that are specific to the product category, which are based on the applicable duty rate set forth in the Harmonized Tariff Schedule of the United States ("**HTSUS**"). The base duties rates of the Company's products that are imported into the U.S. range from 0% to 12.5%, depending on the specific product type and HTSUS classification;

- ***Section 301 tariffs***: These are targeted tariffs on specific Chinese industrial, technology, and consumer goods, which were first imposed during the first Trump Administration. The applicable Section 301 tariffs of the Company's products imported into the U.S. are currently 0.0%, 7.5%, and 25%, depending on the import classification (HTSUS) of the Company's products. The U.S. Section 301 tariffs on Chinese imports were first implemented beginning in 2018 and remain effective as of the date of the Document;

- ***Tariffs imposed under IEEPA applicable to all imports from China***: Starting in February 2025, the U.S. Government imposed certain tariffs on imported products from China and many other countries. These tariffs were imposed under the authority of the U.S. International Emergency Economic Powers Act ("**IEEPA**"). While these tariffs were subsequently declared to be contrary to law by the U.S. Supreme Court, and the U.S. Government recently started issuing refunds to importers of record, the following is a summary of the tariff rates imposed under IEEPA from February 5, 2025 through February 20, 2026:

Effective Date	IEEPA Measure	Applicable Tariff Rate on China Imports
February 4, 2025 – March 3, 2025	Initial "fentanyl-related" IEEPA tariff announced on imports from China	Additional 10% tariff
March 4, 2025 – November 9, 2025 .	Increase of fentanyl-related tariff	Increased from 10% to 20%
April 5, 2025 – April 8, 2025	Global reciprocal tariff baseline announced under IEEPA	10% baseline tariff applicable to imports from most countries
April 9, 2025	China-specific reciprocal tariff announced	Additional 34% tariff on imports from China
April 9, 2025	Increase of China-specific reciprocal tariff following China's retaliatory measures	Increased from 34% to 84%
April 10, 2025 – May 13, 2025	Further increase of China-specific reciprocal tariff	Increased from 84% to 125%
May 14, 2025 – November 9, 2025 .	Temporary suspension of heightened reciprocal tariff rates following U.S.-China trade discussions	Reciprocal tariff reduced from 125% to 10% for a 90-day period; fentanyl-related tariff remained at 20%
November 10, 2025 – February 19, 2026 .	Executive orders reducing fentanyl-related tariff and extending suspension of heightened reciprocal tariff rates	Fentanyl-related tariff reduced from 20% to 10%; reciprocal tariff maintained at 10% through November 10, 2026
February 20, 2026 and onward	the United States Supreme Court's decision determined that the President lacks authority under IEEPA to impose tariffs, thereby rendering the reciprocal tariffs and the "fentanyl-related" tariffs imposed pursuant to IEEPA invalid.	0% reciprocal tariff and 0% fentanyl-related tariff

- ***Section 122 tariffs***: Immediately after the U.S. Supreme Court struck down the IEEPA tariffs, on February 20, 2026 a 10% global baseline tariff applicable to all non-US imports was imposed via a Presidential Executive Order under Section 122 of the Trade Act of 1974, a law that was intended to address balance of payment deficits. This 10% tariff rate is effective for a maximum period of 150 days, which ends on July 24, 2026. On May 7, 2025, the U.S. Court of International Trade ("**CIT**") held that the Section 122 tariffs exceeded the U.S. President's authority. However, the CIT held that the decision

only applied to the plaintiffs that challenged the legal basis of the Section 122 tariffs. In the meantime, the U.S. Government has appealed the CIT's decision and the collection of the 10% tariffs remains in place until further notice.

- ***De Minimis Tariff Exemption***: On May 2, 2025, the U.S. Government ended duty-free treatment for low-value (*de minimis*) imports valued at USD800 or less, from Chinese Mainland and Hong Kong. New tariffs on these low value imports were introduced for postal shipments which were initially levied at either 30% of the item's declared value or a flat fee of USD25 per item, which rose USD50 per item starting on June 1, 2025. From April 2 to April 9, 2025, the U.S. tariff on low-value imports from Chinese Mainland and Hong Kong increased from 30% to 120%. Currently, the U.S. duty rate on all shipments from Chinese Mainland and Hong Kong, regardless of value, are based on the normal duty and tariff rates applicable to the products. For a detailed discussion of the applicable tariffs and the related risks, see "Risk Factors — Risks Relating to Our Business and Industry — Changes in international trade policies, geopolitics and trade protection measures, export controls and economic or trade sanctions may affect our business, financial condition and results of operations."

Both LLCs shall also ensure that all imported electronic products, including power banks, chargers and earphones, comply with applicable safety, labeling, and Federal Communications Commission (FCC) standards. FCC Part 15 governs devices that emit or receive radiofrequency (RF) energy, including both intentional and unintentional radiators. Products containing CPUs, Bluetooth, Wi-Fi, or wireless charging modules must meet the FCC's emission limits and display the required labeling.

Employment, Labor & Workplace

Both LLCs shall comply with the Fair Labor Standards Act (29 U.S.C. § 201 et seq.), which governs minimum wage, overtime pay and recordkeeping. Both LLCs shall also comply with the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), which requires employers to provide a safe and healthful workplace free from recognized hazards and to adhere to applicable safety and health standards established by the Act. In addition, both LLCs shall comply with Title VII of the Civil Rights Act (42 U.S.C. § 2000e), which prohibits employment discrimination on the basis of race, color, religion, sex, or national origin.

The Delaware LLC shall comply with the California Labor Code, which governs minimum wage, overtime pay, meal and rest periods, workplace safety, workers' compensation, and other employment standards. These requirements are enforced by the Division of Labor Standards Enforcement (DLSE) and the California Occupational Safety and Health Administration (Cal/OSHA) under the California Occupational Safety and Health Act (Cal. Labor Code § 6300 et seq.). The Delaware LLC shall also comply with the Fair Employment and Housing Act (Cal. Gov't Code § 12900 et seq.), which prohibits discrimination and harassment in employment based on protected characteristics.

The Washington LLC shall comply with all applicable Washington State employment and workplace laws. This includes the Washington Minimum Wage Act (RCW 49.46), which governs payment of wages, working hours and overtime. The Washington LLC shall also follow workplace safety standards under the Washington Industrial Safety and Health Act (RCW 49.17). In addition, it is required to provide benefits and contributions for workers' compensation (RCW 51.16), unemployment insurance (RCW 50.24), and paid family and medical leave (RCW 50A.10). All employment practices must adhere to Washington's Law Against Discrimination (RCW 49.60).

Intellectual Property

Both LLCs shall respect and protect all intellectual property rights in accordance with applicable federal and state laws, including the Patent Act (35 U.S.C. § 1 et seq.), the Lanham Act (15 U.S.C. § 1051 et seq.), and the Copyright Act (17 U.S.C. § 101 et seq.). They shall maintain

proper ownership, registration, and enforcement of its patents, trademarks, and other proprietary assets held by its parent company or affiliates, and shall avoid any infringement or unauthorized use of third-party intellectual property. All products, marketing materials, and online listings shall accurately represent trademark ownership, patent markings, and licensing status in compliance with USPTO regulations and applicable U.S. intellectual property laws.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN UK

Our business in the UK is subject to various legal regulations. Below is an overview of the laws and regulations materially relevant to our business in the UK.

Consumer Rights and Distance Selling

The Consumer Rights Act 2015

The Consumer Rights Act 2015 is a key piece of legislation which provides for a consumers statutory rights and remedies in respect of contracts for the sale and supply of goods, digital content and services and sets out the requirements for consumer contracts and notices to be fair and transparent. It also codifies the law on unfair terms in consumer contracts.

Some of the key provisions include: (i) goods must be of satisfactory quality, fit for purpose and as described. These terms are implied into the contract and cannot be excluded; (ii) goods must be delivered within any time agreed between the trader and the consumer or without undue delay and in any event within 30 days; (iii) tiered remedies for faulty goods including the right to repair and replacement before an obligation to refund arises; (iv) certain terms that are deemed "unfair" or subject to the "Fairness test" which seek to exclude or restrict the consumers rights or remedies or seek to make a consumer's enforcement of their statutory rights subject to restrictive or onerous conditions or to be put at a disadvantage as a result of pursuing a right or remedy.

Various remedies are available to the consumer depending on which of the consumers statutory rights have been breached — which include the right to reject the goods, right to repair or replacement, redelivery and the right to a price reduction or refund.

The Consumer Contracts Information Cancellation and Additional Charges Regulations 2013

The Consumer Contracts Information Cancellation and Additional Charges Regulations 2013 applies to contracts for goods and services and digital content made by means of distance communications — online sales (where the buyer and seller are not physically present simultaneously). Some of the key legal requirements are that (i) customers must be given pre-contract information in a clear and comprehensive manner, including details of their right to cancel and the total price of goods including taxes and (ii) subject to certain exceptions, customers have a right to cancel at any time within a 14-day cooling off period, without having to give any reason. This period can be extended to 12 months if the trader fails to provide cancellation information. Details must be included on the relevant website.

Data Protection

UK General Data Protection Regulation

UK data laws require that personal data (which includes data relating to customers) is processed fairly, transparently and lawfully. The UK General Data Protection Regulation retains the European General Data Protection Regulation in UK law (even though the UK left the European Union in 2020) and, supplemented by the Data Protection Act 2018, sets out the framework for data protection in the UK.

It applies to organisations processing the personal data of individuals in the UK, regardless of where the organisation is based. Processing is only permitted if one of the lawful basis for processing applies (e.g. consent, contract, legal obligation, vital interest, public task and legitimate interests). Companies processing personal data must follow strict rules — the seven "data protection principles" which are (i) lawfulness, fairness and transparency (ii) use for the specified purpose for which it was collected (iii) limited to what is required (iv) accurate and kept up to date (v) kept for no longer than necessary (vi) kept securely and (vii) the organisation is accountable for compliance and record keeping to demonstrate compliance.

Organisations must demonstrate compliance including maintaining records of processing, conducting Data Impact Assessments for high risk processing and may require to appoint a Data Protection Officer.

Penalties for processing personal data in breach of the regulations can extend to £17.5 million or, if higher, 4% of global annual turnover.

There are additional rules around the transfer of personal data internationally and stringent safeguards may need to be put in place if data is collected in the UK but is then transferred to a different country to be processed and that country is not on the "approved" list.

UK GDPR requires companies to publish a "privacy notice" on their website which is a public document explaining how that company processes personal data and how it applies data protection principles.

Stricter rules apply to processing special categories of data (e.g. relating to health, race, religion, sexual orientation).

Reuse, recycling and disposal of waste

UK law also contains specific legislation designed to promote the reuse, recycling, and environmentally sound disposal of waste electrical equipment, waste batteries, packaging waste generated by traders and encourage producer responsibility.

Waste and Electrical and Electronic Equipment Regulations 2013 (as amended)

The Waste Electrical and Electronic Equipment Regulations 2013 (as amended) implement the EU WEEE Directive in the UK, aiming to reduce the environmental impact of electrical and electronic equipment (EEE) waste. Key provisions include (i) requirements that Producers (manufacturers, importers, re-branders) must register, finance the collection, treatment, recovery, and environmentally sound disposal of WEEE, and provide information to users about safe disposal (ii) requirements that Distributors offer take-back services for household WEEE on a one-for-one basis when supplying new EEE, and provide information to consumers about WEEE disposal (iii) targets for the collection, treatment, and recovery of WEEE, including minimum recycling rates and requirements for proper treatment facilities (iv) requirement that EEE must be marked with the crossed out wheeled bin symbol and producers must provide information on components and materials for proper treatment and (v) requirement to keep appropriate records of EEE placed and WEEE handled.

The Waste Batteries and Accumulators Regulations 2009 (as amended)

The Waste Batteries and Accumulators Regulations 2009 (as amended) implement the EU Batteries Directive in the UK, aiming to minimise the environmental impact of batteries and accumulators. Key provisions include: (i) Producers (manufacturers, importers, re-branders) must register, finance the collection, treatment and recycling of waste batteries and report data on batteries placed on the market; (ii) set targets for the collection of portable batteries, requiring producers to achieve specified collection rates (iii) requirement to offer free take-back services for waste portable batteries and provide information about safe disposal (iv) requirement that waste batteries be treated and recycled at approved facilities, with minimum recycling efficiencies

specified for different battery types (v) restricting the marketing of batteries containing certain hazardous substances (e.g., mercury, cadmium, lead) above specified thresholds (vi) requirement to mark batteries with the crossed-out wheeled bin symbol and chemical symbols for hazardous substances and (vii) requirement to keep appropriate records.

The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended)

The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended) implement the EU Packaging and Packaging Waste Directive in the UK, aiming to reduce the environmental impact of packaging waste and promote recycling and recovery. The regulations apply to Producers that handle more than 50 tonnes of packaging and have a turnover above £2 million per year. Key provisions include requirements to (i) register annually and submit data on the amount and type of packaging handled (ii) meet specific recovery and recycling targets for packaging waste, calculated as a proportion of packaging handled (iii) demonstrate compliance by obtaining PRNs/PERNs from accredited reprocessors/exporters, evidencing that equivalent amounts of packaging waste have been recovered or recycled (iv) keep appropriate records and (v) provide information to the public about compliance and the environmental impact of packaging.

The Packaging Waste (Data Reporting) (England) Regulations 2023

The Packaging Waste (Data Reporting) (England) Regulations 2023 introduce new requirements for certain organisations to collect and report detailed data on packaging they supply in England. This is part of the move towards Extended Producer Responsibility (EPR) for packaging. The regulations apply to organisations that supply packaging to consumers or businesses in England and meet specified thresholds (generally, those handling more than 25 tonnes of packaging and with a turnover above £1 million). Key provisions include (i) obligations to collect and report detailed data on the types, weights, and materials of packaging supplied, including information on whether packaging is household or non-household, and whether it is reusable (ii) requirement that data be reported to the Environment Agency at specified intervals and (iii) requirement to keep appropriate records.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN JAPAN

This section sets out a summary of certain aspects of laws and regulations of Japan, which are relevant to the business and operations of our Group.

Laws and Regulations in relation to Decision-Making

Under the Companies Act (Act No. 86 of 2005), the general meeting of shareholders constitutes the supreme decision-making body of a stock company (*kabushiki kaisha*). The establishment of a board of directors is optional, and in the absence of a board of directors, the directors shall, in principle, execute the business of the company.

Laws and Regulations in relation to Importation of Electrical Appliances and Materials

Under the Electrical Appliances and Materials Safety Act (Act No. 234 of 1961), a business operator engaged in the importation of electrical appliances and materials is required to file a notification of import business. Importers are further obligated to ensure that electrical appliances and materials conform to the prescribed safety standards and to affix the PSE mark, etc.

Laws and Regulations in relation to Protection of Personal Information

Under the Act on the Protection of Personal Information (Act No. 57 of 2003), a business operator handling personal information must notify or publicly announce the purpose of use of such information. When providing personal information to a third party, the business operator must obtain the consent of the individual concerned, unless the case falls under any of the statutory exceptions.

Laws and Regulations in relation to Mail-Order Sales

Under the Act on Specified Commercial Transactions (Act No. 57 of 1976), a business operator engaged in mail-order sales must clearly indicate on its website or other medium its name, address, and other statutory particulars. In addition, on the final sales screen of an e-commerce site, the business operator is required to display certain information to consumers as mandated by the Act.

Laws and Regulations in relation to Unjustifiable Premiums and Misleading Representations

Under the Act against Unjustifiable Premiums and Misleading Representations (Act No. 134 of 1962), representations that are likely to mislead consumers into believing that goods or services are of superior quality or offered on more favorable terms than they actually are, are prohibited. So-called "stealth marketing" practices are also prohibited under this Act.

Laws and Regulations in relation to Consumer Contracts

Under the Consumer Contract Act (Act No. 61 of 2000), in consumer contracts subject to the Act, any contractual clause that unjustly exempts or mitigates the business operator's obligations or restricts the consumer's rights shall be void.

Laws and Regulations in relation to Product Liability and Consumer Protection

Pursuant to the Product Liability Act of Japan (Act No. 85 of 1994), in the case where a defect in a product causes damage to the life, body, or property of others, "the manufacturer, etc." is liable for such damage. If such product is imported, the importer is included in definition of "manufacturer, etc."

Laws and Regulations in relation to Labor and Employment

In Japan, there are various labor-related laws, such as the Labor Standards Act of Japan (Act No. 49 of 1947), the Industrial Safety and Health Act of Japan (Act No. 57 of 1972), and the Labor Contract Act of Japan (Act No. 128 of 2007). The Labor Standards Act of Japan stipulates the minimum standards for working conditions, such as working hours, vacation periods, and vacation days. The Occupational Safety and Health Act of Japan mandates the implementation of measures to ensure worker safety and for the protection of workers' health in the workplace. The Labor Contract Act of Japan provides for changes in employment contracts and rules, dismissal, and disciplinary action.

Laws and Regulations in relation to International Trade/Cross-border Trade

Under the Customs Act of Japan (Act No. 61 of 1954), in the case where an importer is accepting goods arriving in Japan from a foreign country, an import declaration shall be filed with Japan Customs in principle and customs duties, if any, shall be paid. When an import declaration is made, Japan Customs shall inspect the goods as necessary, and after confirming that the importer has paid the corresponding customs duties, permit the importation of the goods.

If goods require a permit upon importation under laws and regulations other than the Customs Act of Japan, it would be necessary for an importer to obtain a permit prior to filing the import declaration. However, industrial robots do not require special permission for importation.

Laws and Regulations in relation to Tax

Japanese companies are obliged to pay corporate tax. Corporate tax is broken down into two parts: one part is levied based on the annual income of the previous year, and the other part is levied uniformly regardless of the annual income. Corporate tax rates and amounts vary depending on a company's income and size (capital and number of employees), ranging from 15% to 23.2%.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN HONG KONG

Overview of the Laws and Regulations Relating to Our Business and Operations in Hong Kong.

Regulations Relating to Business Registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) ("BRO")

Every person, (a company or individual), who carries on a business in Hong Kong is required under the BRO to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificate will be issued on submission of the necessary document(s) together with payment of the relevant fee. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK$5,000 and to imprisonment for one year.

Regulations Relating to Sale of Goods

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) ("SOGO")

The SOGO governs the formation, performance and remedies of contract for the sale of goods in Hong Kong and the transfer of title of goods sold. The ordinance also sets out certain implied terms or conditions and warranties generally relating to the safety and suitability of goods supplied under a contract of sale for goods in Hong Kong, including:

(a) Where there is a sale of goods by description, the goods shall correspond with the description;

(b) Where the seller sells goods in the course of a business, the goods shall be of a merchantable quality, i.e. (a) as fit for the purpose or purposes for which the goods of that kind are commonly bought; (b) of such standard of appearance and finish; (c) as free from defects (including minor defects); (d) as safe; and (e) as durable, as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances; and

(c) Where the seller sells goods in the course of a business and the buyer makes known to the seller (whether expressly or by implication) any particular purpose for which the goods are being bought, the goods supplied under the contract shall be reasonably fit for that purpose.

Under section 55 of the SOGO, where there is a breach of warranty by the seller, the buyer is not, by reason only of such breach of warranty, entitled to reject the goods, but he may set up against the seller the breach of warranty in diminution or extinction of the price, or maintain an action against the seller for damages for the breach of warranty.

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) ("TDO")

Under the TDO, (a) use of false trade descriptions; (b) false, misleading or incomplete information, (c) false marks and misstatements in respect of products, and (d) false trade descriptions in respect of services supplied are prohibited. In addition, the TDO makes certain trade

practices criminal offence, namely: (a) misleading omission; (b) aggressive commercial practices; (c) bait advertising; (d) bait and switch; and (e) wrongful acceptance of payment. The TDO also provides for offences relating to forged trade mark, and falsely applying of trade mark or resembling marks.

Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) ("SSITO")

Under the SSITO, certain terms are implied in the contracts with customers for the supply of services, including: (a) that the supplier will carry out the service with reasonable care and skill; (b) that the supplier will carry out the service within a reasonable time (if the time of service is not fixed or fixed in a manner agreed); (c) that the party contracting with the supplier will pay a reasonable charge (if the consideration is not determined by the contract or left to be determined in a manner agreed or by course of dealing between the parties).

Unconscionable Contracts Ordinance (Chapter 458 of the Laws of Hong Kong) ("UCO")

Under the UCO, if the Hong Kong court finds that a contract for sale of goods or supply of services (in which one of the parties deals as consumer) to have been unconscionable in the circumstances relating to the contract at the time it was made, the court may: (a) refuse to enforce the contract; (b) enforce the remainder of the contract without the unconscionable part; (c) limit the application of, or revise or alter, any unconscionable part to avoid unconscionable result.

Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong) ("CECO")

The CECO limits the extent to which civil liability for breach of contract, or for negligence or other breach of duty, can be avoided by means of contract terms and otherwise.

Under section 7 of the CECO, a person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence. Further, in the case of other loss or damage, a person cannot so exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirement of reasonableness.

Under section 8 of the CECO, as between contracting parties where one of them deals as consumer or on the other's written standard terms of business, as against that party, the other cannot by reference to any contract term (i) when himself in breach of contract, exclude or restrict any liability of his in respect of the breach; (ii) claim to be entitled to render a contractual performance substantially different from that which was reasonably expected of him; or (iii) claim to be entitled in respect of the whole or any part of his contractual obligation, to render no performance at all, except in so far as the contract term satisfies the requirement of reasonableness.

Under section 9 of the CECO, a person dealing as consumer cannot by reference to any contract term be made to indemnify another person (whether a party to the contract or not) in respect of liability that may be incurred by the other for negligence or breach of contract, except in so far as the contract term satisfies the requirement of reasonableness.

In relation to a contract term, the requirement of reasonableness for the purposes of the CECO is satisfied only if the court or arbitrator determines that the term was a fair and reasonable one to be included having regard to the circumstances which were, or ought reasonably to have been, known to or in the contemplation of the parties when the contract was made.

Misrepresentation Ordinance (Chapter 284 of the Laws of Hong Kong) ("MO")

The MO imposes a statutory liability for misrepresentation and controls the use of provisions excluding liability for misrepresentation in contracts. Liability may arise under the MO where a party to a contract is induced to enter into that contract by a misrepresentation of a material fact made by the other party. If the action is successful, the party who relied on the misrepresentation will be entitled to rescind the contract. Damages may also be granted if the misrepresentation was made fraudulently or negligently.

Regulations Relating to Importation and Exportation of Goods

The Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the "**Import and Export Ordinance**") provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong or which may be exported from Hong Kong, and any matter incidental to or connected with the foregoing.

The import and export of certain articles are prohibited unless with the relevant licences issued by the Director-General of Trade and Industry. If the goods to be imported or exported are "prohibited articles" or "reserved commodities" under the Import and Export Ordinance and the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Chapter 296A of the Laws of Hong Kong), shipping companies, airlines and transportation companies are required to deliver within 14 days to the Director-General of Trade and Industry the import/export licences together with the relevant manifests of the vessel, aircraft or vehicle.

Pursuant to the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong), every person who imports/exports any article other than an exempted article shall lodge with the Commissioner an accurate and complete import/export declaration relating to such article using services provided by a specified body, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation/exportation of the article to which it relates.

Hong Kong is a free port and does not levy any customs tariff on imports and exports.

Regulations Relating to Employment

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) ("OSHO")

The OSHO provides for the safety and health protection to employees in workplace, both industrial and non-industrial. Under section 6 of the OSHO, every employer must, so far as reasonably practicable, ensure the safety and health at work of all the employer's employees by:

- providing and maintaining plant and systems of work that are safe and without risks to health;
- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant and substances;
- providing information, instruction, training and supervision as may be necessary to ensure the safety and health at work of the employees;
- as regards any workplace under the employer's control, maintaining the workplace in a condition that is safe and without risks to health or providing or maintaining means of access to and egress from the workplace that are safe and without any such risks; and
- providing or maintaining a working environment for the employees that is safe and without risks to health.

Failure to comply with the above provisions constitutes an offence and the employer is liable on conviction to a fine of HK$200,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable on conviction to a fine of HK$200,000 and to imprisonment for six months.

The Commissioner for Labour may serve an improvement notice on an employer against contravention of the OSHO or the FIUO, or a suspension notice against activity or condition or use of workplace or of any plant or substance located on the workplace which may create an imminent risk of death or serious bodily injury to the employees. Failure to comply with a requirement of an improvement notice or contravenes a suspension notice without reasonable excuse constitutes an offence and the employer is liable on conviction to a fine of HK$200,000 and HK$500,000, respectively, and to imprisonment for 12 months.

Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) ("OLO")

The OLO regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land. The Occupiers Liability Ordinance imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitors will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("EO")

The EO regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on wages deductions and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Employee's Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("ECO")

The ECO establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK$100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HK$100,000) and to imprisonment for one year.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("MWO")

The MWO provides for a prescribed minimum hourly wage rate during the wage period for every employee engaged under a contract of employment under the EO (except those specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong) ("MPFSO")

The MPFSO provides for, inter alia, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee's relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HK$7,100 and HK$30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment.

Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) ("IO")

Generally speaking, under the IO, a person is required to hold a visa/entry permit to work in Hong Kong unless he has the right of abode or right to land in Hong Kong. Section 17I of the IO stipulates that any person who is the employer of an employee who is not lawfully employable commits an offence and is liable to a fine of HK$350,000 and to imprisonment for three years if the employee is not a prohibited employee, and if the employee is a prohibited employee, to a fine of HK$500,000 and to imprisonment for 10 years.

Regulations Relating to Taxes

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("IRO")

As our Group carry out business in Hong Kong, the Company are subject to the profits tax regime under the IRO. The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of person, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. As at the Latest Practicable Date, the standard profits tax rate for corporations is currently at 8.25% on assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowance for depreciation.

Section 51(1) of the IRO requires every person, upon receipt of a written notice from the Inland Revenue Department, to submit a return within a reasonable time as stated in such notice. In relation to (i) any tax computation containing incorrect information (the "Incorrect Information"); and (ii) the filing of tax return containing the Incorrect Information, a person may be subject to prosecution under section 80(2) or 82(1) of the IRO pursuant to which:

(a) Any person who without reasonable excuse files an incorrect return commits an offence under section 80(2) of the IRO and is liable on conviction to a fine at level 3 (i.e. HK$10,000) and a further fine of treble the amount of tax which has been undercharged as a result of the incorrect return, statement or information or omission, or would have been so undercharged if the return, statement or information had been accepted as correct or the omission had not been detected.

(b) Any person who willfully with intent to evade or to assist any other person to evade tax omits from a return any sum which should be included commits an offence under section 82(1) of the IRO is liable:

(i) on summary conviction to a fine at level 3 (i.e. HK$10,000), a further fine of treble the amount of tax which has been undercharged in consequence of the offence or which would have been undercharged if the offence has not been detected and imprisonment for 6 months; and

(ii) on indictment to a fine at level 5 (i.e. HK$50,000), a further fine of treble the amount of tax which has been undercharged in consequence of the offence or which would have been undercharged if the offence has not been detected and imprisonment for 3 years.

(c) Under sections 80(5) and 82(2) of the IRO, the Commissioner of Inland Revenue may compound any offence in lieu of prosecution.

(d) Under section 82A of the IRO, any person who without reasonable excuse makes an incorrect return by omitting or understating anything in respect of which he is required to make a return, shall, if no prosecution under section 80(2) or 82(1) has been instituted in respect of the same facts, be liable to be assessed to additional tax of an amount not exceeding treble the amount of tax undercharged as a result of the filing of the incorrect tax return.

Additionally, section 51C of the IRO provides that any person carrying on a trade, profession or business in Hong Kong shall keep sufficient records in the English or Chinese language of his income and expenditure to enable the assessable profits of such trade, profession or business to be readily ascertained and shall retain such records for a period of not less than seven years after the completion of the transactions, acts or operations to which they relate. The section sets out general requirement of records that should be kept. Any person who without reasonable excuse fails to comply with section 51C is liable on conviction to a maximum fine at level 6 (i.e. HK$100,000).

Regulations Relating to Data Protection

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("PDPO")

The PDPO imposes a statutory duty on data users to comply with the requirements of the six data protection principles (the "**Data Protection Principles**") contained in Schedule 1 to the PDPO. The PDPO provides that a data user shall not do an act, or engage in a practice, that contravenes a Data Protection Principle unless the act or practice, as the case may be, is required or permitted under the PDPO.

The Data Protection Principles are summarized as follows:

(a) Adequate personal data should be collected (i) for a lawful purpose, which is necessary for and directly related to a function or activity of the data user, (ii) by fair and lawful means. The person whose data is being collect is informed (a) that whether he is obligatory or voluntary for him to supply the data, (b) the purpose of the collection and the class of persons to whom the data may be transferred, (c) on or before, his right to access and correct the data collected and the information of the person who might handle such requests.

(b) All practicable steps shall be taken to ensure the accuracy of the person data collected, and kept not long than is necessary.

(c) Personal data should not be used for the purposes outside of the person's consent.

(d) All practicable steps shall be taken to ensure that any personal data held by a data user is protected against unauthorized or accidental access, processing, erasure, loss or use.

(e) All practicable steps shall be taken to ensure that a person can (a) ascertain a data user's policies and practices in relation to personal data; (b) be informed of the kind of personal data held by a data user; (c) be informed of the main purposes for which personal data held by a data user is or is to be used.

(f) A data subject shall be entitled to ascertain whether a data user holds personal data of which he is the data subject and request access to personal data. The data subject should be given reasons if the request is refused and right to object to the refusal.

Contravention with the Data Protection Principles may entitle the Privacy Commissioner for Personal Data to issue a written notice directing the data user to remedy and prevent recurrence of contravention. Contravention with the above notice is an offence and the offender is liable on (a) first conviction to a fine HK$50,000 and to imprisonment for two years, and if the offence continues after the conviction, to a daily penalty of HK$1,000; and (b) second or subsequent conviction to a fine at HK$100,000 and to imprisonment for two years, and if the offence continues after the conviction, to a daily penalty of HK$2,000. It is a defense to the above offence if the data user shows that he exercised all due diligence to comply with the enforcement notice.

The PDPO also gives data subjects certain rights, inter alia:

- the right to be informed by a data user whether the data user holds personal data of which the individual is the data subject;
- if the data user holds such data, to be supplied with a copy of such data; and
- the right to request correction of any data they consider to be inaccurate.

The PDPO criminalises, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorised disclosure of personal data obtained without the relevant data user's consent. An individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

Regulations Relating to Intellectual Properties

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Mark Ordinance protects registered trademarks. The duration of the registered trademarks is for ten years, which can be further renewed for ten years per renewal. A registered trade mark may be challenged in revocation proceedings if it is not used in Hong Kong for a continuous period of three years.

A person infringes a registered trade mark if he uses in the course of trade or business a sign:

(a) which is identical to the trade mark in relation to goods or services which are identical to those for which it is registered;

(b) which is identical to the trade mark in relation to goods or services which are similar to those for which it is registered, and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public;

(c) which is similar to the trade mark in relation to goods or services which are identical or similar to those for which it is registered and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public; or

(d) which is identical or similar to the well-known trade mark in relation to any goods or services, and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

Regulations Relating to Anti-money Laundering and Counter-terrorist financing

Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong) ("DTROP")

Among other things, the DTROP contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the freezing of assets on arrest and the confiscation of the proceeds from drug trafficking activities by the competent authorities. It is an offence under the DTROP for a person to deal with any property knowing or having reasonable grounds to believe it to represent the proceeds from drug trafficking. The DTROP requires a person to report to an authorised officer if he/she knows or suspects that any property (in whole or in part directly or indirectly) represents the proceeds of drug trafficking or is intended to be used or was used in connection with drug trafficking, and failure to make such disclosure constitutes an offence under the DTROP.

Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong) ("OSCO")

Among other things, the OSCO empowers officers of the Hong Kong Police Force and the Hong Kong Customs & Excise Department to investigate organised crime and triad activities, and confers jurisdiction on the Hong Kong courts to confiscate the proceeds of organised and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences under the OSCO. The OSCO extends the money laundering offence to cover the proceeds from all indictable offences in addition to drug trafficking.

United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong) ("UNATMO")

Among other things, the UNATMO stipulates that it is a criminal offence to: (1) provide or collect property (by any means, directly or indirectly) with the intention or knowledge that the property will be used to commit, in whole or in part, one or more terrorist acts; or (2) make any property or financial (or related) services available, by any means, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate, or collect property or solicit financial (or related) services, by any means, directly or indirectly, for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate. The UNATMO also requires a person to disclose his knowledge or suspicion of terrorist property to an authorised officer, and failure to make such disclosure constitutes an offence under the UNATMO.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN UNITED ARAB EMIRATES

Our UAE subsidiaries trade in electrical and electronic appliances spare parts, mobile phones and accessories, computer and electrical accessories, and audio-visual and recording equipment and accessories, within and outside the United Arab Emirates (the "**UAE**"). This section summarises selected federal and relevant free zone laws and regulations that are most relevant to these activities. It is not an exhaustive statement of all UAE laws that may apply. [**REDACTED**] should note that the following summary is based on relevant laws and regulations in force as of the date of this document, which may be subject to change.

Commercial Licensing and Corporate Regulation

The relevant free zone limited liability companies (FZ-LLCs) in Dubai Integrated Economic Zones Authority (DIEZ) and/or Dubai Multi Commodities Centre (DMCC) are governed by:

- Federal Decree-Law No. 32 of 2021 on Commercial Companies (as applicable to free zones),
- The respective free zone company regulations (DIEZ Companies Regulations 2023 and DMCC Company Regulations 2020).

The entities' trading activities including import, export, and wholesale of electronic goods and accessories are considered commercial activities and are permitted under the DIEZ and DMCC licensing regimes. All DIEZ and DMCC entities must obtain a Trade Licence specifying their permitted business activities and comply with ongoing reporting, renewal, and compliance obligations, including the maintenance of proper accounting records, submission of audited financial statements, and observance of the Anti-Money Laundering and Ultimate Beneficial Ownership requirements.

Economic Substance, AML/CFT and UBO Requirements

The entities are required to comply with:

- Cabinet Resolution No. 57 of 2020 on Economic Substance Regulations,
- Federal Decree-Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism, and
- Cabinet Resolution No. 58 of 2020 on the Regulation of Beneficial Owner Procedures.

The trading activities are generally classified as "Distribution and Service Centre Business" for ESR purposes, requiring annual ESR notifications and, if applicable, submission of ESR reports demonstrating adequate substance in the UAE (including premises, employees, and expenditure). Both DIEZ and DMCC serve as the competent licensing authorities for ESR filings.

The entities must maintain accurate UBO registers and comply with AML/CFT requirements, including customer due diligence and reporting suspicious transactions through the goAML platform administered by the UAE Financial Intelligence Unit.

Consumer and Product-Safety Regulation

The sale and distribution of electronic products are regulated by Federal Law No. 15 of 2020 on Consumer Protection, implemented through Cabinet Decision No. 66 of 2020 and Ministerial Resolution No. 26 of 2023 ("**Consumer Protection Law**").

Under the Consumer Protection Law, suppliers have obligations that may include returning, exchanging, repairing, or replacing goods where defects are identified, and may be liable for consumer harm caused by defective products. In addition, product-related liability may arise under the UAE Civil Transactions Law (Federal Law No. 8 of 1985), including principles that require a party that causes harm to compensate the harmed party (including in connection with defective or damaged products). Product "defects" can include defects in design, processing, or manufacturing, or non-conformity with declared specifications. Suppliers are generally required to ensure goods conform to declared specifications and to provide warranty support within a reasonable period.

Electronic Transactions and Cybersecurity

Given the use of digital procurement and invoicing systems, the Entity adheres to Federal Decree-Law No. 46 of 2021 on Electronic Transactions and Trust Services. This law recognises the legal effect of electronic records and signatures, provided prescribed conditions are met. As a result, electronic contracts, invoices, and records used by the entities are generally capable of being legally effective and enforceable under UAE law when compliant with applicable requirements.

Data Collection and Handling Regulation

The entities are subject to the Federal Decree-Law No. 45 of 2021 on the Protection of Personal Data (the "**UAE Data Protection Law**"), which came into force on 2 January 2022. The UAE Data Protection Law establishes requirements for the collection, use, storage, retention, and protection of Personal Data, including Personal Data of employees and customers. The entities may process Personal Data such as contact information, identification details, and transactional information in the ordinary course of business.

Non-compliance may result in administrative penalties imposed by the UAE Data Office and/or other applicable authorities, including fines and other civil or administrative measures. The UAE Data Protection Law requires implementing appropriate organisational and technical measures for information security and data governance. This may include adopting an information security policy (where required), implementing access controls and security measures (including encryption where appropriate), providing employee training, using formal change control processes for IT systems, and conducting periodic audits and testing by qualified external parties where applicable.

The entities aim to collect and process Personal Data on an appropriate legal basis and in accordance with applicable data protection rights, and to retain Personal Data only for as long as necessary for the relevant processing purposes, subject to applicable legal retention requirement.

Intellectual Property Regulations

UAE intellectual property protection is governed by a range of laws and implementing regulations (the "**UAE IP Laws**"), including:

Federal Decree-Law No. 38 of 2021 on Copyrights and Neighbouring Rights; Federal Decree-Law No. 36 of 2021 on Trademarks; Cabinet Resolution No. 6 of 2022 issuing executive regulations related to industrial property rights; Cabinet Decision No. 47 of 2022 implementing the executive regulation for Federal Decree-Law No. 38 of 2021; and Cabinet Decision No. 57 of 2022 issuing executive regulations for Federal Decree- Law No. 36 of 2021.

These laws are administered and enforced by the Ministry of Economy (including its Intellectual Property functions). The entities' brand names, logos, product identifiers, software and creative works, and other business materials may be protected through the relevant UAE IP registration and enforcement mechanism.

Laws and Regulations Relating to Employment

Employment relationships are governed by Federal Decree-Law No. 33 of 2021 (as amended) on the Regulation of Labour Relations (the "**Labour Law**"). While DIEZ and DMCC have free zone administrative frameworks, employment matters remain aligned with the Labour Law's minimum standards, including requirements and minimum entitlements relating to working hours, leave, end-of-service benefits, termination, and dispute resolution. The Labour Law includes statutory leave entitlements, including (among others) annual leave, sick leave, maternity and parental leave, study leave, bereavement leave, and military service leave, as well as occupational safety obligations, under the oversight of the Ministry of Human Resources and Emiratisation ("**MoHRE**").

Laws and Regulations Relating to Taxation

Corporate tax. The UAE introduced federal corporate tax under Federal Decree-Law No. 47 of 2022 (the "**CT Law**"). Corporate tax is imposed at a standard rate of 9% on taxable income, with the first AED 375,000 generally taxed at 0% (subject to the CT Law). Resident taxable persons are generally taxed on worldwide taxable income, and non-resident persons may be taxed on UAE-sourced income in specified circumstances (including where a permanent establishment exists or other nexus conditions apply).

Withholding tax. The CT Law currently provides for a 0% withholding tax rate on UAE-sourced income derived by a non-resident person.

VAT. Value-added tax ("**VAT**") is imposed at 5% (unless exempt or zero-rated) on taxable supplies and certain imports under Federal Decree-Law No. 8 of 2017 on VAT. VAT registration and compliance requirements depend on the nature and level of taxable supplies and applicable thresholds.

Customs and tariffs. The UAE is a member of the GCC Customs Union. Imports from outside the GCC may be subject to customs duties based on the relevant HS code under the Unified GCC Customs Tariff. Goods imported into UAE free zones for re-export generally do not incur UAE customs duty, but goods released into the UAE mainland may be subject to applicable customs duty. A common duty rate for many consumer goods (including many electronic products) is 5%, subject to product classification and applicable rules.

Foreign Exchange Control

The UAE generally permits free movement and conversion of foreign currency, and there are no general limits on bringing foreign currency into or out of the UAE. However, transfers to or from certain jurisdictions may be subject to enhanced monitoring and additional requirements, particularly in the context of AML/CFT controls. The UAE's financial system oversight in this area includes the role of the Central Bank of the UAE ("**CBUAE**") in promoting financial stability and supervising relevant financial controls.

OVERVIEW

We are primarily engaged in the design and sale of innovative products in the global smart devices industry, committed to delivering a broad portfolio of reliable products and strong user experiences to consumers worldwide. Since being founded in December 2011 by Mr. Yang, we have grown from the Anker brand and steadily expanded our product portfolio across smart charging and power storage, smart home, and smart audio and video.

On August 24, 2020, our A Shares were listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300866). See "— Corporate Development and Major Changes in Share Capital and Shareholdings — A-Share Listing" for more details.

KEY MILESTONES

The following table shows a summary of our key business development milestones since our inception.

Year	Event
2011	Our Group was established.
2013	We launched PowerIQ™, our next-gen smart dynamic power distribution for fast, efficient multi-charging.
2014	We became the #1 best seller in mobile charging on Amazon in the North American, European, Japanese and other markets.
	We entered the audio market with the release of our first Anker soundcore speaker.
2016	We launched eufy, tapping into the smart home market.
	We started offline sales through our major global retailers.
2018	We launched our first Nebula portable smart projectors.
	We introduced the world's first gallium nitride (GaN) charger, applying GaN materials, traditionally used in aerospace, to consumer charging products.
2020	Our Company's A Shares were listed on the ChiNext Market of the Shenzhen Stock Exchange.
	We ranked second in mobile charging products sector and we became the largest independent mobile charging brand by revenue both globally and in the North American market.
2022	We ranked among the top five players in smart home security market by retail sales value.
2024	We served over 200 million users globally.
2025	We upgraded our core brands, Anker, eufy and soundcore, focusing on our three major product lines — smart charging and power storage, smart home, and smart audio and video.

OUR MAJOR SUBSIDIARIES

Details of each of our Major Subsidiaries which made a material contribution to our results of operations during the Track Record Period are set out below.

Name of subsidiary	Place of incorporation	Date of establishment and commencement of business	Equity interest attributable to our Group	Principal business activities
Shenzhen Oceanwing Smart Innovation Co., Ltd. (深圳海翼智新科技有限公司) ("**Oceanwing Smart Innovation**")	PRC	January 17, 2014	86.26%[Note]	Research and development
Hunan Anker Electronics Technology Co., Ltd. (湖南安克電子科技有限公司)	PRC	June 5, 2017	100%	Procurement
Fantasia Trading LLC	United States	July 2, 2009	100%	Sales and distribution
Anker Japan Co., Ltd.	Japan	January 30, 2013	100%	Sales and distribution
Anker Innovations Limited ("**Anker HK**")	Hong Kong	October 18, 2013	100%	Sales and distribution
Anker Technology (UK) Ltd.	United Kingdom	November 7, 2013	100%	Sales and distribution
Power Mobile Life LLC	United States	November 5, 2015	100%	Sales and distribution
Anker MEA-FZE	United Arab Emirates	January 13, 2022	100%	Sales and distribution

Note: See "— Shareholding and Corporate Structure Immediately Prior to the [**REDACTED**]" for details of the holders of the minority equity interests.

The Company held majority equity interests in the above Major Subsidiaries throughout the Track Record Period.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the requirements under paragraph 26 of Appendix D1A to the Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this Document. See "Waivers and Exemption" for more details. For shareholding changes of our Major Subsidiaries during the two years immediately preceding the date of this Document, see "Statutory and General Information — Further Information About Our Company — Changes in Share Capital of Our Major Subsidiaries" in Appendix IV to this Document.

CORPORATE DEVELOPMENT AND MAJOR CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS

Establishment

Our Group was officially founded when our Company (then named Hunan Oceanwing E-Commerce Co., Ltd. (湖南海翼電子商務有限公司)) was established in the PRC on December 6, 2011 as a limited liability company held by Ms. Chen Jianjun (陳建軍) and Mr. Wu Wenlong (吳文龍) as to 86.20% and 13.80%, respectively.

Pursuant to the nominee agreements entered into between, on the one hand, Mr. Yang, Ms. He, Mr. Zhao Dongping (趙東平) and Mr. Gao Tao (高韜), and on the other hand, Ms. Chen Jianjun and Mr. Wu Wenlong, together with the declaration and confirmation letters issued by each of the six individuals, since the establishment of the Company, Ms. Chen Jianjun had held equity interests in the Company as nominee on behalf of Mr. Yang, Ms. He, Mr. Zhao Dongping and Mr. Gao Tao, while Mr. Wu Wenlong had held equity interests in the Company as nominee for Mr. Zhao Dongping. As such, the ultimate beneficial ownership of the Company upon its establishment was held through the aforementioned nominee arrangements as follows:

Ultimate beneficial owner	Amount of registered capital held	Approximate percentage of equity interests
Mr. Yang	3,324,000	66.48%
Mr. Zhao Dongping	855,000	17.10%
Mr. Wu Wenlong	380,000	7.60%
Ms. He	253,500	5.07%
Mr. Gao Tao	187,500	3.75%
Total	**5,000,000**	**100.00%**

The nominee arrangements were fully unwound pursuant to resolutions passed by the then Shareholders on September 21, 2015.

Conversion into a Joint Stock Limited Company, Previous Listing on NEEQ and Change of Name

In preparation for our application for listing on the National Equities Exchange and Quotations of the PRC (全國中小企業股份轉讓系統有限責任公司) (the "**NEEQ**"), on May 12, 2016, our then Shareholders passed resolutions approving the conversion of our Company from a limited liability company into a joint stock limited company under the laws of the PRC. Upon completion of the joint stock company conversion on June 6, 2016, our Company continued to be held as to approximately 66.48% by Mr. Yang, approximately 17.10% by Mr. Zhao Dongping, approximately 7.60% by Mr. Wu Wenlong, approximately 5.07% by Ms. He and approximately 3.75% by Mr. Gao Tao, respectively.

On October 24, 2016, our Company was listed on the NEEQ (stock code: 839473). During our listing on the NEEQ, we underwent various share capital changes and our share capital increased from 36,199,096 Shares to 365,427,207 Shares.

On January 8, 2018, the name of our Company was changed from Hunan Oceanwing E-Commerce Co., Ltd. (湖南海翼電子商務股份有限公司) to our current name, Anker Innovations Technology Co., Ltd. (安克創新科技股份有限公司).

Having taken into account our long-term strategic plan, we sought to voluntarily delist from the NEEQ to further expand and consolidate our resource channels and enhance our financing efficiency. In view of this, on July 9, 2018, our then Shareholders unanimously approved a resolution in relation to the termination of the Company's listing on the NEEQ, and on July 25, 2018, the NEEQ issued the approval letter on the termination of the Company's listing on the NEEQ with effect from August 20, 2018.

The Directors and the PRC Legal Adviser confirm, to the best of their knowledge and belief: (a) during the period of the Company's listing on the NEEQ, (i) the Company had been in compliance in all material respects with the applicable PRC securities laws and regulations and rules; and (ii) the Company had not been subject to any material disciplinary action by any relevant law enforcement agency or regulatory body; and (b) there are no other matters in relation to the Company's prior listing on and delisting from the NEEQ that need to be brought to the attention of the Stock Exchange or the Shareholders.

A-Share Listing

On August 24, 2020, we completed the initial public offering and listing of our A Shares on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300866) (the "**A-Share Listing**"), under which a total of 41,000,000 new A Shares were issued, representing approximately 10.09% of our Company's then share capital immediately after the A-Share Listing. Immediately after the A-Share Listing, our Company was held by, among others, Mr. Yang, Mr. Zhao Dongping and Mr. Wu Wenlong as to 44.04%, 11.98% and 5.05%, respectively.

Issuance of 2025 Convertible Bonds

In June 2025, to satisfy the Company's funding needs for projects covering R&D and mass production of portable and/or home energy storage systems, next-gen smart hardware, smart warehousing upgrades, end-to-end digital operations, and working capital replenishment, we conducted a public issuance of 2025 Convertible Bonds of RMB1,104,820,000 at a par value of RMB100. The 2025 Convertible Bonds were listed on the Shenzhen Stock Exchange (bond code: 123257) on July 4, 2025. The conversion period is from the first trading day to six years after the issuance of Convertible Bonds, with an initial conversion price of RMB111.94 per A Share, which has been continually adjusted with reference to our Company's distribution and dividend payments as well as changes in share capital of our Company. The 2025 Convertible Bonds and A Shares issuable upon conversion pursuant to an exercise of the conversion right by bondholders are not subject to any restrictions on transfer or lock-up arrangement. The holders of the 2025 Convertible Bonds will not have any special rights attached thereto which are not generally available to other Shareholders upon [**REDACTED**].

During the conversion period, the Company has the right to redeem part or all of the Convertible Bonds at the principal amount together with accrued and unpaid interest if, among other conditions, the closing price of the A Shares is not lower than 130% of the conversion price for at least fifteen trading days out of thirty consecutive trading days during the conversion period.

During the fourth quarter of 2025 and the first half of 2026 up to the Latest Practicable Date, an aggregate of 1,420 A Shares were converted from the 2025 Convertible Bonds. As of the Latest Practicable Date, the aggregate principal amount underlying the outstanding 2025 Convertible Bonds was RMB1,104,661,800. Assuming a conversion price of RMB108.86 per A Share, which was the prevailing conversion price as of the Latest Practicable Date, the aggregate number of A Shares which may be issued upon conversion of the outstanding 2025 Convertible Bonds would be approximately 10,147,545 A Shares, representing approximately 1.89% of the total number of Shares as at the Latest Practicable Date, and approximately [**REDACTED**]% of the total number of Shares upon the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans).

To the best knowledge and belief of our Company, as of the Latest Practicable Date, the holder of the 2025 Convertible Bonds which is also a core connected person of our Company as defined under the Listing Rules is Mr. Yang (our executive Director and Controlling Shareholder), who holds a principal amount underlying the outstanding 2025 Convertible Bonds of RMB27,000. Assuming a conversion price of RMB108.86 per A Share, which was the prevailing conversion price as of the Latest Practicable Date, the number of A Shares which may be issued upon conversion of the outstanding 2025 Convertible Bonds held by Mr. Yang, would be approximately 248 A Shares, representing approximately [**REDACTED**]% of the total number of Shares upon the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans).

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

OUR A-SHARE LISTING ON THE CHINEXT MARKET OF THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE H SHARE [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange since August 24, 2020. Our Directors have confirmed that the Company has had no instance of non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A-Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to [**REDACTED**] attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Adviser is of the view that the Company has complied with all applicable securities laws and regulations in the PRC in relation to its listing on the ChiNext Market of the Shenzhen Stock Exchange in all material respects throughout the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in any material respect.

Our Company is seeking a [**REDACTED**] of its H Shares on the Hong Kong Stock Exchange for further capital to drive product innovation, conduct R&D and talent acquisition, enhance our brand's appeal and deepen consumer loyalty, strengthen our director-to-consumer global market strategy, upgrade supply chain management and support our global expansion efforts, and bolster our working capital. For more details, see "Business" and "Future Plans and Use of [**REDACTED**]".

RESTRICTED SHARE INCENTIVE PLANS

In recognition of the contributions of our employees and to incentivize them to further support our development, thereby maximizing the interests of the Company, its Shareholders and employees, we have adopted the Restricted Share Incentive Plans. See "Statutory and General Information — Restricted Share Incentive Plans" in Appendix IV for details.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Upon [**REDACTED**], to the best knowledge of the Company, a total number of 324,435,261 A Shares, representing approximately [**REDACTED**]% of our Company's total issued Shares assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds, held by the core connected persons (as defined under the Listing Rules) of the Company, namely (i) Mr. Yang (our Controlling Shareholder), (ii) Ms. He (our Controlling Shareholder), (iii) Mr. Zhao Dongping (our executive Director), (iv) Mr. Zhu Fanghao (our executive Director), (v) Mr. Xiong Kang (our executive Director), (vi) Mr. Zhang Shanfeng (our non-executive Director), and (vii) Ms. Huang Simin (director of our subsidiaries), will not be considered as part of the public float.

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

Our A Shares are listed on the ChiNext Market of the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the [**REDACTED**] represents [**REDACTED**]% of the total issued share capital of our Company (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds). Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds), the total number of the H Shares expected to be held by the [**REDACTED**] represents approximately [**REDACTED**]% of the total issued share capital of our Company, which is higher than the prescribed percentage of H Shares required to be held in [**REDACTED**] of [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% under Rule 19A.13A(2)(b) of the Listing Rules calculated based on the low-end, mid-point and high-end of the indicative [**REDACTED**], respectively, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

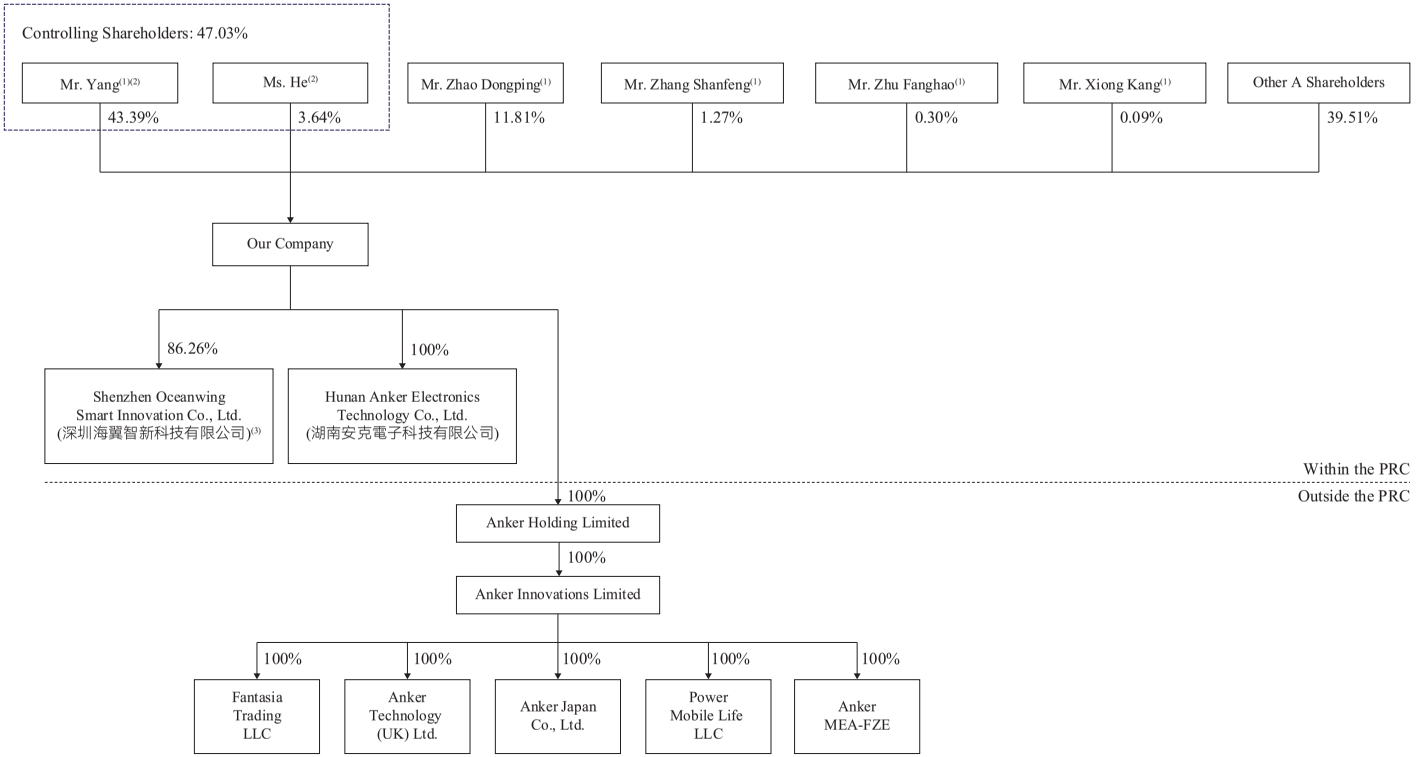
Satisfaction of the Free Float Requirement

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

It is expected that immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds) and assuming the maximum allocation of [**REDACTED**]% of the [**REDACTED**] to the [**REDACTED**] tranche permissible under the Listing Rules, the market capitalization of the H Shares [**REDACTED**] on the Stock Exchange that are held by the [**REDACTED**] and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the [**REDACTED**] will not be less than HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] based on the low-end, mid-point and high-end of the indicative [**REDACTED**], respectively. Accordingly, our Company will be able to satisfy the requirements under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our simplified shareholding and corporate structure immediately prior to the [**REDACTED**] (assuming that no new Shares are issued under the Restricted Share Incentive Plans and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds):



Notes:

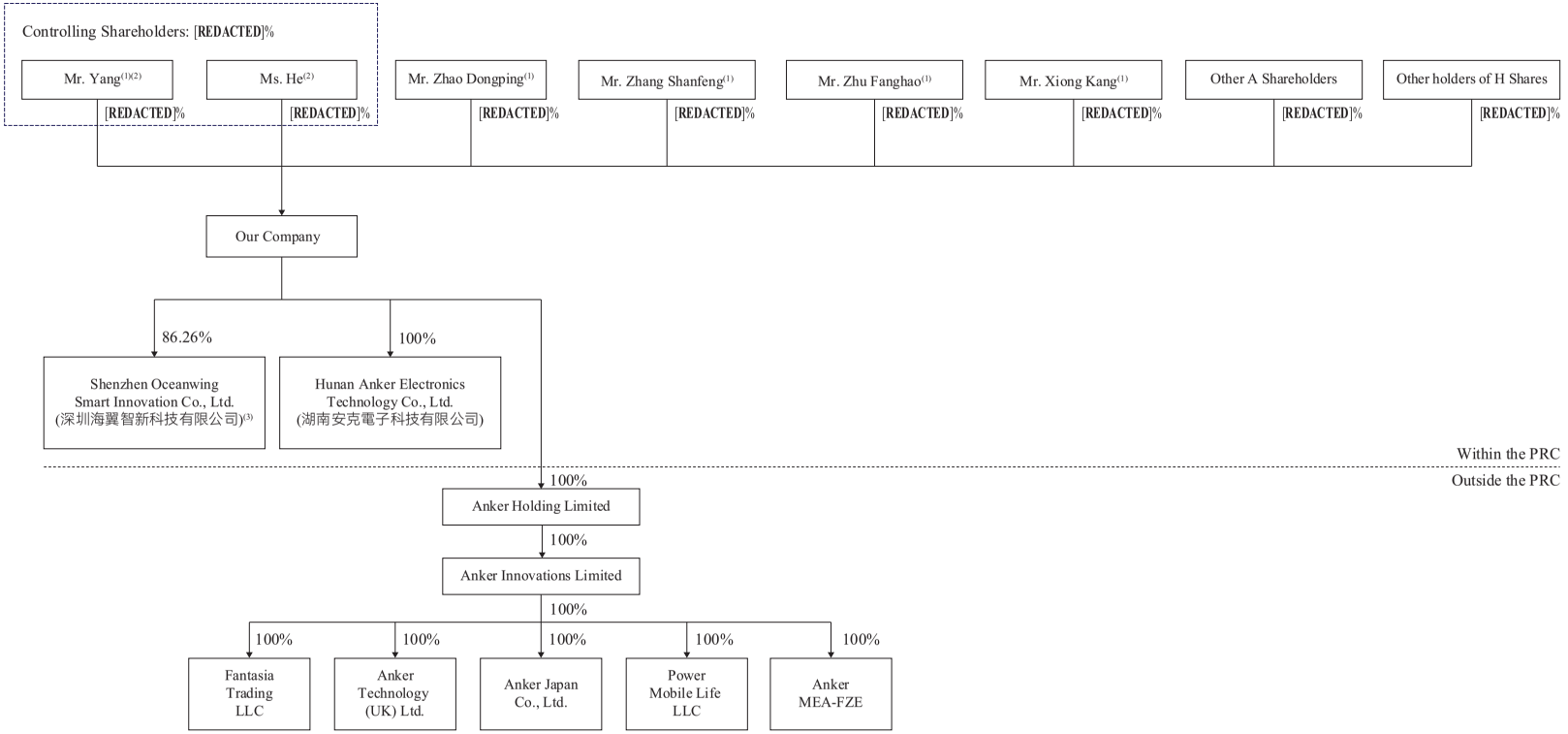
(1) Each of the relevant Shareholders is a director of the Company. See "Directors and Senior Management" in this Document.

(2) Mr. Yang and Ms. He have been parties acting in concert since the establishment of the Company. Pursuant to an acting-in-concert agreement dated September 2025, Mr. Yang and Ms. He agreed to continue acting in concert. Such arrangement, as subsequently automatically extended, is for a term until March 31, 2029, upon which it shall be further automatically extended for an additional term of 36 months (and for a further term of 36 months upon expiry of each term thereafter) if Mr. Yang and Ms. He do not raise any objection.

(3) As at the Latest Practicable Date, Shenzhen Oceanwing Smart Innovation Co., Ltd. is held for employee incentive purposes by other shareholders, namely as to 12.74% by its employee incentive platform and our subsidiary, Nanjing Oceanwing Yuanzhi Management Consulting Partnership Enterprise (南京海翼遠致管理諮詢合夥企業), and as to 1.00% by our employee, Liu Wenbing (劉文兵), respectively.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth our simplified shareholding and corporate structure immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised, no new Shares are issued under the Restricted Share Incentive Plans and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds):



Notes: for notes (1) to (3), please refer to the section headed "— Shareholding and Corporate Structure Immediately Prior to the [**REDACTED**]" above.

OVERVIEW

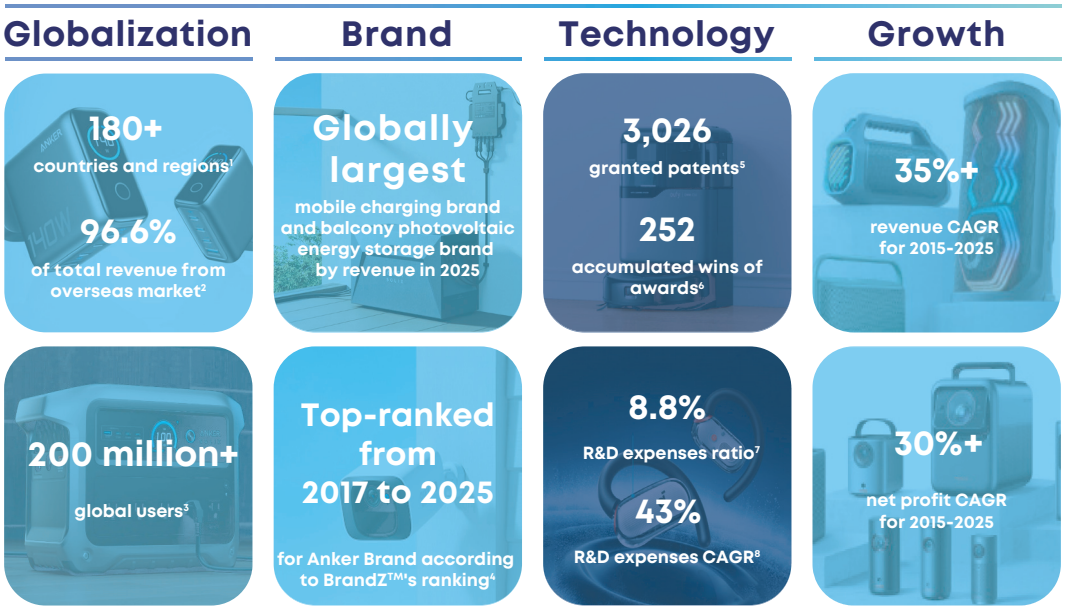
Who We Are

We are primarily engaged in the design and sale of consumer electronics in the global smart devices industry, committed to delivering a broad portfolio of reliable products and strong user experiences to consumers worldwide.

Our Accomplishments

Since our founding in 2011, we have grown from the Anker brand and steadily expanded our product portfolio across smart charging and power storage, smart home, and smart audio and video. We now operate three global brands — Anker, eufy, and soundcore — along with two core sub-brands, Anker SOLIX and eufyMake. According to Frost & Sullivan, globally by revenue from 2020 to 2024, we ranked second in the mobile charging products sector, and have been the largest independent mobile charging brand. In 2025, we ranked first globally in the mobile charging products sector by revenue. Our market share of global mobile charging products reached 4.8% in terms of revenue in 2025.

Driven by our globalization strategy, we continue to expand our business footprint, with our products sold in more than 180 countries and regions worldwide. While maintaining solid positions in key markets such as North America and Europe, we are also achieving rapid growth in emerging markets. As of December 31, 2025, we had served over 200 million users globally.



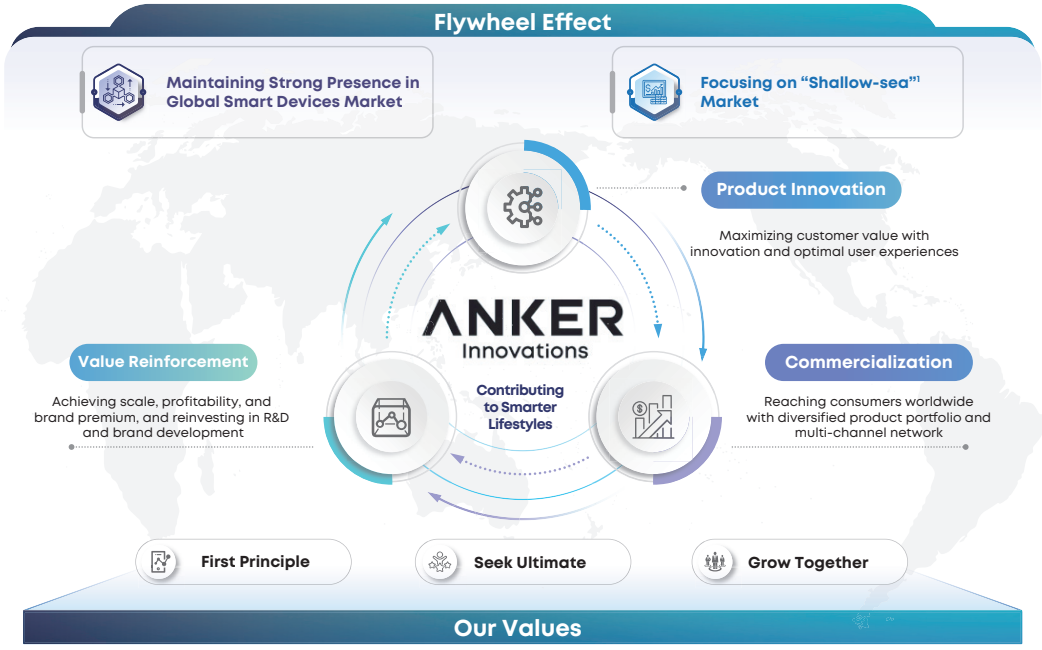
Notes: 1. As of December 31, 2025; 2. Percentage of total revenue from overseas market in 2025; 3. As of December 31, 2025; 4. Based on ranking of Anker Brand on the BrandZ™ "Top 50 Chinese Globalizing Brands" jointly released by Google and Kantar; 5. Number of granted patents globally as of December 31, 2025, consisting of invention patents, utility patents and design patents; 6. Number of wins of international industrial design and innovation product awards, as of December 31, 2025; 7. Ratio of total R&D expenses to total revenue during the Track Record Period; 8. R&D expenses CAGR from 2023 to 2025.

Our Platform Capabilities and Global Market

The global smart devices market in which we operate is characterized by a broad range of product categories, rapid iteration cycles, and a user base willing to pay for enhanced experiences. According to Frost & Sullivan, the global smart devices market is expected to continue its growth trajectory, reaching US$1.7 trillion by 2030, with a CAGR of 6.3% from 2025 to 2030. Our strategy focuses on "shallow-sea" markets, a concept we used to refer to product categories with market sizes under US$80 billion. These categories feature diverse users' needs and relatively unconsolidated competitive landscapes, offering substantial room for innovation and strong growth potential. According to Frost & Sullivan, these segments are expected to reach US$676.8 billion by 2030, representing a CAGR of 12.2% from 2025 to 2030.

Our Path to Sustainable Growth

Through sustained innovation and our deep understandings of fundamental needs, we strive to maximize customer value with our differentiated products and strong user experiences. Additionally, our diverse product portfolio and global multi-channel network further drive effective and rapid commercialization. The combination of product innovation and go-to-market execution reinforces both our brand recognition and financial performance, enabling us to reinvest in R&D and brand development. This virtuous cycle of "Product Innovation — Commercialization — Value Reinforcement," allows us to rapidly build competitive advantages across successive shallow-sea markets and achieve sustainable, long-term growth.



Note 1: According to Frost & Sullivan, the industry term "shallow-sea market" refers to medium-to-small-sized markets, defined as those with a market size below RMB576.0 billion (approximately US$80 billion). These markets are continuously developing and offer significant growth potential and includes a range of consumer electronics and smart devices. For details, see "Industry Overview."

Product Innovation

Maximizing customer value remains the core driver of our product development. We pursue innovation in technologies and products that address users' fundamental needs.

Technological Innovation

We are committed to building competitive advantages through technological innovation. To continuously develop foundational and cross-category capabilities, we established the "2023 Laboratory," enabling applications of foundational technologies across multiple product lines. Supported by a platform-based R&D framework organized around product development teams (PDT) and software development teams (SDT), we have built a R&D system and achieved breakthroughs across several key technology areas:

- *Charging*: In 2018, we introduced the world's first gallium nitride (GaN) charger, applying GaN materials, traditionally used in aerospace, to consumer charging products. This advancement significantly reduced charger size and marked a major milestone in the evolution of charging technology. In 2022, we introduced GaNPrime™ technology to integrate multiple innovative electronic architectures in mobile charging products. This technology was subsequently expanded to charging and power storage solutions. In 2025, we further upgraded to GaNPrime™ 2.0 with enhanced charging efficiency and compact sizes.

- *Energy Storage*: In response to global energy challenges, we have expanded into sustainable energy solutions and developed full-stack, in-house technological capabilities, spanning photovoltaic inverters, power conversion systems (PCS), energy storage PACK systems, battery management system (BMS), and energy management system (EMS).

- *Smart Home*: Building on our expertise in local data processing, we are upgrading local storage into an edge AI agent to improve response speed, enhance privacy protection, and enable on-device self-learning. Drawing on our accumulated experience in home security and cleaning technologies, we are expanding into household robotics and building a comprehensive technology stack to support broader robotic applications at home.

- *Printing*: In April 2025, we launched the world's first consumer-grade 3D-texture UV printer designed for home use. Featuring a lightweight modular design, full-color 3D-texture printing, compatibility with over 300 types of materials, a self-cleaning system and intelligent workflow control, the product significantly lowers the barriers and cost of industrial-grade printing, while achieving balance of performance, convenience, size, and price.

Through proprietary technological breakthroughs and the creation of new product categories, alongside upgrades and cross-category application of our technologies, our foundational R&D capabilities have enabled us to achieve solid positions in shallow-sea markets. These ongoing innovations not only propel the evolution of our product portfolio but also reinforce our sustained competitive advantages.

Delivering Strong User Experiences

We believe that product innovation goes beyond simply developing functional solutions, it is about delivering experiences that consistently exceed user expectations. By leveraging both consumer insights system and market insights system, we define what constitutes the "optimal experience," and use this as the cornerstone for product conceptualization, innovation, and ongoing iterative updates.

We have established a consumer insight-driven experience transformation system, centered around two core platforms for our product design team to analyze user feedback and optimize user experience: the JML (Joint Maker Lab) research platform, a user-centric, co-creation ecosystem supporting collaborative innovation, and the BEES (Best Experience Enhancement System) platform, a standardized framework for comprehensive analysis of user feedback and data evaluation. Driven by data analytics, JML and BEES work together to deliver a comprehensive analysis of user experience feedback, streamlining and enhancing our product design process to achieve superior product experiences, strengthen brand competitiveness and user loyalty, and create differentiated advantages for our long-term growth.

In parallel, we maintain a strong focus on market insights. Our market insights framework covers four dimensions: macro trend analysis, market and competitor research, category performance across various channels, and global market data. Through our proprietary market insights platform, Anker Market Insights (AMI), we formulate clear market entry strategies, including prioritizing target markets, determining entry approaches, and selecting appropriate product portfolios. AMI also supports long-term strategic planning for our products and channels across different regions. Our commitment to innovation and optimal user experiences continues to drive greater user value.

Commercialization

We maintain a tiered product portfolio and an omni-channel network. Our flagship products showcase advanced technology and distinctive design, enhancing our brand premium. Our main product lines meet the essential needs of mass market users at accessible price points. Entry-level products address the everyday needs of a broader consumer base, and expand our overall market share. Online, we maintain a strong presence on major third-party e-commerce platforms, achieving growth in key markets through targeted campaigns and high product ratings. We have also invested heavily in our official websites to reinforce brand presence and enhance user engagement. During the Track Record Period, our revenue from our official websites increased from RMB1.2 billion in 2023 to RMB2.5 billion in 2024 and further reached RMB3.1 billion in 2025. Offline, we have established long-term partnerships with major global retailers while expanding our network of self-owned offline retail stores, offering direct customer engagement and convenient purchasing options. Leveraging these strong multi-channel capabilities, we have built a comprehensive sales system spanning online and offline channels, including both direct and third-party distribution, supporting sustained sales growth while reinforcing brand awareness and user experiences. In 2025, revenue from end consumers accounted for over 70% of our total sales.

Our Growth Engine — Value Reinforcement

By integrating high-quality products with efficient commercialization, we have addressed the diverse needs of various customer segments. As a result, our revenue from three major product lines — smart charging and power storage, smart home, and smart audio and video — grew at CAGRs of 33.8%, 35.0% and 26.3%, respectively, from 2023 to 2025. Our overall gross profit margin grew from 42.7% in 2023 to 43.9% in 2025. We are committed to reinvesting the profits generated from product commercialization back into our business expansion, particularly R&D. In 2023, 2024 and 2025, we allocated 8.1%, 8.5% and 9.5% of our revenue to R&D, supporting steady long-term growth.

Our established brand presence enables us to capture user attention more effectively, reducing the effort and cost required to educate the market when we launch new products or enter new markets. As a result, we are able to accelerate successful commercialization, drive sustained business growth and solidify our market leadership.

Rapid Growth and Solid Financial Performance

Leveraging the flywheel effect of "Product Innovation — Commercialization— Value Reinforcement," we have established a sustainable and scalable platform for success, enabling us to achieve breakthroughs across multiple regions, product categories, and channels.

- *Regions*: We have established presence in North America, ranking second in the mobile charging market. In Europe, we have expanded rapidly in consumer power storage by capitalizing on the region's green transition initiatives including its promotion of solar energy strategy. For instance, since their introduction, our balcony photovoltaic energy storage products have gained popularity and captured a substantial market share in Germany.

- *Product Categories*: We continue to maintain our market leadership in mobile charging, power storage, smart security and wireless headphones. Globally by revenue from 2020 to 2024, we ranked second in the mobile charging products sector, and have been the largest independent mobile charging brand. In 2025, we ranked first globally in the mobile charging products sector by revenue. For smart home security products, we ranked among the top five players globally by revenue in 2025. In audio, soundcore ranked sixth in 2025 globally in wireless headphone markets by revenue.

- *Channels*: Online, we have performed strongly across major global third-party e-commerce platforms, holding solid sales positions across Amazon in multiple regions. In 2025, revenue from online channels accounted for 70.2% of total revenue, representing a year-over-year growth rate of 21.7%. Offline, we strengthened partnerships with leading global retailers, established local teams and expanded networks, achieving 27.8% year-over-year growth in offline revenue in 2025. Meanwhile, we continue to invest in building official websites and self-owned offline retail channels to maximize customer reach and amplify brand influence.

Our platform capabilities enable us to identify product-market fit early, amplify the product launches, and reduce trial-and-error costs associated with cross-category expansion, while accelerating entry into new markets. We believe our capabilities can be replicated across additional categories and geographies, further enhancing our competitive advantages and supporting long-term growth.

Our strong operational execution has underpinned our strong financial results. During the Track Record Period, both revenue and profitability delivered strong growth. Total revenue increased from RMB17.5 billion in 2023 to RMB30.5 billion in 2025, representing a CAGR of 32.0%. Our gross profit grew from RMB7.5 billion in 2023 to RMB13.4 billion in 2025, with a CAGR of 33.7%. In addition to scaling rapidly, we continued to enhance profitability, with overall gross profit margin rising from 42.7% in 2023 to 43.9% in 2025.

Over a longer horizon, our revenue grew more than 23-fold from 2015 to 2025, achieving a CAGR of over 35%, demonstrating our strong capabilities in long-term business expansion and value creation. We have also consistently prioritized delivering sustainable returns to our shareholders. Our dividend payout ratios for 2023, 2024, and 2025 were 50.3%, 52.8% and 50.6%, respectively. With a solid business foundation, innovation and outstanding execution, we are devoted to generating greater long-term value for our shareholders and all stakeholders.

COMPETITIVE STRENGTHS

We believe that the following core strengths have enabled us to establish strong brand recognition and customer loyalty in the global smart devices market.

We deliver innovative products in the global smart devices industry, committed to providing a diverse portfolio of reliable products worldwide and strong user experiences

According to Frost & Sullivan, based on revenue in 2025, we ranked as the largest mobile charging company globally. From 2015 to 2025, we have achieved sustained and strong growth in each year: our revenue grew at a CAGR of over 35%, while our net profit increased at a CAGR of over 30%.

We have consistently emphasized the shallow-sea markets with large potential for innovation and growth. Beginning with the Anker brand, we have gradually developed a global multi-brand portfolio that now includes eufy, soundcore, and others, achieving strong recognition and reputation across charging and power storage, smart home, and smart audio and video. Through our multi-brand, multi-channel, and multi-region approach, we have replicated our success across categories and established global leadership in mobile charging, photovoltaic energy storage, wireless headphones, and smart home security. With continuous innovation and high-quality products, we have earned the trust of a loyal user base. As a result, our products have held Amazon Best Seller positions across multiple categories for many consecutive years and have sold across over 180 countries and regions, with our cumulative global user base exceeding 200 million.

Through high product quality, strong user experiences, and a strengthening brand presence, we have established a strong position in the global market. This advantage provides us with greater pricing autonomy and enables us to capture reasonable brand premium. It also provides a strong foundation for sustained investment in R&D, both in new categories and technological upgrades of existing products. Together, these strengths enhance our long-term sustainability, competitiveness, and resilience.

Anchored in our users' fundamental needs, we pursue product excellence

We take users' fundamental needs as the starting point for achieving product excellence. By precisely identifying high-value use cases and users' potential pain points, and translating them into actionable design directions and R&D priorities, we enable efficient iteration from concept to launch and from innovation to upgrade, consistently delivering innovative products with strong user experience.

In creating entirely new products, we emphasize "responsiveness to users' needs + technological convertibility + scenario adaptability" in our innovation process. For example, to address high-end household users' needs for personalization and aesthetics, we developed the world's first UV printer that brings industrial-grade technology into consumer-grade application scenarios, eufyMake UV Printer E1. To validate innovative categories and engage early adopters, we strategically leverage crowdfunding platforms at launch. Crowdfunding allows us to gather valuable user feedback, helping us assess market potential and further optimize our products. Featuring 3D-texture UV printing technology, it significantly outperforms traditional creative printing tools in terms of convenience, color accuracy and material texture. Upon launch, it quickly became a popular product in creative home printing, set a new crowdfunding record on Kickstarter, and received widespread acclaim from both users and the media. In addition, the global reach and influence of these platforms are instrumental in increasing product visibility and establishing market recognition for innovative categories.

For product upgrades, we focus on identifying and addressing essential users' needs that existing solutions have not fully met. For example, in response to the growing demand for plug-and-play photovoltaic energy storage solutions in the European market, we have introduced the third-generation balcony storage product, the Anker SOLIX Solarbank 3 E2700 Pro. Our Solarbank product series was the first in the industry to integrate a microinverter, battery management system (BMS), and battery into a single unit, introducing an all-in-one balcony photovoltaic energy storage system, which has achieved a high market share. Utilizing data analytics tools, the system could forecast future energy consumption, enabling the automatic optimization of charging and discharging schedules, as well as storage strategies, helping users maximize the utilization of solar energy and benefit from peak-valley electricity pricing, thereby reducing energy costs.

By integrating customer insights system and market insights system, we are able to identify the next innovation areas users expect. In smart home, we observed that high-end household users increasingly prioritize proactive risk management rather than simple video recording. In response, we launched an upgraded eufy security camera equipped with autonomous tracking and voice alert capabilities, significantly enhancing users' sense of safety. These deep user insights and continuous iterations have enabled our products to maintain industry leadership in both innovation and quality. In 2025, our products have received 18 Red Dot Design Awards, 16 Good Design Awards and 13 iF Design Awards, among other major international honors. Additionally, as of the Latest Practicable Date, our charging products are sold in Apple Stores and official Apple retail outlets, and our data cables have been certified under Apple's official MFi program. These achievements not only demonstrate the quality and innovativeness of our products, but also reinforce user loyalty for our brand, providing a solid foundation for new product iterations and category expansion.

Driven by fundamental technological innovation, we are committed to achieving breakthroughs

Guided by our mission to "ignite possibilities through innovation ("極致創新")," we have built a full-lifecycle R&D system enabled by a unified organizational structure and a modular technology framework. We actively invest in application areas to establish a strong technological base for innovation, ensure efficient cross-domain transfer and integration of technological achievements, and continuously strengthening our competitiveness in the global smart devices industry.

In the field of charging and power storage, we focus on innovations in core technologies such as battery cell management and energy storage safety. We were among the first to achieve global commercialization of GaN materials, leading the fast-charging industry's iterative upgrades and driving continued innovation in mobile charging. In addition, we have successfully established a full-stack, self-developed energy storage technology platform covering power management, intelligent power distribution, and energy efficiency optimization with applications across home backup power, balcony solar storage, EV charging stations, and in-vehicle energy storage systems. For example, in the context of residential power storage, as users increasingly seek comprehensive whole-home power supply, intelligent energy management, and cost-effective installation, we have introduced a new-generation home power storage solution in 2025: the Anker SOLIX Solarbank Multisystem which enables users to expand capacity and deploy distributed systems to meet the growing energy demands of the future. This solution allows the connection of up to four Solarbank units, supporting a maximum photovoltaic input of approximately 14.4kW and an AC output of 4.8kW, while flexibly expanding total storage capacity to around 64.5kWh. This ensures continuous power supply across multiple circuits and appliances throughout the entire household. Moreover, the parallel architecture of multiple devices enables users to expand their system as needed, within the bounds of safety and compliance. In this way, users can deploy their home energy system with enhanced flexibility.

In smart home, we focus on three core capabilities — perception, planning and control, and, continuously expanding the application boundaries of our general-purpose technologies. Our HomeBase local base station storage, SolarPlus™ perpetual solar power, and intelligent imaging perception can be applied to robotic vacuums, smart cameras, security monitoring, 3D-texture UV printing, and other emerging smart home products. For instance, our newly launched Robot Vacuum Omni S2 and the world's first smart stair-climbing carrier for robot vacuum, MarsWalker, have attracted significant attention for their technological innovation, becoming popular products at the IFA 2025 in Germany. Leveraging advanced environmental recognition capabilities, portable robotics technology, and the HydroJet™ deep cleaning system, this product combination overcomes the traditional limitations of robot vacuums, delivers superior cross-floor cleaning performance and achieves truly comprehensive whole-home automation. These advancements further demonstrate our breakthroughs in smart home technology and our ability to commercialize innovative products.

In smart audio and video, we invest in advanced acoustics and imaging technologies for audio-visual devices. Our intelligent audio algorithms, dynamic head-tracking technology, and large model integration, each could be applied to support the iterative development of projectors, speakers, headphones, and AR/VR display devices. This could ensure consistent user experiences across product lines to achieve successful commercialization. For example, our soundcore Sleep A30 is the world's first smart active noise-cancelling sleep earbud, featuring an adaptive noise cancellation system that effectively eliminates common low-frequency noise from household appliances and traffic. It also incorporates an intelligent snore-masking system, automatically generating relaxing soundscapes to mask noise that promotes relaxation, ultimately helping users achieve higher-quality sleep.

We place strong emphasis on sustained R&D investment and believe that the continuous development and commercialization of new technologies lie at the core of our long-term competitiveness and strategic focus. From 2023 to 2025, our R&D expenses were RMB1.4 billion, RMB2.1 billion, and RMB2.9 billion, accounting for 8.1%, 8.5%, and 9.5% of our revenue for the

same years, respectively. This steady increase keeps us at the forefront of the industry. As of December 31, 2025, we have 3,026 granted patents, consisting of 308 invention patents, 1,286 utility patents, and 1,432 design patents worldwide.

We have built a global footprint that reinforces our competitive advantages and drives long-term growth

We remain committed to a user-centric approach, strengthening Anker's global brand influence while leveraging synergies across our multi-brand portfolio. By continuously enhancing global awareness and trust in our products, we have built comprehensive capabilities in sales and operations worldwide.

In our global brand strategy, we have established a dynamic operating model. Leveraging Anker's strong brand appeal in the global smart devices market, we have developed a clear multi-brand portfolio worldwide, amplifying the synergistic effects of our brand influence. This approach not only enhances the premium of our brand influence but also enables brands such as Anker, eufy, and soundcore to continuously gain reputation and market share in high-barrier markets such as Europe and North America with stringent regulatory requirement and high consumer expectation. Notably, Anker has ranked first in the electronics accessories category on the "Top 50 Chinese Global Brands" list, jointly released by Google and Kantar, for nine consecutive years, while eufy made its debut on the list in 2025, further underscoring our leadership in the global smart devices market.

In terms of our sales channels, our products are now sold in over 180 countries and regions, achieving comprehensive coverage across both online and offline channels. We have established a strong presence on global leading third-party e-commerce platforms such as Amazon, Rakuten, JD.com and Shopee, where data-driven, refined management enables us to efficiently convert traffic to sales volume. Moreover, we have built long-term partnerships with retail giants such as Walmart, Target, Best Buy, Costco, Yodobashi Camera, OBI and Argos globally, further expanding into high-barrier retailers channels. Our global distributor network is comprised of selected high-quality regional partners, creating a multi-tiered sales system. We are also actively advancing our direct-to-consumer (DTC) strategy, focusing on the development of our official websites (Anker, Anker SOLIX, eufy, soundcore, eufyMake, etc.) to strengthen direct user engagement, and expanding our offline retail stores to provide consumers with immersive product experiences and convenient purchase options. During the Track Record Period, the proportion of sales from our official websites continued to rise, increasing from 7.1% of our total sales in 2023 to 10.3% of our total sales in 2025.

In terms of localization, we have designated regional managers in major markets worldwide. Our local management is responsible for operation, marketing and sales initiatives and develops differentiated product and market strategies tailored to the specific conditions and consumer habits of each country, ensuring precise and effective localization. In addition, we have established regional recruitment process in key overseas markets, implemented localized talent management strategies, and competitive compensation and benefits packages. We have established over 50 offices in 28 countries and regions including the United States, Japan, the United Kingdom, and UAE. Through close collaboration among local teams and headquarters, we have strengthened market responsiveness and team cohesion, while our global after-sales service network further enhances user experiences and brand loyalty.

With respect to supply chain development, we are continuously advancing a flexible global supply chain layout, gradually establishing a multi-location manufacturing and supply system across different regions to cover our major product lines. As of the Latest Practicable Date, we have established collaborations with over 20 manufacturing partners globally. This approach enhances our resilience and local responsiveness, enables agile allocation of global production capacity, and lays a solid foundation for the global expansion.

By building a strong platform infrastructure, we are able to replicate technology and seamlessly connect operational resources across our entire ecosystem

Through a cross-functional and coordinated organizational structure, we have built a platform-driven system that integrates both technological R&D and operational synergies, enabling the efficient reuse of core technology modules, supply chain systems, and channel resources, and driving the collaborative evolution and sustained growth of our multi-brand, multi-category business.

In our platform-driven innovation system, we focus on creating technology platforms that can be easily reused and adapted, helping us quickly improve existing products and develop new categories. For existing product upgrades, we continuously accumulate core technologies in key areas such as charging and power management, audio signal processing, wireless connectivity, structural optimization, and miniaturized design. Through our unified R&D framework, we achieve highly efficient technology reuse across different product lines. For new product innovation, we have established the "2023 Laboratory" as a full-stack R&D center, abstracting, refining, and integrating key technologies accumulated across business units, and ultimately standardizing them into modular, embedded, and reusable technology platforms. For instance, advanced battery safety management originally developed for energy storage is now applied to enhance battery life and safety in other product lines. Similarly, visual detection and local secure computing systems are designed for modular deployment, enabling their reuse in diverse applications such as security systems and robotic vacuum cleaners.

Within our platform-driven operational system, our product portfolio also benefits from the global online and offline channel strengths we have built through our brand portfolio. In online channels, our experience with third-party e-commerce platforms has helped us accumulate a large base of loyal users and strong platform partnerships, which in turn support the continuous expansion of our official websites' audiences. As a result, new brands and product categories can immediately benefit from high-exposure sales opportunities upon launch and achieve rapid global channel coverage. In offline channels, we have implemented precise, deeply localized retail coverage around the world. In addition to long-standing partnerships with retail giants such as Walmart and Best Buy, we also work closely with major regional retailers including OBI in Europe. The trust and proven sales efficiency accumulated through these partnerships have significantly lowered the barriers for new product listings, while enabling us to tailor product launches to regional consumer preferences — creating a virtuous cycle for category expansion and market penetration.

We are led by a visionary and seasoned management team, supported by a diverse and thriving talent pool

We have established a comprehensive talent system, with a core team composed of experienced industry experts and creative R&D professionals. Their extensive industry knowledge, forward-looking market insights, and deep understanding of consumers are key factors that have enabled us to achieve a solid position in the global market and drive continuous innovation.

Our co-founders, Mr. Yang Meng and Mr. Zhao Dongping, bring extensive professional experience to the team. Our Chairman Mr. Yang Meng previously served as a senior software engineer at Alphabet Inc. (then known as Google Inc.), and his deep expertise in systems and engineering has guided the development of our end-to-end R&D system. Our President, Mr. Zhao Dongping, has held positions as senior sales manager and sales director at Dell China, and as head of online sales and operations in Greater China at Google China. His rich experience in international operations and market expansion has laid a solid foundation for our global presence.

Guided by our co-founders' strategic vision, we have developed a comprehensive talent management framework. We attract and empower exceptional talent, bringing in both promising and passionate young professionals and top-tier leaders with international perspectives and experience. This has enabled us to build a diverse and multidisciplinary talent pool combining strong technical backgrounds with industry experience. As of December 31, 2025, our team comprised 6,304

professionals, with over 50% dedicated to R&D. This highly qualified, cross-functional, and complementary team serves as the driving force behind our ability to rapidly iterate and achieve breakthroughs across multiple product categories.

We not only focus on attracting top talent, but also place great importance on providing a platform for continuous growth and development, creating a comprehensive end-to-end training system that supports talent from capability building to value realization, ensuring that employees and Anker grow together. We have built a three-track career development system spanning business, functional, and expert pathways, supported by a range of training programs such as centralized learning, professional courses, on-the-job development, and project rotations.

Meanwhile, we have established a holistic incentive system for all employees. During the Track Record Period, we implemented four share-based incentive plans and continually optimized our long-term incentive mechanisms, empowering employees to pursue exploratory innovation in emerging fields and supporting the full lifecycle development of internal entrepreneurial projects from incubation to implementation. Through a systematic approach to attracting, growing, and retaining talent, we have built a dynamic and ever-growing team, laying a solid foundation for our sustained innovation and global expansion.

OUR GROWTH STRATEGIES

We intend to achieve our mission and further solidify our unique position by pursuing the following strategies.

Driving User-Centric Product Innovation and Category Expansion

Our product development strategy is firmly anchored in a deep understanding of consumer needs, driving iterative improvements. We remain committed to a user-centric approach by leveraging our consumer insights system and market insights system. These tools allow us to analyze user behavior across diverse markets, which further enables us to build a clear and prospective users' needs profile that informs our product roadmap.

In addition to advancing existing categories, we remain attentive to emerging opportunities for category creation within the broader smart devices sector. Through our proprietary AMI system, we systematically identify potential breakthrough categories, introducing increasingly diverse smart products to the market. For example, in the robotics sector, we plan to begin with specialized products, such as robotic vacuum cleaners and home security robotic dogs, while gradually exploring the development of general-purpose household-use robotics. We will also continue to explore other emerging fields to expand our product portfolio.

Furthermore, we are focused on building diversified products within each category. By identifying and addressing the differentiated needs of various user segments, we are able to develop a broader range of products within the same category. This enables us to better match the usage scenarios and preferences of diverse consumer groups, ensuring that our offerings remain relevant and compelling as consumer expectations evolve.

Accelerating Product Innovation Through Sustained Investment in Our Talents and Advanced Technologies

We are committed to significantly increasing our investment in R&D, positioning technological innovation as the core driver of our business growth. In particular for technologies, we seek to expedite the deep integration of intelligent features across our product portfolio, including mobile charging, smart home, and smart audio and video solutions. We will also focus on areas such as high-precision control systems, multimodal visual perception, and edge-cloud collaborative battery safety prediction. To support these efforts, we plan to establish new R&D centers, set up specialized laboratories, and acquire state-of-the-art equipment.

Foundational technologies remain one of our strategic R&D focuses. Most of our technologies, including the software and algorithms powering the core functions of our products are developed in-house by our dedicated R&D team. Technologies related to perception, planning, and control are designed for replicable cross-platform application, enabling us to disrupt traditional product forms and enhance competitiveness. For example, the visual perception technology utilized in our home security products can also be leveraged in our home robotics. A key initiative is the development of a home security robotic dog, seamlessly integrated with our security systems to create unique products.

Meanwhile, we will pursue technology development tailored to the characteristics and requirements of each product category, continuously upgrading and optimizing product performance. This includes ongoing advancements in core technologies across our product lines, such as fast charging, intelligent power management, IoT technology, adaptive active noise cancellation and intelligent acoustic algorithms, to ensure our products remain at the forefront of the industry.

Beyond technological development, we will continue to strengthen our pool of R&D talents, actively attracting individuals with advanced technical expertise and extensive industry experience. We will further enhance the capabilities of our product development teams (PDT) and software development teams (SDT), bolstering both hardware and software development and innovation. Additionally, we will optimize our R&D processes and organizational management by adopting advanced project management tools and collaboration mechanisms, all aimed at improving team efficiency and driving superior innovative outcomes.

Building a Brand Recognized by Consumers

We are dedicated to continuously building a brand that is recognized by consumers. By focusing on the needs and preferences of intended users, we cultivate a distinguished brand identity that makes Anker the top choice within our target segments.

We also strive to deliver emotional value that goes beyond functionality. By introducing more creative and thoughtful product series, we seek to strengthen the emotional connection between consumers and our brand, achieving emotional value premium. For instance, our collaboration with "Black Myth: Wukong" has led to a product series that leverages IP influence to enhance emotional resonance with consumers.

Moving forward, we plan to create a seamlessly interconnected product and service ecosystem. We aim to deliver stronger software integration and smarter product interactions, enabling users to enjoy a more unified and intuitive experience. For example, we are advancing IoT technologies to enable a smarter home experience.

To directly reach broader customer base and further amplify our brand's awareness, we are committed to investing continuously in our official websites and self-owned offline retail stores to enhance brand presence and consumer touchpoints. We are also expanding our Anker Plus paid membership programs, offering exclusive gifts, after-sales support, and other benefits to promote member engagement. In addition, we will continue to launch targeted campaigns, such as early bird product trials, to attract new users and reinforce loyalty among our existing customer base.

Constructing a Global, Direct-to-Customer Channel and Supply Chain Network

We are committed to establishing a global market presence that connects directly with users, leveraging both online and offline channels. Our direct-to-consumer strategy involves continued investment in our official websites and self-owned offline retail stores in key markets. Through accessible product displays and immersive experiences, we aim to strengthen user engagement and achieve closer, more direct contact with consumers. Our goal is to establish a stronger offline presence in major cities by opening flagship stores, experience centers, specialty shops, and branded sections within major retailers. We also plan to replicate successful local market strategies in other markets, ensuring scalable and transferable growth.

In domestic market, we will focus on core product categories and high-potential segments. We aim to steadily expand our domestic market share by curating a product portfolio tailored for domestic users and optimizing their features to better align with local user preferences. Globally, we are committed to building a global enterprise capable of operating seamlessly across regions. In established markets like North America, and Europe, we will further strengthen our online presence and offline store network, aiming for breakthrough growth across all major product categories. In emerging markets such as the Middle East and Latin America, we will take a phased approach: starting with our strongest categories, such as mobile charging or home security devices, and gradually expanding our product portfolio as the brand gains traction and consumer awareness grows.

With respect to our supply chain, we are implementing a more agile and flexible global supply chain strategy. Our manufacturing partnerships will be expanded across multiple regions worldwide. For key components, we are pursuing global sourcing that balances raw material costs, labor expenses, and technological advantages in different regions, thereby achieving cost-efficiency, and ensuring a stable supply. In terms of logistics, we continue to strengthen our global logistics infrastructure, improving shipment efficiency to serve different channels worldwide. We are also expanding our network of overseas warehouses, enabling localized storage, faster delivery, and an improved customer experience.

OUR PRODUCT OFFERINGS

Overview

We are primarily engaged in the design and sale of innovative products in the global smart devices industry, committed to delivering a broad portfolio of reliable products and strong user experiences to consumers worldwide. During the Track Record Period, we focused on three major product lines — smart charging and power storage, smart home, and smart audio and video. We continue to strengthen our competence across core business focuses including mobile charging, consumer power storage, smart home security, smart cleaning, printing, smart audio, and smart projectors. We currently operate three main product lines:

- *Smart Charging and Power Storage:* Smart charging and power storage solutions are the cornerstone of our business. This business line includes the full portfolio of charging devices and accessories under the Anker brand, as well as the Anker SOLIX brand of consumer power storage products. According to Frost & Sullivan, globally by revenue from 2020 to 2024, we ranked second in the mobile charging products sector, and have been the largest independent mobile charging brand. In 2025, we ranked first globally in the mobile charging products sector by revenue. Our market share of global mobile charging products reached 4.8% in terms of revenue in 2025.

- *Smart Home:* We continue to focus on upgrading everyday home scenarios through intelligent solutions. Under the eufy label, we have incubated three product families. eufy Security offers a full range of home security systems, utilizing local data storage to deliver reliable, privacy-first protection with products such as security cameras, video doorbells, and alarm systems. eufy Clean specializes in home cleaning solutions, with robot vacuums that feature powerful suction, smart navigation, and efficient performance. eufyMake serves the growing consumer creative printing market, with 3D-texture UV printers that inspire creativity at home while extending our expertise and reach in smart manufacturing.

- *Smart Audio and Video:* Our smart audio and video products are built around our brand, soundcore, dedicated to elevating how people experience sound and visuals. soundcore offers a diverse range of wireless products, including headphones, speakers, and conference systems, designed with features such as noise cancellation, open-ear formats, and smart app controls to deliver seamless use across indoor and outdoor settings. In addition, we also offer Nebula-series portable smart projectors, with a product line that includes advanced laser projectors with integrated audio systems, creating an all-in-one immersive viewing experience.

The following graphic illustrates our product matrix.

ANKER
Innovations

ANKER ANKER SOLIX — Smart Charging and Power Storage



Power Banks

Ultra-fast charging with smart displays, convenient power on the go



Chargers

Reliable fast charging powered by our proprietary GaNPrime™ technology



Accessories

Comprehensive auxiliary product lineup including cables, hubs & docks, etc.



Portable Power Station

Consumer-grade power backup and storage solutions for home and outdoor use



Balcony Photovoltaic Energy Storage

Small-size all-in-one home balcony solar system also flexible for use on roof and in the backyard



Residential Energy Storage

Store solar energy during the day for nighttime use or off-grid, saving on power bill in the meantime

eufy eufy Make — Smart Home



Home Security

Featuring a range of security cameras, video doorbells, smart locks, etc., all interconnected with our intelligent HomeBase



Smart Cleaning

Powerful suction, smart navigation, and efficient cleaning featured with all-in-one stations and multi-surface compatibility



Creative Printing

The world's first consumer-grade 3D-texture UV printer supporting 300+ materials powered by our Amass3D™ technology

soundcore — Smart Audio and Video



Headphones and Earbuds

High-fidelity audio featured with real-time adaptive active noise cancelling, multifaceted for journey, sleep, and sports



Speakers

Portable, durable, waterproofed speakers ideal for party, karaoke, outdoor fun, and various scenarios

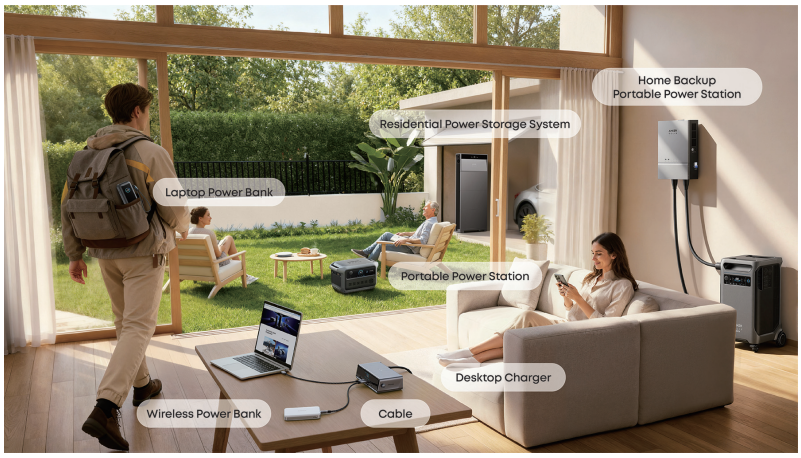


Projectors

Portable, outdoor and home theatre projectors with up to 4K visuals anywhere

Smart Charging and Power Storage

At Anker, we deliver reliable and intelligent charging and power storage solutions for consumers worldwide. Our comprehensive product portfolio spans premium charging products under the Anker brand and advanced power backup and storage systems under the Anker SOLIX, addressing the evolving needs of professionals, families, and outdoor enthusiasts.



Our charging and power storage product portfolio adapt to diverse charging scenarios

(For illustrative purpose only)

Charging Products

Anker's charging product family encompasses a full spectrum of mobile charging products, including power banks, chargers, and accessories, engineered for use across smartphones, tablets, laptops, wearables, and other personal electronics.



Power Banks



Chargers

Power Banks

We provide high-output power banks that meet the demands of users requiring substantial mobile charging capacity. Our power banks enable fast and mobile charging for travelers.

Our signature power bank products are listed below:

- *Laptop Power Bank*: Our laptop power banks combine high-speed charging with a high battery capacity, making it easy to charge laptops and other devices on the go. Their portable design and built-in MultiProtect safety system ensure reliable, convenient power and comprehensive protection for all devices.

- *Wireless Power Bank*: Our wireless power bank offers effortless charging on the go, allowing the users to power up Qi-enabled devices simply by placing them on the bank's surface with no cables required. With fast wireless charging, a compact design, and Anker's advanced safety features, it provides a seamless and reliable charging experience.

Chargers

Our GaN (gallium nitride) multi-port chargers combine compact size with stable output. A single charger can efficiently power up to six devices simultaneously, eliminating the need to carry multiple bulky adapters.

Our signature charger products are listed below:

- *Anker Wall Charger with USB-C Cable (140W, 4-Port)*: Fast charging for four devices with our advanced GaN technology, The advanced ActiveShield™ system monitors device temperatures over 3 million times a day for enhanced safety.
- *Anker Prime Desktop Charger (250W, 6-Port, GaNPrime)*: Ultra-fast 250W output for up to six devices and instant power feedback with the 2.26-inch built-in LCD charger display.
- *Anker Nano Charger (45W)*: Featuring USB-C Power Delivery, it can charge a laptop to 50% in just 30 minutes. Despite its powerful output, the charger is small enough to fit in one's pocket.

Accessories

We provide a lineup of transmission products and accessories including cables, high-performance hubs and docking stations, which provide seamless data transfer, expanded connectivity options, and efficient charging solutions for laptops, tablets, and smartphones. In addition, we offer protective cases and screen protectors that safeguard smart devices against everyday wear and tear. During the Track Record Period, revenue generated from protective cases and screen protectors accounted for less than 1% of the revenue from our charging and power storage product category.

Major Product Series



Our major charging series, Anker Prime, Anker Nano, and Anker Zolo, reflect our ongoing commitment to developing differentiated products.

- *Anker Prime Series*: Compact, high-capacity power banks and charging hubs featuring real-time digital displays, multi-port fast charging and advanced safety systems. Compatible with Qi-certified devices, these products support fast and reliable charging for smartphones, earbuds and smartwatches, with total maximum output ranging from 100W to 300W and up to six ports.
- *Anker Nano Series*: Ultra-portable, pocket-sized chargers and travel adapters designed for everyday carry. The lineup includes slim, card-style power banks with fast charging, foldable designs and broad device compatibility, tailored for mobile and global travel.
- *Anker Zolo Series*: Lightweight and portable chargers equipped with advanced safety features, offering 30W wired charging via built-in USB-C cables and 7.5W wireless charging for convenient and flexible everyday use.

Consumer Power Storage Products

Our Anker SOLIX product portfolio provides power backup and storage solutions for both home and outdoor usage scenarios. Certain SOLIX products support app-based monitoring and control, enabling users to view energy generation, storage status, and power usage remotely. It includes the F Series for home backup and mobile power storage, the C Series for outdoor camping, the E Series for balcony photovoltaic storage and X Series for residential power storage, effectively covering a wide variety of users' needs.



Portable Power Station

Our F-series and C-series portable power stations are compact, rechargeable battery systems that store energy from outlets and solar panels. It offers a wide capacity range from 192Wh to 53.8kWh, enabling users to power devices anywhere.

Our signature portable power station products include:



Anker SOLIX F3800 Plus



Anker SOLIX C1000 Gen 2

- *Anker SOLIX F3800 Plus Portable Power Station*: Anker SOLIX F3800 Plus Portable Power Station achieves high-efficiency charging, reaching a full charge within two hours with optimal sunlight. Starting at 3.84kWh (6kW) and expandable up to 53.8kWh

(12kW), it offers scalable, plug-and-play backup power for days or even weeks, no electrician required. With the Anker app, users can conveniently monitor and manage charging, discharging, and battery status remotely.

- *Anker SOLIX C1000 Gen2 Portable Power Station*: Anker SOLIX C1000 Gen2 Portable Power Station features a 1,056Wh battery, delivering up to 1,800W of AC output and supporting fast charging that reaches 100% in just 58 minutes via AC input. It offers nine versatile ports, including AC, USB-C, and car outlet, making it ideal for camping, RVs, and emergency backup.

Balcony Photovoltaic Energy Storage

Our E-series product portfolio also expands to distributed residential energy storage and smart photovoltaic management.

The Solarbank 3 E2700 Pro, features an all-in-one design that seamlessly integrates photovoltaic power generation, bidirectional power conversion, energy storage modules, and both grid-tied and off-grid control into a single, unified system, eliminating the need for multiple modules and complicated wiring. The AC grid connection is designed for "plug and play" convenience, allowing users to simply use the included adapter cable to connect the device directly to a household socket, reducing installation time by up to 90% compared to traditional home energy storage systems. Additionally, the device allows direct household load connection, and the entire installation and grid-connection process can be handled by users at home, with no professional electrician required.

Residential Power Storage

Our X-series home backup and power storage solutions are engineered to provide uninterrupted power for individual households in both everyday and emergency scenarios.

The SOLIX X1 and related residential storage products combine slim, durable designs with high-temperature resilience and corrosion resistance, supporting both new and retrofit residential installations. Our home backup and power storage solutions support direct photovoltaic charging and UPS. Their modular design allows for scalable capacity up to 30 kWh. With an IP66 protection rating, they ensure stable operation even in extreme environments such as salt spray and severe cold. Together, these solutions provide comprehensive, future-ready energy infrastructure for homes across diverse geographies.



Solarbank 3 E2700 Pro



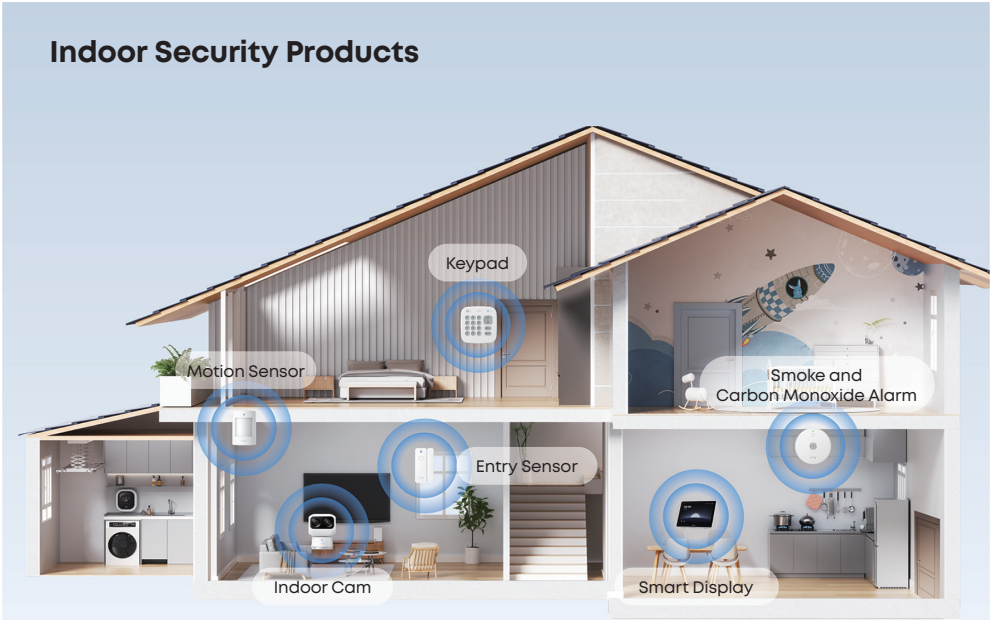
Anker SOLIX X1

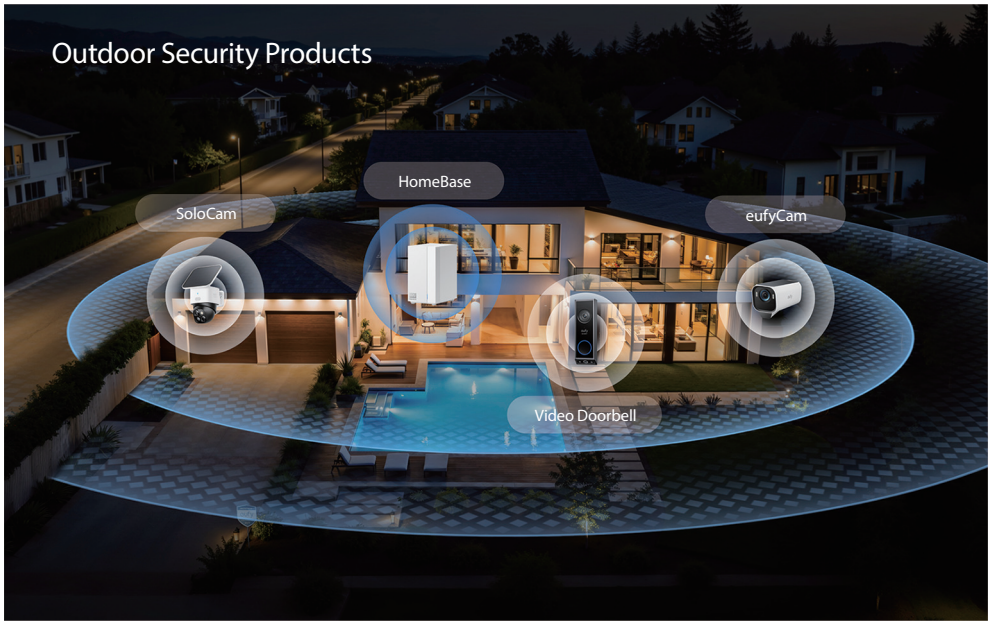
Smart Home

Our smart home product line includes eufy devices for home security and cleaning, as well as eufyMake creative printing solutions. eufy's portfolio is organized into distinct series to address varying customer needs. The S Series is designed for users who demand advanced home security and cleaning solutions and seek top-tier innovation and comprehensive coverage. The E Series emphasizes reliability and durable performance with straightforward operation. The C Series provides flexible, easy-to-use and compact solutions, making essential security and cleaning products more accessible. Through this tiered structure, eufy delivers tailored solutions to suit different lifestyles and preferences.

Home Security

eufy Security provides a comprehensive suite of home security solutions designed to deliver reliable protection, user privacy, and seamless device integration. eufy Security products are built on a foundation of local data storage, allowing users to keep their footage and data within their devices, with no mandatory cloud subscription fees. This model, combined with advanced encryption, addresses growing privacy concerns and offers a differentiated value proposition in global markets. The following graphics illustrate the usage scenarios of our products.





(For illustrative purpose only)

Since the launch of our smart home security solutions, we have introduced several innovations, including ultra-low power consumption, enabling "one charge for one year" battery life. Our systems leverage on-device AI to enable instant identification of people and events without

relying on cloud processing, reducing both latency and recurring costs. These features have been tailored for single-family homes as well, providing trigger-based monitoring and efficient power management. The eufy home security products encompass a range of smart devices:

Security Cameras

eufy offers a variety of indoor and outdoor security cameras, including the SoloCam and eufyCam series.

- *eufy 4K NVR Security Camera System S4 Max*: A professional-grade, PoE-wired outdoor surveillance solution designed for comprehensive 24/7 monitoring. It features cross-camera tracking and auto-framing of subjects up to 164 feet away. The system utilizes local data processing for instant analysis, smart alerts, and customizable detection zones. the S4 Max delivers robust security and multi-platform access through the eufy app, or web portal.

- *eufy Security Indoor Cam E30*: An indoor security camera to deliver 2K clarity and features pan and tilt controls for a complete view of user's room. It includes intelligent object detection, two-way audio, instant motion alerts, and night vision.

Video Doorbells and Locks

eufy's video doorbells and locks provide high-resolution video quality, two-way audio, customizable motion detection, and instant alerts.

- *eufy Video Doorbell S330*: eufy Video Doorbell S330 features dual-camera technology and dual motion detection to maximize home security and package protection. It records in 2K resolution with HDR and night vision capabilities, and introduces Delivery Guard™ to monitor and secure users' deliveries.

- *eufy FamiLock S3 Max*: eufy FamiLock S3 Max is eufy's first smart lock featuring advanced palm vein recognition, allowing users to unlock their door securely and contactlessly with just a wave of the hand. Designed for convenience and inclusivity, it recognizes any hand from any angle and performs reliably in bright and dark conditions. S3 Max also features a built-in 2K HDR video doorbell with a 180° full-coverage field of view, and a 4-inch internal display for real-time monitoring.

Other Security Products

Our eufy products also expand to motion sensor, smoke and carbon monoxide detector. In addition, we also provide floodlight and spotlight cameras which combines powerful lighting with video monitoring and help deter intruders and provide clear footage at night or in low-light conditions. We have also recently launched a new line of baby monitors, designed to deliver sense of safety to parents with reliable, real-time audio and video. To further support our customers, we provide accompanying software and technical support for select products, ensuring a seamless and user-friendly experience.

Our eufy home security products are designed to work together seamlessly through the eufy Security app, which provides unified control, live streaming, instant notifications, and device management.

Smart Cleaning

eufy Clean is our answer to the growing demand for intelligent, autonomous deep cleaning solutions. Our robot vacuums are designed for performance, efficiency, and ease of use, featuring high suction power, advanced navigation, and multi-surface compatibility. Through autonomous

navigation, our robot vacuums can navigate indoor spaces, avoid obstacles, plan cleaning routes, and return to the charging dock automatically. Slim form factors allow access under furniture, while quiet operation and scheduling functions support daily routines in modern homes.

Our smart cleaning products also incorporate self-cleaning roller technology, i.e., real-time cleaning of the roller brush to maintain performance and hygiene; as well as obstacle recognition, a vision-based dual-camera systems to enhance obstacle avoidance and navigation in complex home environments. These advanced features have positioned eufy Clean as a leader in the smart cleaning category, recognized for user-centric design.

Our signature smart cleaning products mainly include:

- *eufy Omni S1 Pro*: eufy Omni S1 Pro is a robot vacuum with an all-in-one UniClean™ Station, offering hands-free cleaning through self-emptying, self-washing, self-drying, and self-refilling capabilities. With 8,000 Pa suction, advanced 3D MatrixEye™ obstacle avoidance, and Eco-Clean Ozone™ technology for sterilization, it delivers an effortless cleaning experience.



Printing

Through our creative printing brand eufyMake, we seek to make advanced creative printing accessible for consumers. eufyMake aims to lower the barriers to high-quality, professional printing by delivering user-friendly, compact, and versatile desktop solutions. Whether used at home, in a studio, or as part of a growing business, eufyMake's products are designed to bring users' ideas to life, and inspiring.

In April 2025, eufyMake introduced the E1, the world's first consumer-grade 3D-texture UV printer capable of full-color 3D-texture, rotary, and UV DTF (Direct to Film) printing. The E1 is designed with a lightweight, modular architecture, making it easy to set up, transport, and expand for various creative applications. Its integrated smart control system automates the entire printing process, allowing first time users to achieve professional results with minimal effort. The E1's multi-functionality opens up a range of possibilities, from customized gifts and crafts to small-scale business production. With support for 3D-texture prints, rotary printing on cylindrical objects, and UV DTF for vibrant, durable transfers, users can unleash their creativity without the steep learning curve or high costs typically associated with commercial printing equipment.

Smart Audio and Video

Our audio and video products include a range of soundcore branded headphones and speakers, as well as the Nebula series of projectors. The following graphics illustrate the usage scenarios of our products.

soundcore Headphones and Earbuds

The soundcore headphones and earbuds line is built on a foundation of audio innovation, ergonomic design, and user-centric features. Our portfolio spans over-ear and in-ear headphones, open-ear designs, sports models, and specialized solutions for sleep and hybrid work. soundcore headphones feature Bluetooth connectivity, app-based customization, and user-responsive controls and leverage proprietary technologies such as adaptive active noise cancellation, AI-enhanced call clarity, and high-resolution wireless audio to deliver immersive listening experiences in any environment. soundcore headphones are supported by a strong digital ecosystem via the soundcore app, allowing users to personalize sound profiles, manage firmware updates, and control multi-device connectivity. This ecosystem-centric approach allows us to further foster customer loyalty.

Our selected noise-cancelling and open-ear headphone products are listed below:



soundcore Liberty 5



soundcore Space One Pro



soundcore AeroClip



soundcore AeroFit 2

(For illustrative purpose only)

- *soundcore Liberty 5*: soundcore Liberty 5 earbuds feature adaptive active noise cancellation (ANC 3.0) that adjusts in real time for a quieter listening experience, and support Dolby Audio for an immersive, 3D soundstage.

- *soundcore Space One Pro*: soundcore Space One Pro are portable over-ear headphones engineered for commuters, featuring an advanced FlexiCurve™ foldable design that reduces their size by 50% for easy carrying. They include adaptive active noise cancellation (ANC 3.0) with a four-stage system and six microphones to block out a wide range of environmental noise.

Open-ear Headphones

- *soundcore AeroClip*: soundcore AeroClip open-ear clip-on earbuds are designed for all-day comfort with an adaptive, pressure-free fit and a lightweight, flexible open-ring design. With four AI-enhanced microphones for clear calls and easy tap controls, these earbuds are ideal for active lifestyles and everyday use.

- *soundcore AeroFit 2*: soundcore AeroFit 2 features an adjustable open-ear design for all-day comfort and situational awareness, using soft materials and double-curved ear hooks that fit various ear shapes. Additional features include four AI-powered

microphones for clear calls, wireless charging, and touch controls, making AeroFit 2 a versatile choice for active, everyday listening. In addition, with its free AI translation capabilities, it supports more than 100 languages to provide real-time response with high accuracy.

Sleep Earbuds

Our sleep earbuds are engineered not only to mask noise but also to actively promote better sleep using adaptive masking, directly improving sleep quality. Launched in June 2025, the soundcore Sleep A30 is the world's first smart active noise-cancelling sleep earbud. Designed for a restful night, it features an adaptive ear canal noise cancellation system that targets low-frequency sounds like appliances and traffic. The innovative charging case monitors and analyzes snoring throughout the night, while the earbuds automatically generate masking noise to minimize sleep disruptions. Paired with the soundcore app, the Sleep A30 also offers AI-generated binaural beats to promote relaxation and enhance sleep quality.

soundcore Speakers

soundcore speaker portfolio delivers powerful, high-fidelity sound for a variety of listening scenarios, from home entertainment to outdoor adventures and social gatherings. soundcore speakers emphasize portability, durability, and smart connectivity.

Entertainment scenarios

Our selected speaker products designated for entertainment scenarios are listed below:



soundcore Motion X600 *soundcore 3 bluetooth speaker* *soundcore Boom 3i* *soundcore Rave 3S*

(For illustrative purpose only)

- *soundcore Motion X600*: soundcore Motion X600 is designed for immersive indoor listening, featuring spatial audio, five drivers and five amplifiers, and Hi-Res Wireless certification. Its compact design and customizable EQ make it suitable for home entertainment, providing rich, room-filling sound.

- *soundcore portable Bluetooth speakers*: soundcore 1, 2, and 3 portable Bluetooth speakers deliver balanced sound in a compact, durable form. All models feature long battery life, IPX-rated water resistance, and enhanced bass, making them reliable choices for casual listening at home or on the go.

- *soundcore Boom 3i*: soundcore Boom 3i is built for outdoor activities, offering powerful bass, a rugged IPX7 waterproof build, and up to 24 hours of playtime. It is designed to float on water and remains stable for use even in saltwater environments. Its portable design and strong volume output make it ideal for picnics, camping, or gatherings in open spaces.

- *soundcore Rave 3S*: soundcore Rave 3S is made for party environments, with high power output, dynamic LED light shows, and BassUp™ technology for enhanced low frequencies. It features a Karaoke mode with automatic vocal removal for an enhanced singing experience. It supports multiple input sources and offers up to 18 hours of playtime, creating an energetic atmosphere for large gatherings.

Conference scenarios

For professional environments, the AnkerWork S600 speakerphone offers reliable, clear audio for meetings and conference calls. With advanced noise reduction, 360° voice pickup, and a compact design, it ensures effective communication whether the user is working from home or in the office, supporting seamless collaboration in any workspace. AnkerWork S600 speakerphone is also designed to support efficient communication in a variety of workplace scenarios, including one-on-one calls, small team meetings and hybrid working arrangements involving both onsite and remote participants.

Nebula Projectors

Nebula is a product series that includes smart projectors designed for home and portable use. These projectors feature high-resolution laser projection, built-in speakers, and support for smart operating systems, allowing users to stream content directly. The Nebula offering covers both portable models suitable for travel or outdoor settings and larger devices for home environments. Nebula projectors are compatible with various devices and streaming platforms, providing options for different users' needs.



Nebula X1 Pro



Nebula Capsule 3

(For illustrative purpose only)

- *Nebula X1 Pro*: Nebula X1 Pro is an all-in-one 4K laser projector with wireless Dolby Atmos sound system designed to deliver a cinematic experience. It features a patented 4K triple laser optical engine and 3,500 ANSI lumens of brightness for vivid and detailed visuals. The projector integrates a wireless 7.1.4-channel spatial audio system, powered by FlexWave™ technology for adaptive sound calibration based on the room and seating. The Nebula X1 Pro is portable and convenient for indoor movie nights, backyard parties, and outdoor adventures. Intelligent features like auto focus, keystone correction, obstacle avoidance, and motorized zoom ensure optimal picture quality in any environment.

- *Nebula Capsule 3*: Nebula Capsule 3 is a compact and portable projector designed for convenient entertainment on the go. It features a lightweight design similar to a soda can, making it easy to carry and set up anywhere. With Android TV built-in, users can stream directly from popular apps and enjoy wireless connectivity. Autofocus and automatic keystone correction provide a hassle-free viewing experience, making the Capsule 3 ideal for movie nights, travel, or small-space presentations.

KEY FINANCIAL AND OPERATING DATA

Revenue Breakdown by Type of Products and Services

The following table sets forth the breakdown of our revenue by type of products and services in absolute amounts and as a percentage of our total revenue for such products and services, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Smart charging and power storage	8,603,582	49.1	12,667,007	51.3	15,401,753	50.5
Smart home	4,541,291	25.9	6,336,477	25.6	8,271,292	27.1
Smart audio and video	4,285,272	24.5	5,692,427	23.0	6,833,491	22.4
Others*	76,147	0.4	14,169	0.1	7,867	0.0
Total	**17,506,292**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**

Note:

* In 2023, others primarily include agency services, which included managing online store operations for third-parties, and the subsidiary responsible for providing agency services was divested in 2023. Since 2024, others primarily include revenue generated from certain accessories that were previously not categorized into our major product lines.

As of December 31, 2025, our products have been sold to over 180 countries and regions, reaching over 200 million users globally. In 2025, through continuous investment in innovative technology, we proudly earned an impressive 18 awards at Red Dot Awards, 16 Good Design Awards and 13 iF Design Awards.

Gross Profit and Gross Profit Margin by Product Category

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

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands)					
Smart charging and power storage	3,557,514	41.3%	5,179,550	40.9%	6,134,123	39.8%
Smart home	2,064,236	45.5%	2,903,391	45.8%	3,941,304	47.7%
Smart audio and video	1,849,450	43.2%	2,551,537	44.8%	3,304,427	48.4%
Total	7,471,200	42.9%	10,634,478	43.1%	13,379,854	43.9%

Sales Volume and Average Selling Price by Product Category

The following table sets forth a breakdown of the sales volume and average selling price by product category for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Volume	Average selling price	Volume	Average selling price	Volume	Average selling price
	thousands	*RMB*	*thousands*	*RMB*	*thousands*	*RMB*
Smart charging and power storage	62,226	138.3	83,152	152.3	93,521	164.7
Smart home	6,917	656.5	9,639	657.4	10,778	767.5
Smart audio and video	14,179	302.2	23,258	244.7	27,588	247.7
Total	**83,322**	**209.2**	**116,049**	**212.8**	**131,887**	**231.3**

RESEARCH AND DEVELOPMENT

We are committed to ongoing research and development to drive innovation across charging and power storage, smart home and audio and video. By investing in core technologies such as GaN technologies, advanced wireless charging and intelligent charging, we continually enhance performance, efficiency, and user convenience of our charging solutions. As for our smart home, we focus on the R&D of IoT technology to deliver secure and intelligent products. For audio and video, we continue to invest in the R&D of adaptive active noise cancellation, intelligent audio acoustic algorithms and 3D sound effects. This commitment to R&D ensures that we remain at the forefront of delivering reliable, high-performance solutions that address evolving consumer needs.

We believe our strong research and development capabilities are a core competitive strength and have led to our solid position in the industry. As of December 31, 2025, we have 3,549 full time research and development employees. In 2023, 2024 and 2025, we had R&D expenses of RMB1,413.9 million, RMB2,108.4 million and RMB2,892.8 million, respectively. Our R&D expenses as a proportion of revenue reached 8.1%, 8.5% and 9.5% in 2023, 2024 and 2025, respectively.

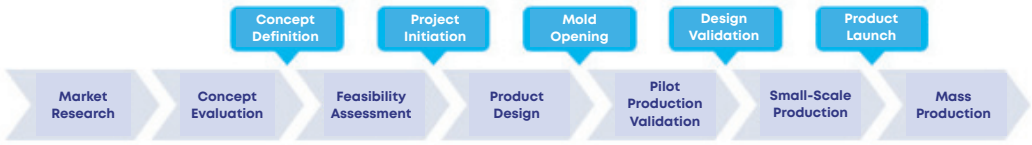
Our R&D strategies are fundamentally driven by consumer needs. We constantly seek innovative ways to generate value and improve consumer's everyday experiences. By listening to feedback and exploring real-life user scenarios, we identify opportunities where innovative technology can make a meaningful difference. This user-centric approach not only inspires our product roadmap but also ensures we remain an industry leader in charging and power storage, smart home and audio and video sectors.

R&D Process

Our R&D follows a systematic and rigorous process. We have established a comprehensive R&D system supported by professionals with diverse technological expertise. This structure enables the formation of cross-functional R&D teams that integrate both product-focused and support departments.

We conduct product development driven by market demands, continuously enhancing the design, processes, and quality standards of our products. Our R&D process encompasses seven key stages: market research, concept evaluation, feasibility assessment, product design, pilot production validation, small-scale production, and mass production. Initially, we conduct market research and concept evaluation to define the product concept for development. Upon completing detailed design and feasibility assessment, the R&D project is formally launched. Subsequently, the project team utilizes the results of the preliminary concept evaluation to create product molds and rigorously

validate the design through repeated testing. Following pilot production validation and small-scale production, the project advances to the mass production phase through our manufacturing partnerships. Throughout each phase, we prioritize product quality, user experiences, and the integration of the latest advancements in both hardware and software. The following graphic illustrates our R&D process.



Our Technology Highlights



GaNPrime™ 2.0 Technology

GaNPrime™ 2.0 is our most advanced fast charging technology system, applying GaN to deliver exceptional power density and superior performance in a compact design. Engineered for efficiency, GaNPrime™ 2.0 enables the delivery of a powerful 140W output on a single port, without power reduction or throttling throughout the charging cycle under 220V and 25°C conditions to ensure rapid, reliable charging for devices.

In addition, GaNPrime™ 2.0 technology also integrates PowerIQ™ 5.0 and ActiveShield™ 4.0 to support reliable and safe fast charging. PowerIQ™ 5.0 supports broad protocol compatibility. It intelligently identifies each connected device and dynamically allocates output so that laptops, tablets, and phones can fast-charge simultaneously from a single compact charger. ActiveShield™ 4.0 represents a significant advancement in temperature control and device protection technology. Utilizing high-precision NTC sensors, it conducts over 10 million temperature checks daily, enabling real-time monitoring and proactive thermal management. The integrated NTC chip dynamically adjusts power output according to temperature fluctuations, ensuring optimal performance and enhanced safety. Enabled by our advanced charging technologies, our products could achieve energy conversion efficiency and heat loss optimization, maximizing the use of each unit of electricity for environmentally friendly fast charging.

Energy Storage Technology

Our energy storage solutions apply our battery management system (BMS) with three levels of protection to carefully control charging, discharging, and temperature and maximize battery life and performance. Dynamic equalization technology keeps cells balanced to preserve capacity and extend usable runtime, even under frequent or heavy use. Built on InfiniPower™ — which combines EV-grade batteries with industrial-grade electronics — our power products are engineered for durability to deliver reliable performance for up to 10 years.

Smart Home Technology

Our smart home technology utilized the eufy ExpertSecure System, a 24/7 local video alarm solution that links eufy cameras, and alarms through a secure HomeBase hub. Data processing is being handled locally on the hub instead of the cloud, enabling faster responses, smarter detection, and enhanced privacy, as footage and data remain stored in the home. With SolarPlus™ power options, key outdoor devices stay charged even in low-light conditions, supporting continuous monitoring with minimal wiring, maintenance, or downtime.

Smart Audio and Video Technology

Our audio and video technology is engineered to deliver premium listening and viewing experiences. HearID 5.0 tailors audio output to individual hearing preferences via A/B testing and reinforcement learning, crafting a proprietary listening experience. Furthermore, our adaptive Active Noise Cancelling (ANC) uses a four-stage algorithm and multiple microphones to analyze ambient sound and generate precise anti-noise in real time, significantly reducing noise while preserving natural, high-fidelity audio.

GLOBAL OPERATIONS

As of December 31, 2025, our products have been sold to over 180 countries and regions and attracted a global customer base. We have established strong brand recognition and loyalty in markets across North America, Europe, Asia, and the Middle East.

The following table sets forth a breakdown of our revenue by sales regions in the periods indicated.

	For the year ended 31 December					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
North America[(1)]	8,370,483	47.8	11,881,100	48.1	14,132,565	46.3
Europe[(2)]	3,679,519	21.0	5,680,850	23.0	8,151,055	26.7
PRC	637,954	3.6	884,935	3.6	1,031,569	3.4
Rest of the world	4,819,247	27.5	6,263,195	25.3	7,199,214	23.6
Japan	2,486,766	14.2	3,440,320	13.9	3,969,686	13.0
Middle East[(3)]	907,792	5.2	1,115,580	4.5	1,179,834	3.9
Total	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**

Notes:

(1) Primarily includes the markets in the U.S., Canada and Mexico.

(2) Primarily includes the markets in Germany, the United Kingdom and the Netherlands.

(3) Primarily includes the markets in the UAE, Saudi Arabia and Egypt.

North America

North America represents our largest market and is an example of the success we achieved in international expansion. According to Frost & Sullivan, Anker has consistently held the No. 1 market share in mobile charging categories among independent brands, including portable chargers and power banks, in North America from 2020 to 2024, and ranked first in mobile charging products sector in North America in terms of revenue in 2025.

Europe

Europe is one of our fastest-growing markets. In Europe, Anker has rapidly expanded its footprint, achieving significant milestones in both market share and brand reputation. Our best-selling products, including the power banks, power storage products, smart home security and headphones, have gained strong traction among European consumers, with multiple products receiving awards and five stars from technology media and consumer review platforms. For instance, since their introduction, our balcony photovoltaic energy storage products have gained popularity and captured a substantial market share in Germany.

Rest of the world

Our products have been sold globally and we achieved substantial market recognition in multiple regions. For example, in Japan, we have experienced rapid market growth and have become one of the recognized brands in the mobile charging segment. We opened self-owned offline retail stores in key cities and tailored our offerings to local preferences. According to Frost & Sullivan, Anker has ranked No. 1 by retail sales value for mobile charging products and No. 2 for wireless headphones in Japan in 2025. We are also penetrating into the Middle East market and other emerging markets around the globe.

INTELLECTUAL PROPERTY

Since our inception, we have developed a variety of proprietary intellectual property rights. As of December 31, 2025, we have 3,026 granted patents, consisting of 308 invention patents, 1,286 utility patents, and 1,432 design patents globally. We also have 1,862 trademarks and 87 software copyrights registered globally as of December 31, 2025. See "Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights" for details of our material intellectual property rights.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. During the Track Record Period, we identified instances of unauthorized use of our trademarks and patent rights, and took proactive enforcement measures to protect these rights. We have established an infringement monitoring mechanism to promptly detect infringements of our trademarks or domain names and initiate appropriate enforcement actions. See "Risk Factors — Risks Related to Our Intellectual Property — We may not be able to adequately protect or enforce our patents, trade secrets and other intellectual property rights throughout the world, and our efforts to do so may be costly."

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending material legal proceedings regarding intellectual property rights with third parties.

SALES AND MARKETING OF OUR PRODUCTS

We follow an "online + offline" omni-channel diversification strategy, establishing a multi-channel sales system to offer our smart devices products to customers worldwide.

The following table sets forth a breakdown of our gross profit and gross profit margin by online and offline sales channels for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
		%		%		%
	(RMB in thousands, except for percentages)					
Online	5,607,445	45.6%	8,163,319	46.4%	10,408,756	48.6%
Offline	1,872,930	36.0%	2,481,468	34.9%	2,977,675	32.8%
Total	**7,480,375**	**42.7%**	**10,644,787**	**43.1%**	**13,386,431**	**43.9%**

During the Track Record Period, our gross profit margins for online and offline sales remained relatively stable. Gross profit margins of our offline sales channels were relatively lower, primarily due to higher expenses associated with expanding distribution network. In addition, we continued to invest in the expansion of our offline sales channels during the Track Record Period, including the expansion of our sales network into locations such as high-speed railway stations and airports.

For online channels, we leverage third-party e-commerce platforms and our own official websites. We have collaborated with multiple third-party e-commerce platforms such as Amazon, Rakuten, JD.com and Shopee. We do not enter into consignment arrangements with e-commerce platforms. The majority of our stores on third-party e-commerce platforms are self-operated, enabling us to gain direct access to end consumers. We also continue to invest in our official websites given the growing complexity of our product matrix.

For offline channels, we have developed partnerships with global and regional retailers, independent electronics stores, and specialized distributors as well as managing our own stores. Sales to the offline distributors contributed most of the offline total sales. Among the remaining revenue from the offline channel, the majority was contributed by retailers supplemented by insignificant sales contribution from our self-owned offline retail stores. As of December 31, 2025, we have 49 self-owned offline retail stores, with 48 located in Japan and one located in Australia. Japan was one of our most established markets, with a strong consumer base. In addition, Japan's developed retail infrastructure and consumers' preference for experiencing and purchasing electronics through offline stores make prime locations in key cities and commercial districts particularly effective in driving foot traffic and brand visibility. We have established dedicated sales and channel management teams for different sales channels to address varying consumer needs in different regions. Our products are now available in major retail chains such as Walmart, Best Buy, Target, and Costco in North America, Yodobashi Camera in Japan, as well as Argos and OBI in Europe. The table below set forth the breakdown of our revenue by sales channel for the years indicated.

Sales Channel	Platform	Year ended 31 December					
		2023		2024		2025	
			%		%		%
		(RMB in thousands, except for percentages)					
Online	Third-party e-commerce platform						
	Amazon	9,996,252	57.1	13,417,717	54.3	15,955,446	52.3
	Others	1,067,108	6.1	1,678,844	6.8	2,336,918	7.7
	Self-operated official website	1,243,538	7.1	2,503,695	10.1	3,134,843	10.3
	Online total sale	12,306,898	70.3	17,600,256	71.2	21,427,207	70.2
Offline	Offline distributors	3,077,004	17.6	4,261,387	17.2	5,731,702	18.8
	Retailers and others*	2,123,301	12.1	2,848,437	11.5	3,355,494	11.0
	Offline total sale	5,200,305	29.7	7,109,824	28.8	9,087,196	29.8
	Total Sale	17,507,203	100.0	24,710,080	100.0	30,514,403	100.0

* Others included independent electronics stores and self-owned offline retail stores. As of December 31, 2025, we had 49 self-owned offline retail stores, with 48 located in Japan and one located in Australia. During the Track Record Period, revenue generated from our self-owned offline retail stores accounted for less than 1% of our total revenue. We strategically operate self-owned offline retail stores to strengthen brand visibility and customer engagement. During the Track Record Period, the average annual revenue per self-owned offline retail store amounted to approximately RMB3.0 million, RMB3.5 million, and RMB3.7 million for the years ended 31 December 2023, 2024 and 2025, respectively.

The summary of the salient terms of our agreements with retailers and third-party e-commerce platform proprietary online stores is set forth as below.

Duration: Subject to retailer's specific requirement, our agreements are typically renewed on an annual basis.

Pricing: The agreement typically stipulates a payment schedule, including deposit, pre-shipment payment percentage, and specified monthly settlements (if any).

Delivery: Risk transfers to retailer upon delivery at location.

Product Return: The retailer shall provide advance notice in accordance with the agreement, and products may only be returned with our consent.

Termination: Both parties are typically entitled to terminate the agreements by giving advance written notice.

Our Relationship with Amazon

Overview and Background of the Relationship

Amazon operates one of the world's largest online retail platforms, supported by a highly mature operating system, standardized transaction rules, and a large and diversified global consumer base. Amazon's wide geographic coverage and extensive consumer base enable global smart device companies like us to reach different end-consumers. It is the industry norm for sellers operating at global scale to sell smart devices through these third-party e-commerce platforms, including Amazon, according to Frost & Sullivan.

We leverage Amazon's global online sales platform to sell our products to major developed markets, including North America, Europe and East Asia. Amazon has been one of our earliest sales channels and remains a key platform for our overseas online sales.

Given the Amazon platform features large transaction volumes, transparent seller and product review mechanisms, and steadily increasing market penetration in major developed markets, we have benefited from these features to rapidly establish product quality recognition, brand visibility, consumer trust and customer acquisitions. This has facilitated word-of-mouth dissemination, repeat purchases and the establishment of a strong brand presence in overseas markets, especially North America, Europe and East Asia.

In 2014, we became the No. 1 best seller in mobile charging on Amazon in the North American, European, Japanese and other markets within three years since our inception. In addition, our products have held Amazon Best Seller positions across multiple categories for many consecutive years. These recognitions reflect strong consumer acceptance and product competitiveness rather than any exclusive or preferential commercial arrangement with Amazon.

During the Track Record Period, revenue generated from sales through Amazon were RMB9,996.3 million, RMB13,417.7 million, and RMB15,955.4 million, representing 57.1%, 54.3% and 52.3% of our total revenue in 2023, 2024 and 2025, respectively.

Nature of Arrangements and Key Terms during the Track Record Period

We operate independent seller accounts in different Amazon regional marketplaces, including North America, Europe and East Asia. These accounts are managed independently by us under Amazon's global compliance and governance framework. In each regional market, we enter into standard platform service agreements and conduct business operations with the relevant local Amazon entities.

The key terms of Amazon's standard agreement and policies are outlined as follows:

- ***Contracting parties***: Amazon operates through different entities in different jurisdictions. We enter into standard contracts with different entities of Amazon.com for sales in different jurisdictions;

- ***Termination***: Amazon may terminate or suspend the agreement or any services (i) by 30 days' advance notice to us; or (ii) immediately if we materially breach the agreement and fail to cure within seven days. We may terminate or suspend the agreement or any services for any reason at any time by means specified in the agreement, including email and notification through Amazon seller central;

- ***Duration and renewal term***: The agreement remains valid until it is terminated by either us or Amazon;

- ***Logistics arrangements***: We may choose to use fulfillment by Amazon (FBA), third-party logistics services providers or our in-house logistics solutions. We can opt to use FBA, where Amazon ships products from its warehouses to our customers on our behalf. We bear shipping expenses, custom duties, taxes and other charges;

- ***Transfer of risks***: We retain ownership of the products and generally bear the risk of damage or loss until the products are delivered to the customers except for situations where the products are delivered via FBA, in which case Amazon is liable if our product is lost or damaged due to Amazon's mishandling at its warehousing facilities or in transit for delivery to consumers;

- ***Credit term***: Amazon generally settles outstanding balances with us every 14 days;

- ***Platform service fees***: We pay Amazon platform service fees calculated based on a percentage of the total sales amount, mainly for its granting us the right to conduct sales activities on its marketplace and such platform service fees do not include fees for logistics services or any other services charged by Amazon. During the Track Record Period, platform service fees accounted for approximately 13% to 15% of revenue generated from Amazon. In addition, platform service fees represented approximately 32% to 33% of the selling and distribution expenses over the same period;

- ***Return policy***: Our customers generally have the option to return purchased products in accordance with Amazon's policies. For products shipped by Amazon under the FBA program, returns are generally accepted within a specified time period after receipt of the products. Typically, the return period is 30 days. For returned orders that meet specific requirements, Amazon issues refunds to customers and we reimburse Amazon for the same amount;

- ***Methods for sales to end-consumers***: We list our products on Amazon and Amazon manages the merchandising of our products. Amazon provides us with the order information for each order placed by end-consumers and we prepare the products to be delivered by us to the end-consumers accordingly.

We have established dedicated sales and operations teams responsible for platform interface and account management. Such teams manage listing operations, order fulfillment coordination, customer service handling, returns processing, expense control and risk management in accordance with our internal policies. Amazon provides us with seller accounts, while we independently control product selection, pricing (subject to platform rules), inventory planning, marketing activities and customer engagement.

We do not enter into any exclusive distribution, minimum purchase, revenue guarantee or non-competition arrangements with Amazon. Our commercial relationship with Amazon is conducted on normal commercial terms generally applicable to all sellers on the Amazon platform. Our Directors are of the view that the terms of the agreements with Amazon, including the platform service fees, were on normal and standard commercial terms and were comparable to those offered by Amazon to other industry participants, and nothing has come to the Joint Sponsors' attention that would cast doubt on this view. According to Frost & Sullivan, our commercial terms with Amazon are consistent with prevailing industry practices.

Measures to Diversify Sales Channels

To reduce channel concentration risk, we have implemented and continue to pursue the following measures:

i. ***Diversifying sales channels.*** We are expanding our presence across multiple third-party e-commerce platforms, direct-to-consumer channels, and offline distributors and retailers. In addition to Amazon, we have established collaborations with various third-party platforms, including Rakuten, JD.com and Shopee.

ii. ***Strengthening direct-to-consumer capabilities.*** We continue to invest in our official brand websites and customer data analytics systems to support the increasing complexity and breadth of our product portfolio. During the Track Record Period, revenue generated from our official websites accounted for 7.1%, 10.1% and 10.3% of our total revenue for 2023, 2024 and 2025, respectively, demonstrating a steady improvement in our direct-to-consumer contribution.

iii. ***Geographic and channel diversification across overseas markets.*** We have developed partnerships with global and regional retailers, while also operating our self-operated stores. Dedicated sales and channel management teams have been established for different sales channels to address diverse consumer preferences across regions. Our products are now available through major retail chains, including Walmart, Best Buy, Target and Costco in North America, Yodobashi Camera in Japan, and Argos and OBI in Europe.

iv. ***Enhancing logistics flexibility.*** As our offline sales channels continue to expand and the number of cooperating customers and platforms increases, we have established overseas local warehouses in the United States, Japan and Europe to support the expansion of offline sales channels and enhance our ability to provide spot inventory delivery to offline customers, while maintaining the flexibility to use third-party logistics providers alongside FBA where commercially appropriate.

v. ***Continued investment in brand equity and research and development.*** We continue to invest in brand building and R&D to strengthen product differentiation and consumer loyalty, thereby reducing our reliance on any single platform for customer acquisition.

Our Directors are of the view that our close relationship with Amazon does not have any material and adverse impact on our business operations and financial performance, and nothing has come to the Joint Sponsors' attention that would cast doubt on this view, based on the following considerations:

i. ***Non-exclusive and arm's-length relationship.*** Our arrangements with Amazon are non-exclusive and conducted on standard commercial terms generally applicable to all sellers on the Amazon platform. Either party may terminate the agreement, with Amazon entitled to terminate upon providing 30 days' prior notice to us, and we entitled to terminate at any time. In addition, Amazon may terminate the agreement in accordance with its platform compliance requirements and rule-based enforcement mechanisms.

ii. ***Strong compliance track record and operational history.*** We have operated on Amazon's platform for more than 15 years with a consistent record of compliance with platform rules relating to product quality, intellectual property, customer service and seller conduct. We have not experienced any material disputes or account suspensions during the Track Record Period and up to the Latest Practicable Date.

iii. ***Brand-driven consumer demand.*** Consumer demand for our products on Amazon is primarily driven by brand recognition, product performance and customer reviews rather than traffic allocation or algorithmic preferences granted by Amazon.

iv. ***Platform-neutral nature of products.*** Our products are not customized for Amazon and are technically and commercially suitable for distribution across multiple online and offline channels, enabling redeployment if required.

v. ***The interests of our Group and Amazon align.*** Our business relationship with Amazon is mutually beneficial. Through Amazon's global platform, we are able to establish market presence and continue to penetrate multiple countries and regions efficiently, supporting our international expansion strategy. At the same time, Amazon's marketplace model is designed to attract and support a diverse range of sellers from different countries, product categories and brand profiles, and our participation aligns with Amazon's objective of offering consumers a broad and competitive product selection. We believe that our high-quality products and strong brand recognition make us a valuable business partner to Amazon. Leveraging our established track record, we have consistently maintained a strong market position and delivered solid sales performance on Amazon.

vi. ***Measures taken to mitigate the concentration risk.*** We have actively diversified our sales channels by expanding onto other third-party e-commerce platforms, strengthening our direct-to-consumer capabilities, and growing our offline retail presence across multiple regions, supported by flexible logistics arrangements including overseas warehouses and third-party providers. In parallel, we continue to invest in brand building and R&D to enhance product competitiveness and reduce reliance on any single sales platform.

Our Marketing Strategies

We have employed a multifaceted marketing strategy designed to build brand loyalty and drive global growth. Leveraging social media, we engage with millions of users worldwide, sharing product updates, educational content, and user stories across platforms such as YouTube, Instagram, and TikTok. We are also among the first in using crowdfunding platforms like Kickstarter and Indiegogo to validate product ideas, and connect directly with early adopters. We place strong emphasis on building a community for our products, fostering loyal user groups through online forums, interactive campaigns, and customer feedback programs. In recognition of the support from our crowdfunding backers, we offer benefits, including discounted "early bird" pricing and the opportunity to become one of the first users to receive our new product. Complementing our digital presence, we regularly organize offline events, including product launches, pop-up experiences, and tech expos, to provide hands-on demonstrations and regular customer engagement. This integrated approach has enabled us to cultivate a vibrant global customer base.

Pricing of Our Products

We take into account various factors when determining the price of our products, including consumer preferences, pricing levels, production costs, technological differentiation, supply chain dynamics, procurement strategies and expected gross profit margins of each product. We also evaluate the competitive landscape, including the overall market conditions as well as prices for similar products offered by our peers. Due to the extensive variety and specifications of our products, there is a significant disparity in their pricing. The retail prices of our smart charging and power storage, smart home and smart audio and video products generally range from US$13 to US$12,000, US$30 to US$2,500 and US$35 to US$3,000, respectively.

OUR CUSTOMERS

Top Five Customers

During the Track Record Period, our customers primarily consisted of end users who purchase our products, distributors to whom we sell our products and retailers. In each of 2023, 2024 and 2025, the aggregate revenue generated from our five largest customers in each year during the Track

Record Period were RMB1,985.2 million, RMB2,474.8 million and RMB2,620.2 million, representing 11.3%, 10.0% and 8.6% of our revenue, respectively. Revenues generated from our largest customer in the same years were RMB652.5 million, RMB651.2 million and RMB588.0 million, representing 3.7%, 2.6% and 1.9% of our revenue, respectively.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest customers in each year during the Track Record Period were independent third parties, and none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

During the Track Record Period, none of our five largest suppliers/customers in each year during the Track Record Period was also our customer/supplier in the same period. We conducted transactions in the ordinary course of business under normal commercial terms and negotiated the transactions with our overlapping customer and supplier on an arm's-length basis.

After-Sales Services

We provide after-sales services designed to support our customers and address their needs. Our services include warranty coverage, customer support through online chat, email, and phone, as well as access to service centers in various regions. We aim to respond to customer inquiries in a timely manner and offer assistance with product issues, replacements, or returns when appropriate. Our warranty policy varies by product type, with typical coverage periods ranging from 12 to 36 months. For power storage products, we typically provide 5 to 10 years of warranty.

Our Distributors

We engage offline distributors who possess extensive sales experience and a strong market presence. They are typically local distributors who engage in selling consumer electronic devices. We chose to engage distributors because they can help our brand quickly penetrate the emerging markets in its early stages by leveraging their established local channel resources. For the years ended December 31, 2023 and 2024 and 2025, our total sales to offline distributors amounted to RMB3,077.0 million, RMB4,261.4 million and RMB5,731.7 million, respectively, accounting for 17.6%, 17.2% and 18.8%, respectively, of our revenue for the corresponding periods. We engage distributors who assume responsibilities of sales and customer development within their authorized regions and product categories. Our relationship with our distributors is a buyer and seller relationship. They are our customers and they do not act on our behalf when dealing with their own customers. During the Track Record Period and up to the Latest Practicable Date, we maintain a network of distributors and do not rely on any single distributor. We engage both exclusive and non-exclusive distributors for the distribution of our products.

For all distributors, we maintain clear management criteria, starting with a thorough evaluation during the selection process. Our distributor selection criteria include compliance, financial strength, service capabilities and strong market development capabilities. Throughout the partnership, we regularly assess each distributor's performance against defined quality standards to ensure ongoing compliance and performance. This systematic approach helps us build reliable, long-term relationships and uphold the high standards of our brand in every market. With our distributors, we enter into distribution agreements which set clear restrictions regarding the regions in which sales are permitted. We do not engage in real-time monitor of inventory levels of our distributors. However, we from time to time ask distributors to report their inventory levels. Some of our distributors may use sub-distributors. They typically further enter into agreements with the sub-distributors, and we generally do not enter into agreements or directly establish relationships with the sub-distributors. Generally, we are not in a position to ascertain the exact number of sub-distributors and we do not have contractual relationships with or control over sub-distributors engaged by our distributors, who hold primary supervisory responsibilities over their respective sub-distributors. See "Risk Factors — Risks Relating to Our Business and Industry — We may not

be able to effectively manage and develop our distribution network, or efficiently sustain our business relationships with our distributors, which could adversely affect our brand, business, results of operations, and future financial performance."

The following table sets forth the total number and movement of our distributors during the Track Record Period.

	Years Ended December 31,		
	2023	2024	2025
Distributors			
Beginning of the period	489	440	591
Additions	206	328	268
Terminations	255	177	247
Number of distributors at the end of the period	**440**	**591**	**612**

In 2023, 2024 and 2025 we entered into business collaborations with 206, 328 and 268 new distributors, respectively, and terminated relationships with 255, 177 and 247 distributors, respectively. According to Frost & Sullivan, it is customary for companies in the smart devices sector to engage distributors, and their distributor networks often undergo changes to address the ever-shifting needs of consumers. From time to time, we have terminated relationships with certain regional distributors due to strategic adjustment of sales channels in certain regions and when the sales volumes of certain distributors were considered insufficient. During the Track Record Period and up to the Latest Practicable Date, to our best knowledge, all of our distributors were independent third parties, and there was no employment, financing or family relationship between our distributors and us.

We enter into distribution agreements with our distributors. The summary of the salient terms of our distribution agreements is set forth as below.

Duration: Either one year or three years.

Pricing: The recommended retail price is typically determined based on the costs and market competitiveness.

Acceptance and delivery: If products are shipped from Chinese mainland to overseas destinations, they are typically delivered on an FOB basis. For shipments from other overseas origins to overseas destinations, the usual terms are DDP or DDU. Distributors are responsible for inspecting the goods prior to final acceptance.

Payment and credit terms: Some of our distribution agreements allow for partial deposits combined with credit periods, which typically range from 30, 45, to 60 days.

Product return: We adhere to our product return policies and generally do not allow distributors to return products other than due to product quality issues, which is in line with customary industry practice. We do not accept inventory buybacks from distributors in situations where they are unable to meet their sales obligations.

Intellectual property: We retain the patents, trademarks, copyrights or other intellectual property in relation to our products. The distributor shall not use our intellectual property without prior authorization. The distributor is permitted to use our trademarks and copyrights solely for the purposes of conducting normal business operations. Upon termination of the distribution agreement, a limited grace period will be granted to allow for the clearance of remaining inventory. Use of the trademarks is strictly limited to the sale and promotion of our products.

Yearly minimum commitment: We generally require our distributors to meet minimum annual purchase targets. If a distributor fails to meet the relevant targets, we are entitled to request the distributor to submit proposals, advice and suggestions to improve its sales performance. We also reserve the right to terminate the distribution agreement.

Designated distribution area: We require our distributors to distribute our products within their authorized regions.

Termination: Both parties are typically entitled to terminate the distribution agreements by giving advance written notice.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material product returns or indemnification claims from our distributors. We have not experienced any material breaches of any of the distribution agreements and we did not have any material dispute or claim with any of our distributors.

Prevention of Cannibalization

We have implemented a multifaceted approach to minimize the risk of sales cannibalization among our distributors. We strategically select and engage qualified distributors with complementary sales channels. In addition, we regularly collect detailed information on their sales of our products, closely monitor their sales to end customers, and maintain a periodic reconciliation mechanism to ensure the accuracy of accounts. Based on end-consumer activations of connected devices, we also proactively verify whether distributors sell our products within their designated distribution regions. Upon detecting any abnormalities, including cross-regional or cross-channel sales, we immediately communicate with the relevant distributors regarding corrective actions and may require them to suspend all sales and shipments under severe circumstances. If distributors continue to sell products outside their authorized scope under such circumstances, we will disqualify them from our incentive programs which award distributors who achieved specified sales targets with one-time incentive fee or bonus based on sales volume and reserve the right to terminate our distribution agreements with them.

Prevention of Channel Stuffing

We have adopted various measures to avoid channel stuffing. We regularly sample for different products and review information including sales and/or inventory data from our distributors, and may request further information if we identify any irregularities. We also consider purchase volumes, historical data, regulatory changes, and other market factors to monitor our product sales. Further, we actively adjust our sales strategy and geographic or product coverage of each distributor based on market demand and each distributor's capacity. We believe that such arrangement fosters a disciplined distribution practice that aligns inventory levels with actual demand. During the Track Record Period and up to the Latest Practicable Date, we did not notice any unusually large procurements that were inconsistent with distributors' past practices.

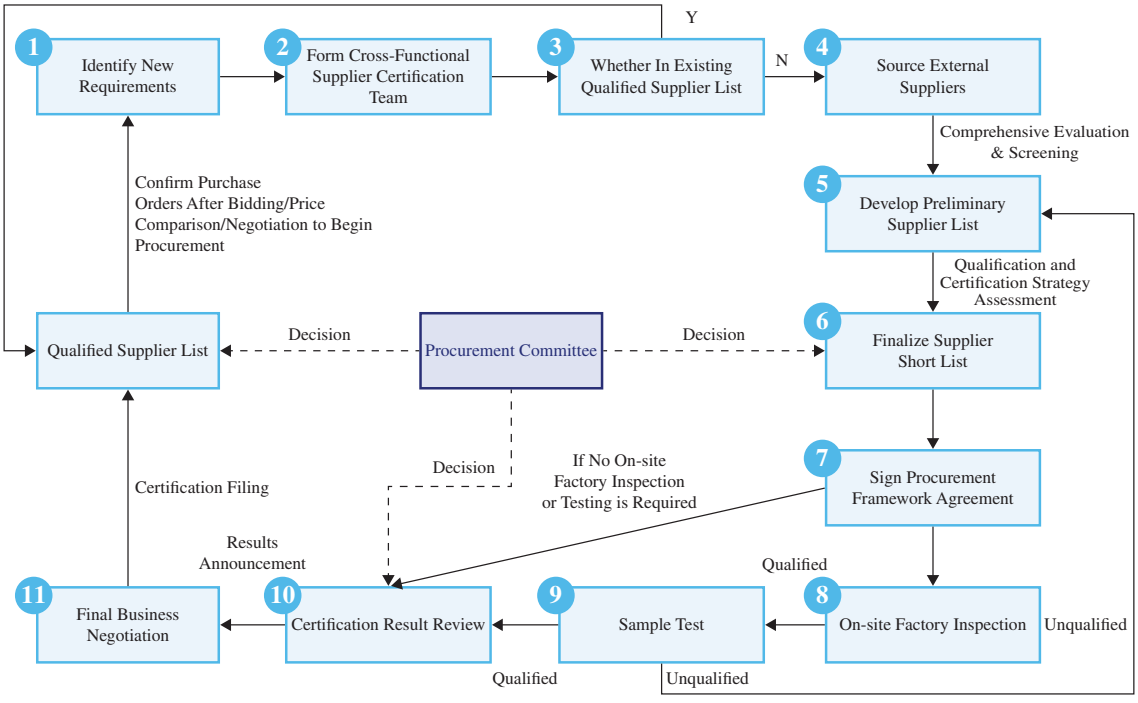
SUPPLY CHAIN MANAGEMENT

Our suppliers during the Track Record Period included manufacturing partners, warehousing and logistics solution providers as well as suppliers for raw materials. During the Track Record Period, a majority of our suppliers were located in Chinese mainland. We are focusing on the research, design, and development of our products while outsourcing manufacturing to specialized partners. For each year during the Track Record Period, our top 20 manufacturing partners are responsible for approximately 80% of the manufacturing and assembly tasks and they are primarily located in the PRC and Southeast Asia (such as Vietnam and Thailand). None of the manufacturing partners among our top 20 in the respective year during the Track Record Period had terminated its

business relationship with us. These partners mainly operate as OEMs for assembling our products. This fabless model enables us to concentrate our resources on innovation, quality control, and user experiences while maintain flexibility, scale efficiently, and bring innovative products to market faster and more cost-effectively.

During the product development and design phase, we organize our R&D teams to develop products, create design proposals, and produce technical drawings based on market demand. Meanwhile, we initiate the evaluation and selection of suppliers. Once a specific product project is confirmed, we enter into product procurement agreements and purchase orders with selected suppliers. These suppliers then source raw materials in accordance with our product designs and production requirements, or under certain circumstances use raw materials provided by us, manufacturing products according to the process specifications we provide. Upon completion, all products undergo rigorous inspection by our quality control department before being approved for delivery.

Our procurement department is structured into two specialized teams: supplier development and supply chain assurance. The supplier development team is responsible for supplier selection and procurement, while the supply chain assurance team oversees product delivery. As part of our supply chain development efforts, we conduct market research for each product category, evaluating the quality and pricing of various products and raw materials, as well as assessing each supplier's delivery capabilities. We map out supply chain resources, establish supplier management records, and carry out supplier screening, business negotiations, and the maintenance of an approved supplier list. The specific supplier selection process is illustrated in the following diagram. For procurement and delivery operations, our dedicated supply chain assurance team manages the issuance and approval of purchase orders, as well as product receipt and warehousing, ensuring each step is carefully monitored and efficiently executed. We mainly procure battery cells and ICs and subsequently provide them to third-party manufacturing partners for assembly and production as part of our ordinary business operations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant difficulties in procuring such raw materials. The following graphic illustrates our procurement process.



The summary of the salient terms of our agreement with our manufacturing partners is set forth as below.

During: The term shall be for an initial period of two years, automatically renewing for successive one-year periods unless either party provides written notice of non-renewal at least 30 days prior to expiration.

Responsibilities: All materials used by the manufacturer in the production of products procured by us shall conform to the product requirements and remain consistent with the approved samples.

Payment and credit terms: 60 days payment terms from the end of the month of delivery and inspection.

Warranty: Our manufacturing partners typically provide a warranty period of 18 months.

Product return: Defective products are generally not required to be returned, and we provide our manufacturing partners with periodic lists of such products.

Packaging: Manufacturer shall package the products in accordance with good industry practice and our packaging requirements

Certificates: Manufacturer shall provide certificates as required by us when delivering products.

Inspection: We reserve the right to inspect and accept products supplied by the manufacturer. For products that fail to meet our inspection standards, we are entitled to reject such products and, at our discretion, require replacement or return.

Intellectual property: All intellectual property rights in (i) the designs provided by us to the manufacturer, (ii) the designs developed by the manufacturer for the performance of agreements, and (iii) any new designs developed by the manufacturer based on or incorporating such designs, shall vest exclusively in the Company.

Termination: We can terminate if manufacturers' products lack competitiveness in quality, performance, or price despite a 30-day improvement period, while either party can terminate immediately for events such as bankruptcy, cessation of operations, regulatory penalties, repudiation of the contract, or if manufacturer cannot meet supply requirements.

Top Five Suppliers

In each of 2023, 2024 and 2025, the aggregate purchase amounts from our five largest suppliers in each year during the Track Record Period were RMB3,638.9 million, RMB4,851.0 million and RMB5,920.4 million, representing 33.7%, 33.8% and 34.0% of our total purchase amount, respectively. The purchase amounts from our largest supplier in the same years were RMB1,073.8 million, RMB1,274.2 million and RMB1,553.6 million, representing 9.9%, 8.9% and 8.9% of our total purchase amount, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers, or any material raw materials price fluctuations or shortages. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

Year ended December 31, 2023

Rank	Supplier	Examples of Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount	% of Total Purchase Amount
						(RMB'000)	%
1	Supplier A	Sweeping robots, vacuum cleaners, general cleaning accessories products, wired chargers, charging cables, battery plugs, power banks, etc.	An electronics company specializing in electronic components, headquartered in Hunan Province, PRC.	60 days	2015	1,073,772	9.9%
2	Supplier B	Camera, video doorbell, security accessories, smart door locks, etc.	An A-Share listed technology company focused on data solutions, headquartered in Hunan Province, PRC.	60 days	2019	977,320	9.0%
3	Supplier D	Data cable expansion dock card readers, wired chargers, charging cables, row plugs, conversion connectors, etc.	An electronics company headquartered in Guangdong Province, PRC, engaged in the manufacturing of electronic components.	60 days	2014	608,315	5.6%
4	Supplier F	Headphones, etc.	A manufacturer that focuses on developing and manufacturing Bluetooth headphones and speakers for high-quality audio experiences, headquartered in Guangdong Province, PRC.	60 days	2017	508,532	4.7%
5	Supplier C	Power banks, wired chargers, charging cables, battery plugs, etc.	A power supply manufacturer headquartered in Guangdong Province, PRC, specializing in the development and production of power supply equipment.	60 days	2010	470,918	4.4%

Year ended December 31, 2024

Rank	Supplier	Examples of Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount	% of Total Purchase Amount
						(RMB'000)	%
1	Supplier A	Sweeping robots, vacuum cleaners, general cleaning accessories products, wired chargers, charging cables, balcony photovoltaics, battery plugs, power banks, etc.	An electronics company specializing in electronic components, headquartered in Hunan Province, PRC.	60 days	2015	1,274,231	8.9%
2	Supplier G	Wired chargers, charging cables, cameras, video doorbells, security accessories, sweeping robots, smart door locks, expansion dock card readers, 3D printers, household energy storage products, etc.	A battery technology company specializing in the R&D, production, and sales of lithium batteries and related energy storage products, headquartered in Guangdong Province, PRC, listed on the Shenzhen Stock Exchange.	60 days	2016	1,011,410	7.0%
3	Supplier H	Balcony photovoltaic, household energy storage products, sweeping robots, general cleaning accessories products, etc.	A manufacturer that develops lithium-ion batteries and battery packs for smartphones, laptops, and electric vehicles, headquartered in Guangdong Province, PRC.	60 days	2022	921,681	6.4%
4	Supplier E	Household energy storage products	An industrial development company based in Guangdong Province, PRC, involved in manufacturing and related industrial services.	60 days	2020	879,299	6.1%
5	Supplier I	Camera, video doorbell, security accessories, intelligent speaker, etc.	A developer of fiber-optic communication devices and network equipment for efficient communication solutions, headquartered in Guangdong Province, PRC.	60 days	2015	764,426	5.3%

Year ended December 31, 2025

Rank	Supplier	Examples of Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount	% of Total Purchase Amount
						(RMB'000)	*%*
1 . .	Supplier H	Balcony photovoltaic, household energy storage products, sweeping robots, general cleaning accessories products, etc.	A manufacturer that develops lithium-ion batteries and battery packs for smartphones, laptops, and electric vehicles, headquartered in Guangdong Province, PRC.	60 days	2022	1,553,645	8.9
2 . .	Supplier A	Sweeping robots, vacuum cleaners, general cleaning accessories products, wired chargers, charging cables, balcony photovoltaics, battery plugs, power banks, etc.	An electronics company specializing in electronic components, headquartered in Hunan Province, PRC.	60 days	2015	1,389,576	8.0
3 . .	Supplier G	Wired chargers, charging cables, cameras, video doorbells, security accessories, sweeping robots, smart door locks, expansion dock card readers, 3D printers, household energy storage products, etc.	A battery technology company specializing in the R&D, production, and sales of lithium batteries and related energy storage products, headquartered in Guangdong Province, PRC, listed on the Shenzhen Stock Exchange.	60 days	2016	1,090,879	6.3
4 . .	Supplier I	Camera, video doorbell, security accessories, intelligent speaker, etc.	A developer of fiberoptic communication devices and network equipment for efficient communication solutions, headquartered in Guangdong Province, PRC.	60 days	2015	1,027,740	5.9

Rank	Supplier	Examples of Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount	% of Total Purchase Amount
						(RMB'000)	*%*
5 . .	Supplier D	Data cable expansion dock card readers, wired chargers, charging cables, row plugs, conversion connectors, etc.	An electronics company headquartered in Guangdong Province, PRC, engaged in the manufacturing of electronic components.	60 days	2014	858,562	4.9

During the Track Record Period, we contrived our product design specifications and had a third-party manufacturer produce them. These products were tailored to our specifications and we conducted quality inspection before selling them under our brands. The summary of the salient terms of these purchase agreements is set forth as below.

Duration and renewal term: Typically one year, with automatic renewal and either party may terminate the agreement by providing advance notice within a specified time frame to the other party.

Payment: Typically monthly settlement.

Delivery and logistics: Our third-party manufacturers are typically responsible for the delivery of products to our specified locations.

Inspection and returns: Product inspection shall be carried out within the specified period upon delivery. If products supplied by third-party manufacturers exhibit batch quality defects, we shall have the right to terminate the relevant orders and return the affected products to third-party manufacturers. Third-party manufacturers shall refund all payments received for such defective products and bear the costs of return shipping.

Risk transfer: The risk transfers to us upon our acceptance after inspection of the products received.

Confidentiality: We typically include confidentiality provisions in our agreements, with confidentiality obligations potentially extending beyond agreement expiration. In addition, to protect our intellectual property, technical knowhow and trade secrets, we also enter into NDAs with some of our suppliers and we have established an IP infringement monitoring system led by our business and engineer teams.

Inventory Management

Our inventory primarily consists of finished goods in the ordinary course of business and materials or supplies to be consumed in the production process or in the rendering of services. We believe that we have effectively managed our supply chain. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material supply chain issues.

To maintain our competitive edge and ensure our products consistently meet evolving market demands, we have implemented comprehensive measures to optimize inventory levels. These initiatives are designed to minimize inventory backlogs and enhance the efficiency of our inventory management processes. We have also established internal procedures for purchase order submission and approval, which streamline logistics and standardize procurement.

We believe that our operation is not dependent on any particular supplier. During the Track Record Period and up to the Latest Practicable Date, we maintained multiple suppliers to avoid overreliance on any of suppliers and we believe there is no significant difficulty to find suitable substitutes for our suppliers.

QUALITY CONTROL

We have established a comprehensive set of quality control and assurance procedures to monitor our operations to ensure compliance with the regulatory requirements and quality requirements during the entire development, manufacturing, delivery and services processes. During the product R&D stage, we conduct comprehensive evaluations of product structure and functionality, rigorously testing prototypes to prevent design flaws from the outset. In the outsourced manufacturing process, we implement strict supervision, control, and inspection measures to ensure the products meet the product specifications and applicable laws and regulations. Our in-house testing capabilities allow us to independently assess key attributes of power storage products, including quality reliability and operational stability. We perform essential tests such as temperature resistance and material aging, and have built extensive technical expertise and experience in product testing. Throughout sales operations and after-sales service, we gather and analyze customer feedback, enabling us to continuously enhance quality control in our R&D, outsourced production, and testing processes.

We have established a Quality Management Center dedicated to overseeing quality performance across all product lines and advancing our management systems. Certified to ISO 9001:2015 and ISO 14001:2015 standards, we are committed to continuously optimizing our management processes. In strict compliance with EU directives, including LVD 2014/35/EU, RoHS 2011/65/EU, and EMC 2014/30/EU, we implement comprehensive lifecycle product controls. Our strong defect traceability system, closed-loop customer feedback mechanism, and ongoing PDCA (Plan-Do-Check-Act) quality improvement cycle work together to consistently enhance product reliability.

Effective August 15, 2025, the "Compulsory Product Certification Implementation Rules for Power Banks, Lithium-Ion Batteries, and Battery Packs (Trial)" officially come into force. We proactively respond to such policies and continue to prioritize user safety with focuses on four key areas: battery cell safety design, battery management system (BMS) reliability, certification compliance, and rigorous testing and validation. We have established a comprehensive, full-lifecycle quality management system encompassing R&D design, incoming material control, production processes, quality inspection, and market feedback.

Simultaneously, we are upgrading our end-to-end quality standards and controls, introducing a precise quality measurement system, and maintaining a policy of zero tolerance for quality risks. By enforcing strict risk control at the source, we ensure every product meets regulatory requirements, fully safeguard user safety, and continuously strengthen our brand influence globally.

We have established a comprehensive product recall process, which primarily includes the following steps: promptly identifying and assessing potential product issues; communicating with affected customers and relevant stakeholders; coordinating the safe return or replacement of recalled products; and providing clear instructions and support throughout the recall process. Our commitment to rigorous quality control and customer care guides every aspect of our recall procedure, reflecting our dedication to consumer safety and trust. The product recall process emphasizes rapid response, accurate tracking, and proper handling to ensure efficiency and effectiveness.

During the Track Record Period, we conducted several voluntary product recalls which we believe did not have a material adverse impact on our operations or financial performance. In June and October 2025, we initiated voluntary product recalls upon issues were identified with the battery cell models used in certain production batches. The issue was identified after we observed a limited number of cases of thermal runaway, where heat generation within a battery exceeds heat

dissipation, involving certain product models and, using samples returned from the market across different production periods and batches, we conducted long-cycle performance testing and reverse validation across multiple batches. We initiated the voluntary recall in June 2025, affecting less than 2.9 million units and models including power banks A1257, A1680, A1681, A1689, A1642, A1647, A1652 and A1263, and in response removed all affected products from our official sales platforms, terminated cooperation with the relevant battery cell supplier, and implemented recall handling arrangements. We also activated our established product recall procedures, including promptly identifying and assessing potential product issues, communicating with affected customers and relevant stakeholders, coordinating the safe return, replacement or disposal of recalled products, and providing clear instructions and customer support throughout the recall process. The underlying issues have been fully rectified, and to prevent recurrence we have strengthened upstream control of battery cell design safety, enhanced testing of battery cell materials used in products, and reinforced full-process monitoring of battery cell manufacturing, while continuing to prioritize user safety through battery cell safety design, battery management system reliability, certification compliance, and rigorous testing and validation. We expect the aggregated loss associated with the voluntary product recalls will not exceed 1% of our total revenue of 2025. According to Frost & Sullivan, product recalls are not uncommon in the smart devices industry. We elected to proceed with the voluntary recall out of an abundance of caution and in coordination with regulatory authorities in relevant jurisdictions. Affected customers are advised to verify model and serial numbers through our online recall portal, discontinue use of confirmed units, and follow our guidance for safe disposal or return to us. Eligible customers will typically receive a full refund, an upgraded replacement, or a voucher of equal or greater value once the product is verified as affected. We have not received material complaints arising from the voluntary recalls during the Track Record Period and up to the Latest Practicable Date. We have also made relevant accounting treatments related to the product recall in accordance with applicable accounting standards. These recall efforts demonstrated our commitment to product safety, regulatory compliance, and responsible product lifecycle management. In 2025, we became the first company to have successfully completed all tests required by the new national standard for battery cells and have obtained certification for multiple models of power banks under this standard.

In February 2026, the battery cell used in our power bank products and assembled power banks units successfully passed rigorous safety testing and we became the first power bank brand to have both battery cells and assembled products complete testing aligned with China's forthcoming mandatory national standard for power bank safety, according to Frost & Sullivan. The testing covered a range of extreme conditions, and all tested items met the applicable safety requirements. We are also a major contributor to the development of China's latest national safety standards for power banks, and we rank at the forefront among all power bank brands involved.

We are also a drafting participant in the formulation of the new national standard, reflecting our long-standing focus on product safety in advancing safety requirements and technical standards.

For our efforts in providing quality products and services to customers, as well as our complaint management process, see "— Environmental, Social and Governance Matters — Product Quality and Safety." For risks related to our product recall, see "Risk Factors — Risks Related to Our Business and Industry — Our products may experience quality problems that can result in harm to our reputation. Significant return or exchange, product-related liability and product recall costs could also adversely affect our business and financial performance."

LOGISTICS AND WAREHOUSING

We have established a warehousing network across key markets in North America, Europe, Asia and Middle East. We continuously optimize our global warehouse structure in line with our business expansion, adjusting capacity and reallocating resources as needed. In countries where self-operated warehouses are not yet established, we utilize third-party logistics providers for interim storage and distribution.

Logistics

We primarily determine our delivery arrangements based on customers' needs, the nature of the products and the sales channels used, taking into consideration factors such as the total costs, the delivery capacity, the delivery speed and the geographic reach of each category of delivery arrangement.

The key terms of the framework agreements with third-party logistics solutions providers are outlined as follows:

Duration and renewal term: Typically one year, with automatic renewal and either party may terminate the agreement by providing advance notice within a specified time frame to the other party.

Pricing policy: We furnish third-party logistics service providers with the weight and dimensions of the parcel, based on which they calculate the relevant service costs according to a pre-agreed pricing mechanism.

Warranty: Liability for loss, damage, or delay depends on whether international conventions apply. For international shipments governed by the Warsaw or Montreal Convention (air) or the CMR Convention (road), where such conventions govern a shipment, they generally impose weight-based limits on compensation. For shipments not covered by these rules, compensation is only provided in the event that the merchandise is lost or damaged due to negligence of the third-party logistics service providers, they remain liable to us and shall indemnify us the cost of goods according to a pre-agreed price list.

Credit terms: Third-party logistics service providers generally settle outstanding balances with us on a monthly basis or depend on specific accounts.

Warehousing

We have warehouses overseas which were either operated by us or in cooperation with third-party warehouses (the "**cooperating warehouses**"). As of December 31, 2025, we had over 44 cooperating warehouses (excluding Amazon's warehouses) and five self-operated warehouses. Regardless of location, ownership, or specialization, all warehouses adhere to the same rigorous management framework, ensuring consistent quality, operational efficiency, and seamless coordination across our global supply chain. For our self-operated warehouses, we lease the warehouses and the accessory offices, pay monthly rent and operate the warehouses. We typically purchase property insurance and employer liability insurance for our self-operated warehouses.

The key terms of the cooperation agreements for our cooperating warehouses are outlined as follows:

Duration: Typically six months, with automatic renewal for additional periods up to one year.

Principal rights and obligations: Generally, cooperating warehouses are accountable for warehousing services, including sorting, warehousing, storage and dispatch of goods as per our instructions, among others. We are generally responsible for product packaging and payment and coordination with these cooperating warehouses, among others.

Payment: Typically monthly settlement.

Quality: Cooperating warehouses are required to ensure proficient warehouse management and comply with our specified warehouse management requirements and assessment criteria.

Termination: We may usually terminate the agreements unilaterally with 90 days' prior notice, based on business circumstances.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffer any material loss as a result of any delay in delivery or mishandling of goods. We did not encounter any material shortages or obsolescence of inventory during the Track Record Period and up to the Latest Practicable Date.

TRANSFER PRICING ARRANGEMENTS

Our Company and our subsidiaries conduct intercompany transactions in accordance with our transfer pricing policy. We follow the fundamental principle that intercompany transactions must be conducted on an arm's length basis.

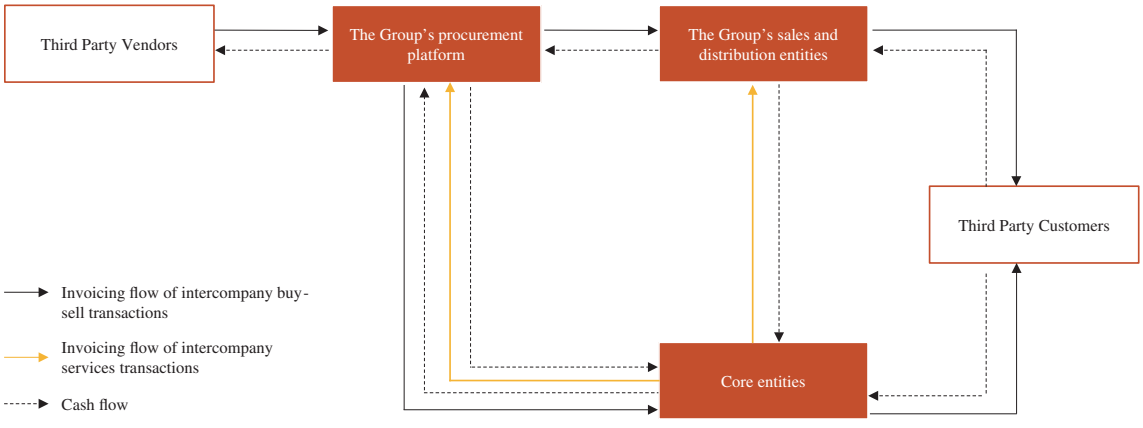
During the Track Record Period, there were certain intercompany transactions among our Company and our subsidiaries to facilitate the respective function of our subsidiaries during the course of business of our Group. Our intercompany transactions mainly include intercompany tangible goods buy-sell transactions and intercompany services transactions. During the Track Record Period, the amount for intercompany transactions was RMB22,921 million, RMB32,232 million and RMB38,629 million respectively.

During the Track Record Period, core entities including Anker Innovations Technology Co., Ltd. ("**Anker Innovations**") and Shenzhen Oceanwing Smart Innovation Co., Ltd. undertook strategic management and planning, product research and development ("**R&D**"), supply chain management, quality control and management, marketing and branding functions, sales channel development and management and/ or continuous improvement of user experience and provided business operation services to the Group's procurement platform and sales and distribution entities. In addition, core entities sold products to third party customers in Chinese mainland market.

The Group's procurement platforms, primarily including Hunan Anker Electronic Technology Co., Ltd. ("Anker Electronic") and Anker Technology (SG) Pte., Ltd. ("Anker SG") executed the instructions from core entities by placing purchase orders to third party vendors and supplied the Group's sales and distribution entities and core entities.

The Group's sales and distribution entities, primarily including Anker Innovations Limited ("Anker HK"), Anker Japan Co., Ltd. ("Anker JP") and Anker Technology (UK) Ltd. ("Anker UK") conducted routine sales and distribution activities by following the Group's sales strategy and relevant protocols formulated by core entities.

The following charts demonstrate our intercompany transactions.



During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalties, investigations, inquiries or transfer pricing audits carried out by local tax authorities in relation to these intercompany transactions. Our Directors are of the view that the above-mentioned intercompany transactions were in line with the arm's length principle and we were in compliance with the relevant transfer pricing laws and regulations during the Track Record Period and up to the Latest Practicable Date.

We have engaged a transfer pricing adviser to review our intra-group transactions. The independent transfer pricing adviser applied the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by the Organisation for Economic Co-operation and Development ("**OECD Guidelines**") when conducting transfer pricing review. The OECD Guidelines are widely accepted and recognized on an international basis, which are commonly and practically followed and applied by corresponding tax authorities. The analyses and findings of the independent transfer pricing adviser were summarized as follows:

Based on OECD Guidelines, Transactional Net Margin Method ("**TNMM**") was selected as the most appropriate transfer pricing method after considering the functional profiles of relevant related parties. Given that the intercompany tangible goods buy-sell transactions of the Group's procurement platforms and sales and distribution entities and their respective intercompany services transactions with core entities were closely linked and intertwined, the aggregated approach was adopted when applying the TNMM based on OECD Guidelines, i.e., comparing the weighted average profit level indicator results of each of the Group's procurement platforms and sales and distribution entities during the Track Record Period with the relevant interquartile arm's length ranges formed by the respective benchmarking analyses.

During the Track Record Period, the weighted average profit level indicator results achieved by all the above-mentioned Group's procurement platforms and sales and distribution entities did not fall below the interquartile arm's length ranges formed by the respective benchmarking analyses and the residual profits along the Group's supply chain were attributed to the core entities, reflecting their non-routine value contributions. In view of the above, the independent transfer pricing adviser concluded that the Group's overall intercompany transactions were aligned with arm's length principle and there were no significant transfer pricing risks during the Track Record Period.

Our Directors confirm that in ensuring ongoing compliance with the applicable transfer pricing laws and regulations, we adhere to the arm's length principle when entering into intercompany transactions, taking into account factors such as costs, market prices, and the functions of each entity, and adopt reasonable pricing methods accordingly. On a regular basis, we monitor the financial and profit status of each entity to manage the implementation of transfer pricing policies, and maintain compliance documentation.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period and up to the Latest Practicable Date, we accepted payments made by third parties to settle the amounts that certain customers owed to us in connection with their purchases of our products. In 2023 and 2024 and 2025, the aggregate amount settled through such Third-Party Payment Arrangements was RMB128.8 million, RMB199.1 million and RMB144.4 million, respectively, representing 0.7%, 0.8% and 0.5% of our total revenue for the same year, respectively. The number of distributors and end customers who settled payments through third-party channels, referred to as "Third-Party Settled Customers," was 13 in 2023, 18 in 2024 and 20 in 2025. No individual Third-Party Settled Customer made a material contribution to our revenue through third-party payments during the Track Record Period.

Based on the representations of the Third-Party Settled Customers and to the best knowledge of our Directors, the Third-Party Settled Customers utilized Third-Party Payment Arrangements primarily because they often rely on third parties to facilitate cross-border transactions, offering greater payment convenience and faster processing times. As a result, we have to accept the Third-Party Payment Arrangements. We require the Third-Party Settled Customers to sign tripartite agreements or to provide written payment agreements undertaking letters acknowledging and authorizing the relevant Third-Party Payment Arrangements. The third parties who made the payments to us during the Track Record Period, referred to as "Third-Party Payers," consisted of the entities that had other existing business relationships with the Third-Party Settled Customers.

Our Directors have confirmed that, to the best of their knowledge, during the Track Record Period, the Third-Party Settled Customers and Third-Party Payers involved in the Third-Party Payment Arrangements were Independent Third Parties and did not have any past or current relationship (including, without limitation, family, business, financing, employment or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management, or any of their respective associates.

During the Track Record Period, (i) other than accepting such payments, we had not proactively initiated any Third-Party Payment Arrangements, (ii) we had not encountered any disputes with, nor received any refund request from, any Third-Party Settled Customer or Third-Party Payer, (iii) we had not been subject to any administrative penalties by any government authorities with respect to the Third-Party Payment Arrangements, (iv) the pricing, payment and other salient terms of the agreements we entered into with the Third-Party Settled Customers were in line with our other customers not involved in the Third-Party Payment Arrangements, and (v) we had not provided any discount, commission, rebate or other benefits to any of the Third-Party Settled Customers or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements.

Mitigation Measures

To safeguard us against risks associated with Third-Party Payment Arrangements, we have implemented comprehensive internal control measures in order to rectify Third-Party Payment Arrangements. Our key efforts include, among others:

- We have adopted standard tripartite agreement form that defines the payment obligations between contracting customers and designated payers and provides us with the contractual right to seek recourse from either party in respect of such obligations.

- We have revised and implemented our Accounts Receivable Management Policy, which now clearly defines the permissible scope of third-party payers. Our sales team is required to inform every customer that third-party payments are not acceptable, except where tripartite agreements or written payment agreements are entered that clearly specify the obligations of relevant parties thereof, such as the customers and the designated payers undertaking that they shall be jointly and severally liable to us for all their respective obligations and responsibilities.

- We have promulgated third-party payment policy to ensure the compliance with relevant laws and regulations on the third-party payment arrangements. We also have internal guidelines in place regarding anti-money laundering, which require our employees to exercise reasonable due diligence with respect to all trading parties, including their business nature, business models and ownership and proposed transactions, to identify potential risks of anti-money laundering.

- To prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records, we will continue to maintain our know-your-customer procedures to gain a comprehensive understanding of our customers and perform verification of payment details against our records to confirm

payments are made in accordance with the agreements and/or the undertaking letters. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction. In addition, our sales team will continue to hold regular meetings with customers to gain insights into their business operations, thereby reducing the risk of involvement in fraudulent or money laundering activities.

We have fully implemented the above-mentioned internal control measures and have rectified all Third-Party Payment Arrangements for which tripartite agreements or written payment agreements had not previously been executed.

According to Frost & Sullivan, it is a common commercial practice in the industries where we operate to utilize third-party payers for payment. As advised by our PRC Legal Adviser, our acceptance of payments from PRC customers through the Third-Party Payment Arrangements does not contravene any prohibitive provisions under PRC laws and regulations. As advised by the Hong Kong legal advisers of our Company, the Third-party Payment Arrangements (including the tripartite agreement and the written payment agreements acknowledging and authorizing the third-party payment) are valid under the applicable laws or regulations in Hong Kong, and do not violate any mandatory provisions of any applicable laws or regulations in Hong Kong. PRC and Hong Kong are principal jurisdictions in which a member of our Group acts as a counterparty to the Third-party Payment Arrangements.

Based on the implementation of the above measures, our Directors are of the view, and nothing has come to the Joint Sponsors' attention that would cast doubt on this view, that the above measures are effective and adequate in preventing unauthorized Arrangements and their associated risks (including money laundering risks, tax evasion risks and other risks relating to violation of applicable laws and regulations), and our Directors are committed to overseeing the continued effectiveness of these measures.

In view of the fact that (i) the Third-Party Payment Arrangements account for only an insignificant proportion of our total revenue in each year of the Track Record Period, (ii) we have obtained tripartite agreements or written payment agreements entered that clearly specify the obligations of relevant parties during the Track Record Period, and (iii) we have implemented enhanced internal control measures, the Directors are of the view that the Third-Party Payment Arrangements do not have any material adverse effect on our business, operation, performance and financial condition.

INTERNATIONAL TRADE RESTRICTIONS AND TARIFFS

U.S. Tariffs

In recent years, there have been significant changes to U.S. trade policies and tariff measures affecting imports from the PRC and other jurisdictions, including certain countries and regions in Southeast Asia. During the Track Record Period, products exported by us to the United States were manufactured through our global production network, including the PRC and certain Southeast Asian locations and were therefore subject to U.S. tariffs. For a detailed discussion of the applicable tariffs and the related risks, see "Risk Factors — Risks Relating to Our Business and Industry — Changes in international trade policies, geopolitics and trade protection measures, export controls and economic or trade sanctions may affect our business, financial condition and results of operations." and "Regulatory Overview — Law and Regulations Related to Our Business in the U.S."

In 2025, the total amount of tariffs incurred by our Group in respect of exports to the United States amounted to US$143.0 million and are accounted for as part of our cost of sales. In 2023, the applicable tariff rate ranges from 0 – 28.9%; in 2024, the applicable tariff rate ranges from 0 – 28.9%; and in 2025, the applicable tariff rate ranges from 0 – 173.9%. As of the Latest Practicable Date, the maximum aggregate tariff rate applied on our products is 38.9%. Our sales to U.S. customers are primarily on a delivered-duty-paid basis, where we are responsible for the payment of all applicable tariffs and customs duties on products exported to the United States.

As advised by the International Trade Legal Adviser, the Directors are of the view, and nothing has come to the Joint Sponsors' attention that would cast doubt on this view, that recent trade tensions, in particular changes to U.S. tariff policies, have not had and is not expected to have a material adverse impact on our Group's operations or financial performance during the Track Record Period and up to the Latest Practicable Date. This assessment is supported by the following factors:

- The latest round of tariff escalation between China and the United States began in February 2025, and on November 1, 2025, the two countries reached an agreement to ease trade tensions, thereby avoiding the implementation of the proposed tariffs and extending the existing trade truce for approximately one year.

- The United States Supreme Court's decision on February 20, 2026 determined that the President lacks authority under IEEPA to impose tariffs, thereby rendering the reciprocal tariffs and the "fentanyl-related" tariffs imposed pursuant to IEEPA invalid.

- The Section 122 baseline global reciprocal tariff announced on February 20, 2026 will only remain effective for a period of 150 days, after which any extension or continuation would be subject to approval by the U.S. Congress.

- Our products are exported to the United States in bulk commercial shipments and therefore have not benefited from duty-free treatment applicable to low-value imports. Accordingly, changes to or the termination of such low-value import treatment for goods imported from China had not and are not expected to have a material impact on our business operations and financial performance during the Track Record Period and up to the Latest Practicable Date.

- Notwithstanding the imposition and continuation of U.S. tariffs, we have not experienced any material adverse impact on customer demand, product pricing competitiveness or overall business performance in the North American market during the Track Record Period. Through continuous product innovation, strong brand recognition, differentiated product offerings and effective channel management, we have maintained our market position and customer demand. Indeed, revenue generated from North America increased steadily during the Track Record Period. In 2023, 2024, and 2025, revenue derived from North America amounted to RMB8,370.5 million, RMB11,881.1 million, and RMB14,132.6 million, respectively, demonstrating the continued demand for our products notwithstanding the prevailing tariff environment.

- We have also demonstrated an ability to effectively manage the impact of tariffs on our pricing and profitability. Through a combination of product innovation, product mix optimization, operational efficiency improvements, supply chain management initiatives and selective pricing adjustments where appropriate, we have maintained stable pricing competitiveness while preserving profitability. As a result, despite the existing U.S. tariff regime, our gross profit increased from RMB7,480.4 million in 2023 to RMB10,644.8 million in 2024 and further to RMB13,386.4 million in 2025. Our gross profit margins also remained resilient and improved from 42.7% in 2023 to 43.1% in 2024 and 43.9% in 2025. These trends indicate that the tariff environment did not have a material adverse impact on our ability to price our products competitively or maintain our profitability during the Track Record Period.

We have also implemented a series of measures to mitigate the impacts from the recent trade tensions, including the following:

- ***Optimization of product mix and innovation***. We increased the proportion of higher value-added products in both its U.S. and non-U.S. sales portfolios, thereby reducing the contribution of lower-margin products to overall sales and enhancing overall profitability. To mitigate the potential impact of tariffs, we continue to optimize our product portfolio through upgrades to existing products and the launch of new products with enhanced features. These initiatives are intended to strengthen our value proposition and premium pricing.

- ***Supply chain optimization.*** We continued to advance the flexible global deployment of our manufacturing and supply network during the Track Record Period. We have progressively established a cross-regional, multi-site manufacturing and supply system covering our major product lines. For example, as of December 31, 2025, major product lines of our U.S.-bound exports were produced through diversified manufacturing and assembly arrangements that involved substantive production activities in multiple Southeast Asian countries, in compliance with applicable U.S. customs and trade regulations. These initiatives have enhanced our operational resilience and local responsiveness and enabled more flexible allocation of global production capacity.

We intend to continue optimizing our product portfolio, enhancing supply chain flexibility, and advancing our global strategic deployment in order to proactively respond to potential future changes in U.S. trade and tariff policies, mitigate related risks, and support the sustainable and stable long-term growth of our sales in the North Americas markets.

U.S. Export Controls

In recent years, the United States has increased export controls restrictions on China through the U.S. Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce ("**BIS**"). BIS maintains several restricted party lists, including the "**Entity List**". The Entity List includes a large number of foreign persons, including businesses, research institutions, government and private organizations, individuals and other types of legal persons. A BIS license is required to export, reexport, or transfer any items subject to the jurisdiction of the EAR to parties on the Entity List.

It is our policy, as reflected in our written Internal Compliance Program, to comply with all applicable export control laws and regulations of the PRC, the European Union, the United States, and other relevant jurisdictions. This includes a written policy of not engaging in business with any entities or individuals on the Entity List, the BIS Military End User List, or any other applicable restricted party lists. As part of our export control and sanctions compliance program, we conduct screening of all new counterparties against the most recent restricted party lists and conducts periodic screening of existing counterparties on a periodic basis to help ensure compliance. In addition, we include specific export control compliance language in all distribution agreements, in order to flow down export control requirements to sales made by distributors. We provide regular training to our employees on the importance of complying with applicable export control laws and regulations. As advised by the International Trade Legal Adviser, the Directors are of the view that the abovementioned export control measures have not had, and are not expected to have, any material adverse impact, whether directly or indirectly, on our operations, financial performance or business expansion plans. This assessment is supported by the following factors:

- during the Track Record Period, the cost of raw materials procured from U.S.-based suppliers accounted for less than 1.2% of our total cost of sales in each year;

- we do not depend on key components or raw materials that are broadly prohibited or subject to heightened restrictions under the EAR. The items we purchased from U.S.-based suppliers during the Track Record Period are not subject to U.S. export controls imposed by BIS on advanced semiconductors ("**ICs**") or advanced semiconductor manufacturing equipment ("**SME**") under the regulations issued on October 7, 2022, as subsequently amended, including the foreign direct product rules ("**FDPRs**") introduced by BIS. Such items did not require BIS export licenses and are substantially different from advanced integrated circuits and other items subject to enhanced export controls administered by BIS, including additional controls applicable to exports to China;

- furthermore, during the Track Record Period, we did not encounter any material difficulties in sourcing electronic components from U.S.-based suppliers; and

- we also believe that such U.S.-sourced materials and components are generally substitutable with domestically available or alternative non-U.S. sourced products, if required.

Sanctions Compliance

The United States and other countries have enacted economic sanctions and jurisdiction-based restrictions that prohibit or restrict transactions involving customers, counterparties or end users located in, or otherwise connected with, certain sanctioned countries, territories, or regions.

In addition, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") maintains sanctions and listing authorities that may apply to Chinese enterprises, which could restrict securities transactions, financing, or other dealings with such listed or blocked persons and, where applicable, entities owned 50% or more by blocked persons. Sanctions and export controls have also been imposed in response to geopolitical events. Any failure to comply with applicable U.S. sanctions or export controls rules may expose may lead to negative legal and business consequences, including civil or criminal penalties, the loss of access to controlled technologies, and government investigations.

The Group has adopted sanctions compliance policies and measures to help ensure compliance with applicable sanctions laws and regulations. For example, it is our policy to not conduct business in countries or regions that may involve a high risk from a sanctions compliance perspective, such as Iran, North Korea, Syria, and Cuba (note that the U.S. sanctions on Syria were revoked on June 30, 2025.) In addition, we have adopted sanctions compliance measures to help ensure compliance with applicable sanctions, which includes a process to confirm the country of sale and screening customers and suppliers against applicable sanctions-related restricted party lists.

It is our policy, as reflected in our written Internal Compliance Program, to comply with all applicable sanctions laws and regulations. This includes a written policy of not engaging in business with any entities or individuals on OFAC's Specially Designated Nationals List or any other applicable sanctions lists. As part of our sanctions compliance program, we conduct screening of all new counterparties against the most recent sanctions lists and conducts periodic screening of existing counterparties on a periodic basis to help ensure compliance. In addition, we include specific sanctions compliance language in all distribution agreements, in order to flow down sanctions compliance requirements to sales made by distributors. We provide regular training to our employees on the importance of complying with applicable sanctions laws and regulations.

Accordingly, as advised by the International Trade Legal Adviser, we believe that our operations did not violate OFAC or other applicable sanctions regimes during the Track Record Period and that, provided we continue to implement our internal control measures, our exposure to sanctions-related risks will remain remote going forward.

DATA PRIVACY AND INFORMATION TECHNOLOGY SYSTEMS

For our ordinary course of business, we collect and process personal information such as user online profile, addresses, emails and phone numbers, with a strong commitment to safeguard data privacy. All collected personal data is classified into two categories: sensitive personal information and general personal information. We enforce a range of data security practices — such as backup, encryption, authentication, and access control — and have established a dedicated governance structure, including a Security and Privacy Management Committee, a Data Security and Privacy Protection Department, and specialized roles such as Cybersecurity Officer, Data Security Officer, Privacy Protection Officer and Personal Information Protection Officer. In respect of any personal information collected or accessed for the purpose of fulfilling users' orders, we have obtained the relevant consents and provided an appropriate privacy notice prior to the collection and processing of such information. We use such personal information solely for the purposes for which it was collected and do not use or disclose it for any other purpose without obtaining the relevant prior consent, unless otherwise permitted or required by applicable laws and regulations.

Indirectly, through third-party e-commerce platforms, we receive data such as order numbers, order times, transaction amounts, items, and quantities. To facilitate product shipment, we receive customer information from third-party e-commerce platforms, depending on their logistics model.

When using their delivery services, we obtain order numbers and consumer location details (country, state/province, zip code). If we use third-party logistics providers, we may receive comprehensive customer information. When engaging third-party logistics providers, we share necessary personal information, including names, phone numbers, email addresses, and delivery addresses, to ensure efficient warehousing, transportation, and distribution. When customer utilize our online platforms (such as Apps and mini programs), we collect their personal information in accordance with the privacy policies of such platforms, including mobile phone numbers, email addresses, etc.

We have established comprehensive policies and procedures covering the entire lifecycle of personal information — including collection, storage, use, sharing, and deletion — such as our Information Security and Privacy Protection Management Manual, Personal Information Security Management Specification, and Privacy Impact Assessment Management Procedure. These standards are designed to ensure that we comply, in all material respects, with all applicable laws and regulations regarding personal information protection.

We have also implemented cybersecurity measures to prevent computer viruses, network attacks, and intrusions, along with ongoing management and continuous improvement processes to reduce cybersecurity threats and strengthen the security of our IT system. Furthermore, we have developed and adhere to our Asset Vulnerability Management Specification, which ensures that we handle security risks, identified both internally and externally, in a timely, effective, and compliant manner, covering every stage from vulnerability receipt, assessment, response, and remediation to disclosure.

In addition, certain of our home security products, such as security cameras, video doorbells and other connected security devices, may collect video and/or audio recordings as part of their features and functionality. These products are designed with local data storage as a core feature, which enables users to store and retain relevant footage and data on their own devices locally. We typically do not collect, access or process any such video or audio data. In certain circumstances, where we have first obtained the relevant user's consent, we may collect, access or process video or audio data generated through the use of our products or services.

We have implemented a comprehensive suite of technical and organizational measures to safeguard personal information and prevent unauthorized access. During data transmission, we utilize secure communication protocols to ensure the confidentiality and integrity of data in transit. Sensitive personal information is further protected by field-level encryption, in addition to encrypted transmission channels. At the storage layer, we have adopted multi-layered encryption strategies to mitigate the risk of data breaches resulting from unauthorized database access. Within our business applications, we implement data masking techniques to minimize the risk of exposing personally identifiable information. We also conduct regular security testing and audits to verify the effectiveness of our encryption mechanisms, and maintain strict access controls and operation logging within our internal information systems to prevent unauthorized access and misuse. Furthermore, we have established personnel management protocols, including data privacy protection policies, employee confidentiality agreements, ongoing training and assessment for staff involved in personal data processing, and dedicated information security and privacy teams responsible for oversight and risk control. All access to and operations involving sensitive data are tracked and logged to prevent unauthorized disclosures.

During the Track Record Period and up to the Latest Practicable Date, we have not received any claim from any third party against us on the ground of infringement of such party's right to data and privacy protection as provided by any applicable laws and regulations in the PRC. Furthermore, as of the Latest Practicable Date, other than disclosed, there are no material legal proceedings pending or threatened against us initiated by third parties with respect to cybersecurity, data security and personal information protection. See "Risk Factors — Risks Related to Our Business and Industry — We are subject to evolving and changing laws and regulations of cybersecurity, data security and personal information protection. Any failure or perceived failure to comply with such laws and regulations could materially and adversely affect our business, financial condition, reputation and results of operations."

During the Track Record Period and up to the Latest Practicable Date, we did not experience significant IT system failures or outages that adversely affected our business operations, nor did we experienced material leakage of personal information as defined by the relevant laws and regulations of cybersecurity, data security and personal information protection.

Based on the above, as well as that (i) we have implemented internal policies on protecting cybersecurity, data security and personal information; and (ii) we will continuously pay close attention to the legislative and regulatory development in cybersecurity, data security and personal information protection, maintain ongoing communication with relevant government authorities and implement all necessary measures in a timely manner to ensure continuous compliance with the relevant laws and regulation, our PRC Data Compliance Legal Adviser is of the view that, during the Track Record Period and up to the Latest Practicable Date, we have implemented compliance measures concerning cybersecurity, data security and personal information protection in accordance with the requirements of relevant cybersecurity, data and personal information protection laws and regulations in material aspects and we have been in compliance with the relevant PRC laws and regulations relating to cybersecurity, data security and personal information protection in material aspects during the Track Record Period and up to the Latest Practicable Date.

Given the global nature of our operations, we engage in cross-border data transfers. Our policies and practices are designed to conduct such transfers on a lawful and minimum-necessary basis. Furthermore, these transfers are typically limited to circumstances where authorized by the relevant data subject or as otherwise permitted by applicable laws and regulations. According to legal advisers as to the laws of the major jurisdictions in which we operate, including the U.S., the UAE, the United Kingdom, Japan and Hong Kong, we were in compliance, in all material respects, with all the relevant laws and regulations relating to cybersecurity, data security and personal information protection in each such jurisdiction during the Track Record Period.

However, as the laws and regulations in the cybersecurity, data security and personal information protection are still developing, we cannot assure you that we can always timely adapt to all the aspects of such laws and regulations. See "Risk Factors — Risks Related to Our Business and Industry — We are subject to evolving and changing laws and regulations of cybersecurity, data security and personal information protection. Any failure or perceived failure to comply with such laws and regulations could materially and adversely affect our business, financial condition, reputation and results of operations."

COMPETITION

We operate in competitive sectors of charging and power storage, smart home solutions, and audio and video products. Our competitors include technology firms and established global brands. These competitors may possess significant financial resources, advanced R&D capabilities, diverse product portfolios, and well-established customer bases. These advantages could enable them to invest heavily in innovation and market expansion, setting a high bar for technological advancement and customer expectations. In this landscape, we remain focused on strengthening our core product competitiveness, differentiating our brand positioning, and continue delivering value to our customers. See "Industry Overview." See "Risk Factors — Risks Related to Our Business and Industry — Failure to identify or respond to changes in consumer preferences and market demand, design new products aligned with evolving consumer demand, or effectively compete with our competitors may materially and adversely affect our business operations and financial performance."

EMPLOYEES

As of December 31, 2023, 2024 and 2025, we employed an aggregate of 4,017, 5,034 and 6,304 full-time employees. The following table sets forth a breakdown of the number of our employees as of December 31, 2025 by work function.

Research and Development	3,549
Sales and Marketing	1,889
General	866
Total	6,304

The majority of our employees are based in the PRC. Our continued success depends on our ability to attract, retain and motivate qualified personnel. We maintain rigorous recruitment standards through campus hiring, online platforms and internal referrals, selecting candidates based on their qualifications, relevant experience and our business needs. We offer competitive compensation and performance-based bonuses, particularly for contributions to R&D, innovation and operations. We also promote employee development and engagement through training programs and corporate activities.

We have entered into confidentiality and non-compete agreements with certain key employees. These agreements are designed to protect our trade secrets and intellectual property and, where applicable, restrict employees with access to core technologies from joining competitors for a specified period, during which we provide monthly compensation in accordance with applicable laws.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial government, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund.

During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full primarily due to certain employees were unwilling for us to pay the social insurance and housing provident fund contributions in full as it requires additional contributions from the employees and other administrative factors. Our PRC Legal Adviser has advised us that, pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. The shortfall amount of social insurance and housing provident fund contributions is estimated to be approximately 0.3%, 0.3% and 0.2% of our total revenue for 2023, 2024 and 2025, respectively. As advised by our PRC Legal Adviser, assuming that there are no material employee claims or material change to current PRC laws and regulations and the practice in policy implementation and inspection of local governments, and as long as we make full payment within the stipulated deadline, if required by relevant authorities in the future, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would seek to recover the historically unpaid housing provident funds and/or impose any administrative penalties on us due to our failure to make full payment of the housing provident funds is remote, on the grounds that (i) during the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to the above incidents, contributions, nor had we received any order or been informed to settle the under-contributions; (ii) according to the promulgated policies and regulations, such as the Notice of the General Office of the State Taxation Administration on Steadily and Orderly Carrying Out Social Insurance Premium Collection-Related Work (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) issued by STA on September 13, 2018, and the Notice of the State Taxation Administration on Implementing Several Measures to Further Support and Serve the Development of the Private Economy (《國家税務總局關於實施進一步支援和服務民營經濟發展若干措施的通知》) issued by STA on November 16, 2018, self-organized collection and clearance of all past underpayment of enterprises is prohibited; (iii) according to interviews and consultations with the local social insurance and housing provident fund authorities, they will generally only initiate verification and processing of an enterprise's compliance upon receipt of an employee's complaint or claim; and (iv) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant PRC authorities alleging that we failed to fully contribute to the social insurance or housing provident funds and demanding payment of the same before a stipulated deadline, nor had we received or been aware of any employee's complaints

or demands for payment of social insurance premiums and housing provident fund contributions, nor had we received any legal documentation from the labor arbitration tribunals or the PRC courts regarding disputes in this regard, which may have a material adverse effect on our business, financial position and results of operations; Further, if the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we will make full payments and take all necessary rectification measures within the time frame as required by relevant authorities once we receive such requirements.

In addition, the New Judicial Interpretation was enacted by the Supreme People's Court on July 31, 2025 and became effective as of September 1, 2025. See "Regulatory Overview – Laws and Regulations on Labor, Social Insurance and Housing Provident Fund" for details. Based on (i) we have not signed any agreement with our employee or our employee have not committed to give up paying their social insurance, and (ii) our employees have the legal right to terminate the labor contract and claim economic compensation in accordance with the Labor Contract Law being effective since 2012, instead of the aforementioned regulation, which will not result in the Group assuming any additional liability for compensation our Directors are of the view that the New Judicial Interpretation would not have a material adverse effect on our business, financial condition or results of operations.

We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

Pursuant to PRC regulations, we provide social insurance including unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China. We also purchase supplemental employer's liability insurance to cover generic risks that may arise from our ordinary course of business and property insurance to safeguard our property and mitigate risks of various accidental losses. See the section headed "Risk Factors — Risks Related to Our Business and Industry — We have limited insurance coverage which could expose us to significant costs and business disruption."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

We are committed to integrating ESG principles into all aspects of its business operations. As a global smart device technology company, we recognize our responsibility to drive sustainable development through innovative products, responsible operations, and ethical business practices. We maintain regular communication with our stakeholders to fully understand their expectations and needs. By conducting materiality analysis on ESG issues, we identify critical priorities and strategic focus areas for ESG initiatives. We have established a three-tier ESG management system comprising the ESG special committee, ESG office, and ESG taskforce. The ESG Special Committee, chaired by the CEO and comprising Board members and key executives, is responsible for aligning ESG initiatives with corporate strategy and overseeing ESG performance. As the Company's highest ESG governance body, it reviews and approves this report's content. The three-tier ESG management system clarifies the responsibilities of personnel at all levels, departments, and positions, and improves the ESG management mechanism to provide organizational support for our ESG initiatives.



We are committed to maximizing economic and social benefits and achieving high-quality sustainable development by minimizing the use of environmentally harmful resources. We strive to drive positive change while actively contributing to society and the environment through innovative and sustainable business practices.

We identify and establish an ESG topic pool based on benchmarking studies of policies and regulations, industry best practices, public opinion analysis, stakeholder feedback, and our strategic and business development priorities. We analyze these topics from two dimensions: financial materiality and impact materiality. This analysis allows us to prioritize the topics and develop ESG materiality matrix, ensuring that we continue to focus on the most impactful sustainability topics as our business evolves.

Potential Impacts of ESG-related Risks

We proactively identify and manage environmental risks across our business operations. We implemented a risk management framework to assess potential environmental impacts stemming from both internal and external factors. Through in-depth analysis of industry trends and our own operational footprint, we develop targeted risk mitigation strategies and emergency response plans. Continuous optimization of environmental monitoring, internal controls, and audit processes ensures compliance while minimizing regulatory risks.

We employ a three-step approach, identify, assess, and respond, to systematically manage ESG related risks across our operations. By analyzing industry trends and our own business characteristics, we conduct in-depth analyses of potential environmental risks and formulate targeted risk response strategies and emergency plans accordingly. The following chart shows the risks we identified, the impact we assessed, the preventive measures and emergency response plan we took.

To assess the materiality of ESG risks over the short, medium and long term, we have established a structured evaluation framework that considers the likelihood of occurrence, magnitude of potential financial impact, regulatory and compliance exposure, operational disruption risk, reputational and stakeholder impact, and alignment with our business strategy and financial planning. Identified ESG risks are assessed using qualitative analysis together with quantifiable indicators consistent with our disclosed ESG metrics, including direct and indirect energy consumption, energy consumption intensity, electricity usage, total greenhouse gas ("GHG") emissions (Scope 1, 2 and 3) and GHG intensity, water consumption and sewage discharge, hazardous and non-hazardous waste generation and related intensity, recycling volumes, and selected per capita efficiency indicators.

In the short term, we focus primarily on compliance-driven risks, including carbon emission limits, waste management and water discharge standards. These risks are evaluated by reference to our actual energy use, GHG emissions, water consumption and waste generation levels against applicable regulatory thresholds, as well as potential financial exposure such as fines, rectification costs or suspension of production. To address these risks, we conduct regular monitoring and internal review of key environmental data to ensure timely identification of deviations, implement energy-saving technologies and process optimization to reduce carbon and energy intensity,

establish standardized waste sorting and disposal procedures in collaboration with qualified third-party service providers, and maintain rectification and emergency response protocols where warning thresholds are approached. Where necessary, we may participate in carbon trading or purchase carbon credits to manage short-term exceedances.

In the medium term, we assess transition and cost-related risks arising from increasingly stringent environmental regulations, evolving carbon pricing mechanisms, resource constraints and heightened supply chain ESG requirements. These risks are evaluated through trend analysis of our energy and GHG intensity, projected resource consumption, anticipated compliance-related capital expenditures and potential incremental operating costs. To mitigate such risks, we incorporate energy efficiency upgrades and emission reduction initiatives into our capital expenditure planning, optimize our energy mix by increasing the use of cleaner energy sources where feasible, conduct periodic resource efficiency assessments and implement improvement plans, and strengthen supplier ESG due diligence and environmental compliance audits. We also maintain alternative sourcing arrangements and appropriate inventory management measures to reduce the risk of supply chain disruptions.

In the long term, we consider strategic and reputational risks and opportunities associated with decarbonization pathways, green supply chain integration and evolving stakeholder expectations, as well as the potential impact of ESG performance on competitiveness, financing conditions and investor perception. These are assessed based on long-term trends in GHG intensity, resource efficiency and waste recycling performance, together with scenario analyses of regulatory and market developments. To address these risks and opportunities, we integrate ESG considerations into our strategic decision-making and budgeting processes, set internal management targets for energy efficiency and emission control aligned with our growth plans, enhance ESG governance and data management systems, and promote green procurement practices across our supply chain. Through this integrated and forward-looking approach, we seek to systematically manage material ESG risks while supporting our sustainable long-term development.

Metrics and Targets

In response to the increasingly stringent global environmental regulatory landscape, we recognize the inherent environmental risks embedded within our business operations and processes. To proactively address the challenges arising from both internal operations and external regulations, we monitor the following indicators to assess and manage our environmental and climate-related risks.

		For the Years Ended December 31,		
Indicators		**2023**	**2024**	**2025**
Energy use	Total energy consumption (tce)	1,365.10	1,717.21	4,644.74
	Direct energy consumption (tce)	25.23	0	2.73
	Indirect energy consumption (tce)	1,339.88	1,717.21	4,642.01
	Energy consumption intensity (tce/CNY 100 million)	7.80	6.95	15.23
	Natural gas consumption (m3)	18,967.00	0	55.60
	Total electricity consumption (kWh)	10,902,160.78	13,972,397.01	37,770,599.41
	Per capita electricity consumption (kWh per person)	2,714.01	2,738.08	7,554.32
	Electricity per unit of building area (kWh per m^2)	228.30	223.70	320.61

Indicators		For the Years Ended December 31, 2023	2024	2025
Greenhouse gases ("**GHG**")	Total GHG emissions (tCO_2e)	7,638.16	10,068.34	22,528.24
	Scope 1 GHG emission (tCO_2e)[1]	41.01	0	5.48
	Scope 2 GHG emission (tCO_2e)	5,762.71	5,745.99	15,617.88
	Scope 3 GHG emission (tCO_2e)[2]	1,834.44	4,322.35	6,904.89
	Per capita GHG emissions (tCO_2e per person)	1.90	2.00	3.57
	GHG emissions per unit of building areas (tCO_2e per m^2)	0.17	0.16	0.19
	GHG emissions intensity (tCO_2e per CNY million of revenue)	–	0.41	0.74
	Carbon credits (tCO_2e)	68,542	78,228	38,772.58
Water consumption	Total water consumption (tons)	35,713.80	43,613.60	180,394.09
	Per capital water consumption (tons per person)	8.89	8.66	28.62
	Municipal water consumption (tons)	35,597.80	43,021.60	180,197.76
	Barreled water consumption (tons)	116.00	592.00	196.32
	Total sewage discharge (tons)	35,713.80	43,613.60	180,394.09
Paper use	Office paper consumption (tons)	3.35	5.54	6.45
	Per capita office paper consumption (tons per person)	0.0008	0.0011	0.0010
Fire extinguisher use	Fire extinguisher usage (units)	–	418	1,350
Waste management	Total non-hazardous waste (tons)	232.76	255.20	512.34
	Total hazardous waste (tons)	0.05	1.06	0.04
	Non-hazardous waste emission intensity (tons/CNY 100 million)	1.33	1.03	1.68
	Hazardous waste emission intensity (tons/CNY 100 million)	0.0003	0.0043	0.0001
	Total electronic waste recycled (pieces)	896	332	911
	Total non-hazardous waste/office waste recycled (tons)	–	4.51	7.77

Note: Based on the considerations of data authenticity, accuracy and disclosure prudence, metrics that were unable to be precisely measured and traced will be denoted by "–".

(1) In 2023, Scope 1 emission mainly came from natural gas consumption. To reduce Scope 1 emission, we did not use natural gas in 2024.

(2) Scope 3 emission mainly includes emissions from travel transportation, hotel accommodations, waste disposal and sewage treatment. To reduce Scope 3 emission, we strictly control daily consumption and reduce resource waste through group messaging appeals and control mechanisms of intelligent dispensing machines.

(3) Our energy use and Scope 2 emission, which mainly arises from purchased electricity used in our major offices, increased year-on-year in 2025 due to one-off electricity usage associated with office relocations and renovations across multiple locations.

We have consistently embedded energy management into our core sustainable development strategy, driving targeted improvements in energy efficiency through technological innovation and operational optimization. By actively advancing renewable energy adoption and optimizing energy systems, we have achieved measurable progress in reducing energy consumption and enhancing operational sustainability. To operationalize our green development commitment to energy conservation and emission reduction, in 2025, we reported a total energy consumption of 4,644tce. This outcome underscores our proactive efforts to minimize energy waste, lower operational costs, and advance our long-term sustainability goals.

Moreover, we actively implement green and low-carbon operational measures, driving significant reductions in our carbon footprint. During the Track Record Period, we set targets, such as strengthening water and electricity usage management to effectively reduce energy consumption, promoting solid waste reduction and compliant disposal, increasing the proportion of eco-friendly products, and institutionalizing supply chain environmental responsibility.

We made continued progress in water resource management. Although total water consumption increased in line with business expansion, effective management measures reduced per capita water consumption and lowered water consumption intensity by nearly 3%, enhancing overall efficiency and reinforcing our commitment to sustainable resource use. We also implement source control and classified waste management systems to ensure proper segregation and compliant treatment of hazardous and non-hazardous waste. Hazardous waste is disposed of in accordance with standardized procedures, while office electronic waste is regularly inventoried and properly processed to ensure environmental compliance. Recyclable materials are handled through certified third-party providers to support resource recovery and circular economy principles, thereby reducing environmental and operational risks.

Corporate Social Responsibility

We have been committed to corporate social responsibility and contribution, and deeply participating in various charity activities, including green public welfare practices, social charity actions, and community development support. In line with this commitment, we established a public welfare ecosystem and actively promoting environmental initiatives and eco-friendly activities. We demonstrate our commitment through concrete actions. We established an online second-hand trading platform and organized offline "Sustainable Living Markets" to extend the lifecycle of products, reduce resource waste, and promote the integration of green practices from corporate operations into household and community contexts.

Our eco-friendly activities have expanded globally, with notable activities in the U.S., Germany, and Australia. For example, since 2023, we have been partnering with Oceana, one of the world's largest marine conservation organizations, to advance global ocean sustainability. Through financial contributions and product donations, we support Oceana's international campaigns, such as reducing plastic pollution and protecting critical marine ecosystems, with a shared goal of improving the health of our oceans worldwide.

Employment, Welfare and Workplace Safety

We are committed to fostering a supportive, inclusive and compliant workplace environment. We uphold the principles of protecting employees' rights, respecting human dignity and maintaining ethical labor practices, and integrate applicable labor and human rights laws into our internal policies and operational processes. We have established structured risk assessment mechanisms to identify and evaluate labor-related risks based on likelihood and severity, with ongoing monitoring and mitigation of higher-risk areas.

We provide comprehensive employee benefits covering daily living, health care and overall well-being, aiming to create a work environment in which employees feel valued and secure. Our "Trident" career development framework and job rotation programs support diversified career progression across both professional and managerial pathways, promoting long-term growth and engagement.

We also prioritize occupational health and safety by implementing standardized policies, operating procedures and preventive measures to ensure compliance with applicable workplace safety regulations. Regular health and safety risk assessments are conducted to identify and mitigate potential workplace hazards, safeguarding the well-being of our employees.

Anti-corruption and Anti-bribery

We uphold the highest standards of ethical business conduct through rigorous adherence to honesty, business ethics, and the laws, regulations, and international conventions governing anti-bribery and anti-corruption in every jurisdiction where we operate. We maintain zero tolerance for all forms of unethical behavior. We are committed to the strictest global anti-bribery standards, proactively preventing any actions that could unduly influence stakeholders or compromise ethical judgment. We also have regular trainings for employees regarding anti-bribery and anti-corruption policies to facilitate better implementation.

It is prohibited to accept any benefits or gifts from stakeholders (e.g., suppliers, customers) in any form, including cash, cash equivalents, gifts, luxury accommodation, or business-class air tickets. For business entertainment within the expense limit: approval must be obtained in advance from the direct supervisor via email or equivalent written form, with a copy to the department head. For expenses exceeding the limit: approval must be obtained in advance from the department head via email or equivalent written form. All entertainment-related approval emails must be copied to the Risk Management and Audit Department.

We have established the following four reporting channels: in-person reporting, reporting email, reporting hotline and official website reporting. Integrity reporting channels shall be prominently displayed in all company office locations on a long-term basis. All integrity reporting channels of the Company are uniformly managed by the Risk Management and Audit Department to ensure the normal operation of reporting information and information security. The Risk Management and Audit Department conducts a preliminary screening of the reported content. For reports involving employees suspected of violating the *Anker Integrity Management Regulations*, the Risk Management and Audit Department is responsible for receiving them. Other types of complaints or reports shall be forwarded by the Risk Management and Audit Department to the responsible departments for handling, and the handling results shall be reported back to the Risk Management and Audit Department. For reports involving employees suspected of violating the *Anker Integrity Management Regulations*, after the Risk Management and Audit Department receives them, the supervision personnel of the Risk Management and Audit Department shall, in accordance with the requirements of the *Anker Innovation Internal Supervision System*, evaluate the case, accept and file it, and complete subsequent investigation actions.

Supply Chain Management

We regard a sustainable supply chain as a key component of our core competitive advantage. We established a comprehensive supplier sustainability assessment program to ensure our supply chain adheres to the highest standards of ethical, environmental, and operational responsibility. This program combines proactive monitoring, collaborative self-evaluation, and rigorous on-site evaluations to identify risks, drive improvements, and foster accountability across our supplier base. We investigate potential non-compliance or negative incidents through a diverse set of sources, including civil society organizations, media reports, government websites, and specialized compliance platforms or software. These channels enable us to detect emerging risks, such as labor violations, environmental breaches, or unethical business practices, early and take preemptive action. Simultaneously, we encourage suppliers to conduct self-assessments using our standardized

framework, promoting transparency and internal accountability. For high-risk or strategic suppliers, we conduct on-site evaluations to verify compliance firsthand and assess operational practices in detail. In our publicly released "Anker Innovations Supplier Code of Conduct", we outline clear requirements for environmental and resource protection for suppliers. Suppliers shall actively conserve and protect natural resources, including energy, water, forests, soil, and various minerals, through improved production, maintenance, and facility processes, the use of alternative materials, reuse, conservation, recycling, and other methods. Suppliers shall also make every effort to ensure that their business activities do not negatively impact natural resources and biodiversity.

Product Quality and Safety

We strictly comply with product quality laws and regulations in all jurisdictions where we operate, as well as the ISO9001 quality management system requirements. We have established a quality management center to oversee quality performance across product lines and management system development. During the design phase, we ensure product safety and compliance through multiple rounds of technical reviews. Upon completion of the design phase, a dedicated certification department is responsible for verifying that our products meet all market entry requirements, such as obtaining CCC (China Compulsory Certification) certifications. Once the products satisfy all conditions for market launch, our sales and legal departments are responsible for ensuring ongoing post-market compliance. Products that have not obtained the CCC certificate are not permitted to be mass produced.

According to our PRC Legal Adviser, our operations in the PRC had been carried out in compliance with the relevant PRC product quality laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

We recognize that the expertise and leadership of our quality personnel are critical to maintaining exceptional product standards and operational excellence. To this end, we place strategic emphasis on continuously upgrading the technical skills and management capabilities of our quality teams. In 2024, we advanced our training framework by expanding and refining its content to address emerging industry challenges and opportunities.

Our Directors confirm that to the best of their knowledge, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any incidents related to fraud, bribery or other material misconduct committed by employees, distributors, suppliers and other third parties.

PROPERTIES

We lease and own certain land parcels and buildings in the PRC for our business operations. We also lease office buildings and warehouses for our overseas operations. As of December 31, 2025, we owned a total aggregate GFA of over 70,000.0 sq.m. of buildings in China which were primarily used for R&D center and office purposes. As of December 31, 2025, we leased 23 properties across China, with an aggregate GFA of approximately 40,000.0 sq.m., which were mainly for warehousing, R&D center and office purposes. Our leases generally have a term ranging from 0.5 to 5 year(s).

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration for all of our leased properties.

Additionally, as of December 31, 2025, we had not received real estate ownership certificates or proof of authorizations from the lessors or the property owners for 5 of our 23 leased properties in China, with a GFA of approximately 1,950 sq.m.

As advised by our PRC Legal Adviser, if we and the lessors fail to handle filing for such lease registration 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 agreements. We estimate that as of December 31, 2025, based on the number of our leases that had not been registered as required by PRC law, the potential monetary fines we may face for such failure to comply with lease registration range between RMB23,000 to RMB 230,000. As of the Latest Practicable Date, we have not been aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — Legal defects regarding some of our leased properties may affect our interests in such properties."

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of December 31, 2025, none of the properties owned by us had a carrying amount of 15% or more of our consolidated total assets.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits, approvals and certificates necessary to conduct our actual business operations from the relevant government authorities in the PRC, and such licenses, permits, approvals and certificates remained in full effect.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we have been involved in certain legal proceedings in the ordinary course of business; however, we do not believe such legal proceedings would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

According to our PRC Legal Adviser, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

We, our Shareholders, affiliates, Directors, senior management and employees may be involved from time to time in disputes with various parties, including but not limited to our customers, suppliers, competitors or former employees. In light of our ongoing litigation matters, the ending balance of provisions for outstanding litigation amounted to RMB198.5 million as of December 31, 2025. Such provisions were recognized based on management's assessment of the likelihood of the litigation outcomes and its best estimates of the related obligations arising from pending litigation, and were made in accordance with relevant account principles and requirements relating to contingencies.

The following are summaries of our ongoing material litigations as of the Latest Practicable Date.

Sloan Litigation

From December 2022 to April 2023, putative class actions were filed by Trevor Sloan and eight other individuals against our subsidiaries in relation to alleged misstatements regarding the security and privacy features of certain eufy camera products, seeking damages in excess of US$5.0 million plus statutory and other damages to be proven at trial. During this period, the court ordered the consolidation of these cases to be heard in the U.S. District Court for the Northern District of Illinois.

As of the Latest Practicable Date, one plaintiff withdrew their complaint after filing, and the court dismissed two individuals' requests to serve as named plaintiffs. The remaining six plaintiffs' case remains at the discovery stage and has not been certified by the court as a class action. Any potential damages, if awarded, will be subject to the final judgment. We have made proper provision in accordance with applicable accounting principles.

Fundamental Patent Litigation

In March 2021, Fundamental Innovation Systems International LLC filed a patent infringement action in the U.S. District Court for the District of Delaware against our subsidiaries relating to certain charging products. In March 2025, a jury awarded damages of approximately US$13.6 million. We have filed a motion for judgement as a matter of law and, as of the Latest Practicable Date, we are waiting for the court's decision. In parallel, we are in settlement discussions and believe that the litigation will not have a material adverse impact on our business operations, given that all asserted patents of Fundamental Innovation have expired and will not materially affect product sales. We have made proper provision in accordance with applicable accounting principles.

Powermat Patent Litigation

In 2023, Powermat Technologies, Ltd. filed patent infringement in the U.S. District Court for the Eastern District of Texas, alleging that certain of our wireless charging products infringement. In March 2025, Powermat Technologies, Ltd. filed patent infringement in the Unified Patent Court, alleging that certain of our wireless charging products infringement. Powermat is a provider of wireless charging technologies and a participant in the Qi standard. The complaint did not specify the amount of damages sought. A trial was scheduled for February 2026. As of the Latest Practicable Date, the litigation has been settled and dismissed, and the settlement amount does not have any material adverse impact on our operations or financial performance.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We aligned with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) risk management framework, ISO31000 risk management standards and industry best practices to build a company-specific three-line defense risk management framework. This framework encompasses the entire chain from internal control environmental construction to audit closed-loop rectification, and establishes a comprehensive internal risk control system covering various business departments, risk management departments, and the internal control audit department.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, budget management policies, treasury management policies, financial statements preparation policies and finance department and staff management policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our internal control team works closely with our business units to (i) perform risk assessments and give advice on risk management strategies, (ii) improve business process efficiency and monitor internal control effectiveness, and

(iii) promote risk awareness throughout our Company. In accordance with our internal procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our consumers, merchants and relevant third-parties. Our legal department examines the contract terms and reviews relevant documents for our business operations, and the necessary underlying due diligence materials, before we enter into any contract or business arrangements. Our in-house legal department reviews our services for regulatory compliance before they are made available to the general public. Our in-house legal department and administrative department are responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines. We also have certain compliance teams for our internet finance business, which are responsible for the formulation and implementation of internet finance-related policies and analysis of the regulatory environment with respect to services we provide. We continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

Human Resources Risk Management

We provide regular and specialized training tailored to (i) the needs of our employees in different departments, and (ii) our anti-bribery & corruption policy. We schedule regular online and classroom trainings, review the content of the trainings, follow up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. Through these trainings, we ensure that our staff's skill sets and knowledge level of our anti-bribery & corruption policy remain up-to-date, enabling them to better discover and meet consumers' and merchants' needs.

We have in place an employee handbook and a code of conduct approved by our management and have distributed them to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular training, as well as resources to explain the guidelines contained in the employee handbook.

We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our staff to report any bribery and corruption acts, and our staff can also make anonymous reports to our anti-fraud department. Our anti-fraud department is responsible for investigating the reported incidents and taking appropriate measures.

Audit Committee

We have established an audit committee to monitor the implementation of our risk management policies across our company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee and senior management on any issues identified. Our internal audit department members hold regular meetings with management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department reports to the audit committee to ensure that any major issues identified are channeled to the committee on a timely basis. The audit committee then discusses the issues and reports to the board of directors, if necessary.

AWARDS AND RECOGNITIONS

Award/Recognition	Award Authority	Award Year
Kantar BrandZ Chinese Global Brand Builders 2025	Kantar and Google	2025
2024 Top 500 Chinese New Economy Companies	China Enterprise Evaluation Association	2024
2025 Best Inventions	Time	2025
Redot Winner	Design Zentrum Nordrhein Westfalen	2024
IF Design Award	iF International Forum Design GmbH	2024
Good Design Award	Japan Institute of Design Promotion	2024
The 25th China Patent Award	China National Intellectual Property Administration and World Intellectual Property Organization	2024

OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [**REDACTED**], our Company was held as to 43.39% by Mr. Yang and 3.64% by Ms. He. Mr. Yang and Ms. He are parties acting in concert. Accordingly, Mr. Yang and Ms. He are our Controlling Shareholders before the [**REDACTED**].

Immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds), Mr. Yang and Ms. He will be entitled to control an aggregate of approximately [**REDACTED**]% of the voting rights in our Company and will remain as our Controlling Shareholders upon [**REDACTED**].

For details of the shareholding of our Company prior to and upon completion of the [**REDACTED**], see "History, Development and Corporate Structure" in this Document.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after [**REDACTED**], taking into consideration the factors below.

Management Independence

We are able to carry on our business independently from our Controlling Shareholders from a management perspective. Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors.

(a) each Director is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see "Directors and Senior Management" in this Document;

(c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review. Our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

(d) our Company is an A-share listed company and has established internal control mechanisms to identify related party transactions and connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. Where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Controlling Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Controlling Shareholders and their close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. For details, see the paragraph headed "— Corporate Governance" in this section.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates.

Operational Independence

We do not rely on the Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of the Controlling Shareholders and their close associates.

FINANCIAL INDEPENDENCE

Our Group has its own internal control, accounting, funding, reporting and financial management systems as well as an accounting and finance department. Moreover, our Group opens and manages bank accounts independently and has never shared any bank account with our Controlling Shareholders. Our Group has independent taxation registration and makes tax payments independently according to the applicable taxation laws and regulations. Our Group has never made any tax payment jointly with the Controlling Shareholders or any other entities controlled by them.

As of the Latest Practicable Date, our Group does not rely on our Controlling Shareholders and/or their close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, on one hand, none of the Controlling Shareholders or their close associates had provided any loans, guarantees or pledges to our Group and, on the other hand, our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders.

With reference to the prevailing conversion price, as of the Latest Practicable Date, the number of A Shares which may be issued to Mr. Yang upon conversion of the outstanding 2025 Convertible Bonds represent approximately [**REDACTED**]% of the total number of Shares upon the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans). For further details, see the paragraph headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Issuance of 2025 Convertible Bonds" in this Document. Mr. Yang's interests in the 2025 Convertible Bonds would not affect the financial independence of our Group given (i) the percentage level of his interests compared to the total number of Shares upon [**REDACTED**] is very low; (ii) the ability of our Group to obtain independent financing on comparable terms (for example, see Notes 26 and 34(b) to the Accountants' Report in Appendix I to this Document for information about our bank loans and management of liquidity risk); and (iii) the sufficiency of our liquid assets available to meet our

financial needs (see discussion on our current assets, including net current assets position, at "Financial Information — Discussion of Certain Key Items from our Consolidated Statements of Financial Position — Current Assets and Liabilities" in this Document).

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in the protection of our Shareholders' interests. We will adopt the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interest between our Group and the Controlling Shareholders:

(i) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their associates have a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(ii) our Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if our Company enters into connected transactions with a substantial shareholder or any of their associates, our Company will comply with the applicable Listing Rules;

(iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(iv) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(v) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its interim or annual reports or by way of announcements;

(vi) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expense; and

(vii) we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with 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 that may arise between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after [**REDACTED**].

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to relevant PRC laws and regulations.

The following table sets out information in respect of the Directors.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Roles and Responsibilities
Executive Directors					
Mr. Yang Meng (陽萌)	44	Executive Director and chairman of the Board	December 2011	September 21, 2015	Managing the overall strategic planning and directing the business development of our Group
Mr. Zhao Dongping (趙東平)	49	Executive Director and president	January 2012	May 12, 2016	Managing the overall operations of our Group
Mr. Zhu Fanghao (祝芳浩)	51	Executive Director	November 2016	May 27, 2021	Managing the operations of the smart home business
Mr. Xiong Kang (熊康)	45	Executive Director	June 2022	July 3, 2023	Managing the operations of the smart charging and power storage business
Non-executive Directors					
Mr. Zhang Shanfeng (張山峰)	44	Non-executive Director	August 2014	May 12, 2016	Overseeing our Group's management and providing advice on strategic development
Mr. Lian Meng (連萌)	46	Non-executive Director	April 2017	April 11, 2017	Overseeing our Group's management and providing advice on strategic development
Independent Non-executive Directors					
Mr. Li Congliang (李聰亮)	49	Independent non-executive Director	January 2024	January 25, 2024	Providing independent opinion and judgment to the Board
Ms. Yi Xuan (易玄)	52	Independent non-executive Director	January 2024	January 25, 2024	Providing independent opinion and judgment to the Board
Mr. Han Xi (韓曦)	49	Independent non-executive Director	May 2025	May 23, 2025	Providing independent opinion and judgment to the Board

Executive Directors

Mr. Yang Meng (陽萌), aged 44, founded our Group in December 2011, serving as our chief executive officer until our conversion into a joint stock limited liability company in May 2016. He was appointed as a Director on September 21, 2015 and chairman of our Board on May 12, 2016,

and re-designated as an executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Yang is primarily responsible for managing the overall strategic planning and directing the business development of our Group.

Prior to founding our Group, Mr. Yang worked as a senior software engineer at Alphabet Inc. (then known as Google Inc., a company listed on the Nasdaq Global Select Market (stock ticker: GOOG) ("**Google**")) from 2005 to 2011.

Mr. Yang obtained his bachelor's degree of science from Peking University (北京大學) in the PRC in July 2003 and his master's degree in computer science from the University of Texas at Austin in the United States.

Mr. Zhao Dongping (趙東平), aged 49, joined our Group in January 2012, serving as the president of our Company until our conversion into a joint stock limited liability company in May 2016. He was appointed as a Director and the president of our Company on May 12, 2016, and re-designated as an executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Zhao is primarily responsible for managing the overall operations of our Group.

Prior to joining our Group, Mr. Zhao has worked as a sales director and senior sales manager at Dell China Co., Ltd. (戴爾(中國)有限公司) ("**Dell China**"), and as the head of online sales and operations in Greater China at Google Information Technology (China) Co., Ltd. (谷歌信息技術(中國)有限公司) ("**Google China**"), a subsidiary of Google. He has served as an independent director of Darry Ring Co., Ltd. (迪阿股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301177), since January 2026.

Mr. Zhao obtained his bachelor's degree with a major in systems engineering and a minor in English from Tianjin University (天津大學) in the PRC in June 1999 and his master's degree of science in finance from the London Business School in the United Kingdom in September 2003.

Mr. Zhu Fanghao (祝芳浩), aged 51, joined our Group in November 2016 as the president of Oceanwing Smart Innovation, our subsidiary. He was appointed as a Director on May 27, 2021, and re-designated as an executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Zhu is primarily responsible for managing the operations of the smart home business.

Prior to joining our Group, Mr. Zhu worked at Coolpad Group Limited (酷派集團有限公司) (then known as Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. (宇龍計算機通信科技(深圳)有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2369)), from June 2000 to October 2016. There, he worked in various roles including as the president of 360 Mobile and the president of the Internet and e-commerce division of Coolpad.

Mr. Zhu obtained his bachelor's and master's degrees in engineering from the Lanzhou University of Technology (蘭州理工大學) in the PRC, in June 1997 and June 2000, respectively.

Mr. Xiong Kang (熊康), aged 45, joined our Group in June 2022 as the general manager of the charging business unit of our Company. He was appointed as a Director on July 3, 2023, and re-designated as an executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Xiong is primarily responsible for managing the operations of the smart charging and power storage business.

Prior to joining our Group, Mr. Xiong worked at Huawei Technologies Co., Ltd. (華為技術有限公司) for many years and served in successive roles including vice president of the Western Europe division, director of the transformation project office (變革項目辦公室), and the head of the corporate structure and process management department (企業架構與流程管理部).

Mr. Xiong obtained his bachelor's degree of engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2001.

Non-executive Directors

Mr. Zhang Shanfeng (張山峰), aged 44, joined our Group in August 2014, serving as the vice general manager of our Company until July 2025. He was appointed as a Director on May 12, 2016, elected as our employee representative Director on June 30, 2025 with effect from July 16, 2025, and re-designated as a non-executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Zhang is primarily responsible for overseeing our Group's management and providing advice on strategic development.

Prior to joining our Group, Mr. Zhang worked as a regional channel specialist at TCL Computer Technology Co., Ltd. (TCL電腦科技有限公司) from July 2005 to March 2006, as a sales supervisor at Dell China from April 2006 to January 2010, and consecutively as a sales manager, head of the Greater China Region and head of the Greater China and South Korea Region at Google China from January 2010 to August 2014.

Mr. Zhang obtained his bachelor's degree in management from Northwest University (西北大學) in the PRC in July 2005, his master's degree in business administration from Peking University (北京大學) in the PRC in July 2014, his executive master's degree in business administration from Northwestern University in the United States and The Hong Kong University of Science and Technology in December 2019.

Mr. Lian Meng (連萌), aged 46, was appointed as a Director on April 11, 2017, and re-designated as a non-executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Lian is primarily responsible for overseeing our Group's management and providing advice on strategic development.

Mr. Lian previously held various management positions at New Oriental Education & Technology Group Inc. (新東方教育科技(集團)有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 9901) and New York Stock Exchange (stock ticker: EDU). He consecutively served as an investment manager at Iqi Entrepreneurship Management Consulting (Beijing) Co., Ltd. (愛奇創業投資管理(北京)有限公司), an investment manager at IDG Capital Investment Advisory (Beijing) Co., Ltd. (IDG資本投資顧問(北京)有限公司), the managing director at Iqi Entrepreneurship Management Consulting (Shenzhen) Co., Ltd. (愛奇創業投資管理(深圳)有限公司), and a partner of Zhuhai Hexie Zhuorui Private Equity Fund Management Co., Ltd. (珠海和諧卓睿私募基金管理有限公司) from June 2008 to October 2020. He has served as the partner, manager and executive director of Tianjin Chenhui Private Equity Fund Management Co., Ltd. (天津宸輝私募基金管理有限公司) since November 2020.

Mr. Lian obtained his bachelor's degree in law from Jinan University (暨南大學) in the PRC in June 2001 and his master's degree in business administration from the Hong Kong University of Science and Technology in November 2007.

Independent Non-executive Directors

Mr. Li Congliang (李聰亮), aged 49, was appointed as an independent Director on January 25, 2024 and re-designated as an independent non-executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Li is primarily responsible for providing his independent opinion and judgment to the Board.

Mr. Li has served as a general manager of Beijing Nanshan Qianyi Investment Management Co., Ltd. (北京南山謙益投資管理有限公司) since October 2018. He previously worked as a consultant at McKinsey & Company, as a director of General Atlantic, and as a managing director at Hillhouse Capital.

Mr. Li obtained his bachelor's degree of engineering and his master's degree of engineering, both from Shanghai Jiao Tong University (上海交通大學) in the PRC, in June 2000 and March 2003, respectively, and his master's degree of business administration from Wharton School at the University of Pennsylvania in United States in August 2010.

Ms. Yi Xuan (易玄), aged 52, was appointed as an independent Director on January 25, 2024 and re-designated as an independent non-executive Director on November 10, 2025 with effect from the [**REDACTED**]. Ms. Yi is primarily responsible for providing her independent opinion and judgment to the Board.

Ms. Yi has worked as the program director of the Master of Professional Accounting Program at Central South University (中南大學), a position she continues to occupy as of today. She has worked as an associate professor of accounting at the Business School of Central South University (中南大學) since September 2012, and as a managing council member of the Hunan Risk Management Research Association (湖南省風險管理研究會) since December 2022. She has served as an independent director and the chairperson of the audit committee of Bichamp Cutting Technology (Hunan) Co., Ltd. (湖南泰嘉新材料科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002843) since December 2023, and as an independent director of Hunan Neptune Pump Co., Ltd. (湖南耐普泵業股份有限公司) since May 2024.

Ms. Yi has accumulated extensive experience in accounting and financial management. In particular, her experience as the chairperson of the audit committee of our Company and Bichamp Cutting Technology (Hunan) Co., Ltd. has allowed her to be involved in and responsible for overseeing internal controls and audit-related matters of listed companies. Additionally, Ms. Yi has over a decade of experience in teaching accounting at the Business School of Central South University in the PRC. Taking into account all of the above, our Company believes, and the Joint Sponsors concur, that Ms. Yi has the appropriate accounting and related financial management expertise under Rule 3.10(2) of the Listing Rules.

Ms. Yi obtained her bachelor's degree of economics from Zhejiang Gongshang University (浙江工商大學) (formerly Hangzhou College of Commerce (杭州商學院)) in the PRC in July 1996, and her master's degree and doctorate degree in management from Central South University (中南大學) in the PRC in December 2003 and December 2010, respectively.

Mr. Han Xi (韓曦), aged 49, was appointed as an independent Director on May 23, 2025, and re-designated as an independent non-executive Director on November 10, 2025 with effect from the [**REDACTED**]. Mr. Han is primarily responsible for providing his independent opinion and judgment to the Board.

Mr. Han has worked at the MOFCOM until June 2016, and as the general manager of the public affairs department at Zhejiang Cainiao Supply Chain Management Co., Ltd. (浙江菜鳥供應鏈管理有限公司) and the legal representative and manager of Cainiao Xiong'an Network Technology Co., Ltd. (菜鳥雄安網絡科技有限公司) from June 2016 to March 2025. He has served as a senior director of the public affairs department at Alibaba (China) Co., Ltd. (阿里巴巴(中國)有限公司) since April 2025.

Mr. Han obtained his bachelor's degree of engineering from Tianjin University (天津大學) in the PRC in July 1999 and his master's degree of economics from the Chinese Academy of Social Sciences (中國社會科學院) in the PRC in July 2002.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as Senior Management	Roles and Responsibilities
Mr. Zhao Dongping (趙東平)	49	Executive Director and president	January 2012	May 12, 2016	Managing the overall operations of our Group

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as Senior Management	Roles and Responsibilities
Mr. Yang Fan (楊帆)	39	Head of Finance	December 2020	February 19, 2021	Overseeing the financial management of our Group
Ms. Peng Wenting (彭文婷)	35	Board secretary	August 2025	August 27, 2025	Overseeing information disclosure, corporate governance and investor relations of our Group

Mr. Zhao Dongping (趙東平), aged 49, is an executive Director and the president of the Company. Please refer to "— Board of Directors — Executive Directors" in this section for his biographical details.

Mr. Yang Fan (楊帆), aged 39, joined our Group in December 2020 and has served as our Head of Finance since February 2021. Mr. Yang is primarily responsible for overseeing the financial management of our Group.

Prior to joining our Group, Mr. Yang worked as a senior manager at Shenzhen Qianhai PwC Business Advisory Services Limited (深圳前海普華永道商務諮詢服務有限公司) from May 2015 to November 2020.

Mr. Yang obtained his bachelor's degree in economics from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in July 2010 and his master's degree in business administration from the Hong Kong University of Science and Technology in October 2023. He obtained his qualification as a Certified Public Accountant in September 2015.

Ms. Peng Wenting (彭文婷), aged 35, joined our Group in August 2025 as our Board secretary. Ms. Peng is primarily responsible for overseeing information disclosure, corporate governance and investor relations of our Group.

Prior to joining our Group, Ms. Peng worked as an executive director of the investment banking division at China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995), from July 2016 to August 2025.

Ms. Peng obtained her bachelor's degree in public finance from the Renmin University of China (中國人民大學) in June 2013, and her master's degree in finance from Peking University (北京大學) in the PRC in July 2016.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she does not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business, which would require disclosure under Rule 8.10 of the Listing Rules.

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 in November 2025, and (ii) understands his or her obligations as a director of a [**REDACTED**] 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 or her appointment.

GENERAL

None of our Directors or senior management are related to other Directors or senior management of our Company.

Save as disclosed above, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there is 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.

JOINT COMPANY SECRETARIES

Ms. Peng Wenting (彭文婷) was appointed as our joint company secretary in November 2025 with effect from the [**REDACTED**]. Please refer to "— Senior Management" in this section for her biographical details.

Ms. Cheung Wing Sum (張穎沁) was appointed as our joint company secretary in [June] 2026 with effect from the [**REDACTED**]. Ms. Cheung brings over 4 years of expertise in company secretarial services and corporate governance matters, including extensive involvement in compliance, board and committee support, and a broad range of regulatory and governance matters for listed companies in Hong Kong. She is currently part of Computershare Hong Kong Investor Services Limited.

Ms. Cheung obtained her master's degree in corporate governance and compliance from Hong Kong Baptist University in July 2023. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Yi Xuan (易玄), Mr. Li Congliang (李聰亮) and Mr. Han Xi (韓曦). Ms. Yi Xuan (易玄) has the accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules and serves as

the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, reviewing the Company's financial information and its disclosure, and monitoring and evaluating internal and external audit work and internal controls.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Li Congliang (李聰亮), Mr. Zhang Shanfeng (張山峰) and Ms. Yi Xuan (易玄). Mr. Li Congliang (李聰亮) serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, formulating evaluation standards for our Directors and senior management of the Company, implementation of measures in response to such evaluation, and formulating and reviewing the remuneration policies and plans for Directors and senior management of the Company.

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 Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. Han Xi (韓曦), Mr. Yang Meng (陽萌) and Ms. Yi Xuan (易玄). Mr. Han Xi (韓曦) serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, developing standards and procedures for the election of our Directors and senior management of the Company, and selecting and examining the qualifications of the candidates for our Directors and senior management of the Company.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The Strategy Committee consists of three Directors, namely Mr. Yang Meng (陽萌), Mr. Zhao Dongping (趙東平) and Mr. Han Xi (韓曦). Mr. Yang Meng (陽萌) serves as the chairperson of the Strategy Committee. The primary duties of the Strategy Committee include, but are not limited to, conducting research and making recommendations on our Company's long-term development plans, business strategies and objectives, and major strategic investment and financing proposals.

REMUNERATION

Our Directors receive their remuneration in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement scheme contributions and other benefits in kind.

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to RMB19.6 million, RMB28.0 million and RMB27.9 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB22.0 million.

For the years ended December 31, 2023, 2024 and 2025, there were two, two and two Directors among the five highest paid individuals, respectively. The total emolument for the remaining individuals among the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 were RMB11.4 million, RMB13.0 million and RMB16.3 million, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company expects to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [**REDACTED**].

BOARD AND WORKPLACE DIVERSITY POLICY

We are committed to promoting a culture of diversity in the Company. In order to maintain a robust corporate governance structure and to achieve sustainable and balanced corporate development, we have adopted a board and workplace diversity policy (the "**Diversity Policy**") which sets out the objectives for and approaches to achieving and maintaining diversity at the Company.

Pursuant to the Diversity Policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, age, cultural and educational background, and professional experience. The ultimate decision of each appointment will be based on merit and the contribution which the selected candidates are expected to bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to depth of experience in the areas of computer science, business administration, financial investment, sales and operations, and accounting. We have three independent non-executive Directors with different industry backgrounds, with solid professional experiences in the fields of accounting and investment management, and representing one-third of the members of our Board.

Our Company has evaluated the structure, size and composition of our Board, taking into account the skills matrix of Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors will enable our Company to maintain a high standard of operations. This is evidenced by the fact that our Directors range in age from 44 to 52 years old, and our Board comprises one female Director and eight male Directors. Taking into account our existing business model and specific needs, as well as the different backgrounds of our Directors, the composition of our Board satisfies our Diversity Policy. Our Nomination Committee is responsible for ensuring the diversity of our Board, and will continue to be responsible for the same after the [**REDACTED**].

Apart from diversity within our Board, we recognize the importance of gender diversity, which we have taken, and will continue to take, steps to promote at all levels of our Company, including at the Board, senior management and workforce (excluding senior management) level. 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 meetings. 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. Our Group will continue to emphasize training of female talent and provide long-term development opportunities for our female staff, including but not limited to involvement in our business operations, management, accounting and finance, and legal and compliance functions.

We are dedicated to further promoting age diversity and nurturing young talents. Our non-Director senior management members, being our Head of Finance and Board secretary, are aged 38 and 35, respectively, and have been closely involved in the management of our Company, performing leadership roles and providing adequate support to the Board. We are also committed to various recruitment and training programs targeted at nurturing the next generation of talents, with examples such as implementing an annual campus recruitment program for fresh graduates from top universities to form a team of recent young hires to lead and drive an entire product development project under supervision.

Going forward, in accordance with the Diversity Policy, we will not have any single gender Board, we will ensure that a female Director serves on the Nomination Committee at all times, and we will continue to work to enhance gender diversity when selecting and recommending suitable candidates across the Board, senior management and workforce (excluding senior management) levels. We will strive to enhance female representation within the Company and will maintain a non-single gender Board at all times with reference to stakeholders' expectations and international standards and best practices. In particular, we aim to develop a pipeline of female employees from the workforce to reach senior management level and become potential successors to the Board by implementing comprehensive programs aimed at identifying and training our female employees who display leadership and potential, and ensuring that our female management members have equal opportunities to develop and perform so as to be equipped to step up as a member of our Board.

After the [**REDACTED**], our Nomination Committee will, among its other duties, review the Diversity Policy and its implementation from time to time to ensure its continued effectiveness, and we will disclose the Diversity Policy or a summary thereof in the corporate governance report of the Company on an annual basis.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our compliance adviser (the "**Compliance Adviser**") pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and
- where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [**REDACTED**] of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the Compliance Adviser's appointment will commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds, and assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], the following persons will have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the completion of the [REDACTED]		
Name of Shareholder	**Nature of interest**	**Description of Shares**	**Number of Shares[(1)]**	**Approximate percentage of shareholding in our Company[(2)]**	**Number of Shares[(1)]**	**Approximate percentage of shareholding in our A Shares[(3)]**	**Approximate percentage of shareholding in our Company[(3)]**
Mr. Yang Meng[(4)] . .	Beneficial owner	A Shares	232,666,200	43.39%	232,666,200	43.39%	[REDACTED]%
	Interest in controlled corporations[(5)]	A Shares	766,908	0.14%	766,908	0.14%	[REDACTED]%
Mr. Zhao Dongping .	Beneficial owner	A Shares	63,310,000	11.81%	63,310,000	11.81%	[REDACTED]%
	Interest in controlled corporation[(6)]	A Shares	2,033,245	0.38%	2,033,245	0.38%	[REDACTED]%

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of 536,276,362 A Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of 536,276,362 A Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] since [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**], assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds.

(4) Mr. Yang is acting in concert with Ms. He, who holds 19,535,100 A Shares representing approximately 3.64% of the shareholding in our Company as of the Latest Practicable Date.

(5) Mr. Yang is a limited partner of each of Changsha Yuanxiu Enterprise Management Consulting Partnership (L.P.) (長沙遠修企業管理諮詢合夥企業(有限合夥)) ("**Yuanxiu Consulting**") and Changsha Yuanqing Enterprise Management Consulting Partnership (L.P.) (長沙遠清企業管理諮詢合夥企業(有限合夥)) ("**Yuanqing Consulting**"), holding 84.06% and 99.99% partnership interests therein respectively. As such, Mr. Yang is deemed to be interested in the 649,896 and 117,012 Shares held by Yuanxiu Consulting and Yuanqing Consulting respectively by virtue of the SFO. Nevertheless, the general partner of Yuanxiu Consulting and Yuanqing Consulting exercises sole discretion and control over the voting rights in Yuanxiu Consulting and Yuanqing Consulting respectively, and Mr. Yang as a limited partner does not take part in the management or control of Yuanxiu Consulting and Yuanqing Consulting.

(6) Mr. Zhao is a limited partner of Tianjin Haiyi Yuanjian Management Consulting Partnership (L.P.) (天津市海翼遠見管理諮詢合夥企業(有限合夥)) ("**Haiyi Yuanjian**"), holding 82.86% partnership interests therein. As such, Mr. Zhao is deemed to be interested in the 2,033,245 Shares held by Haiyi Yuanjian by virtue of the SFO. Nevertheless, the general partner of Haiyi Yuanjian exercises sole discretion and control over the voting rights in Haiyi Yuanjian, and Mr. Zhao as a limited partner does not take part in the management or control of Haiyi Yuanjian.

For those who are directly and/or indirectly interested in 10% or more of the issued voting shares of any other members of our Group, see "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Interests of the substantial shareholders in other members of our Group" in Appendix IV to this Document.

This section presents certain information regarding our share capital before and upon completion of the [**REDACTED**].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB536,276,362, comprising 536,276,362 A Shares of nominal value RMB1.00 each, all of which are listed on the ChiNext Market of the Shenzhen Stock Exchange.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**], assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	536,276,362	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

Immediately following completion of the [**REDACTED**], assuming that the [**REDACTED**] and the [**REDACTED**] are fully exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	536,276,362	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

OUR SHARES

Upon completion of the [**REDACTED**], the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional [**REDACTED**] in the PRC, the qualified PRC [**REDACTED**] under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or [**REDACTED**] between [**REDACTED**] of the PRC.

The Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of the Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and [**REDACTED**] by [**REDACTED**] in the PRC in accordance with the rules and limits of the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the market [**REDACTED**] of our A Shares and H Shares may be different after the [**REDACTED**]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies [**REDACTED**] in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our A Shareholders to issue H Shares and seek the [**REDACTED**] of the H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the Shareholders' meeting of our Company held on November 27, 2025 and is subject to the following conditions:

(i) Size of the [**REDACTED**]: the proposed number of H Shares to be [**REDACTED**] initially shall not exceed [**REDACTED**]% of the total issued share capital as enlarged by the H Shares to be issued pursuant to the [**REDACTED**] (before the exercise of the [**REDACTED**] and the [**REDACTED**]). The number of H Shares to be issued pursuant to the full exercise of the [**REDACTED**] and the [**REDACTED**] shall not exceed [**REDACTED**]% of the total number of H Shares to be [**REDACTED**] initially under the [**REDACTED**].

(ii) Method of [**REDACTED**]: the method of [**REDACTED**] shall be by way of a [**REDACTED**] for [**REDACTED**] in Hong Kong and an [**REDACTED**] to institutional and professional [**REDACTED**].

(iii) Target [**REDACTED**]: the H Shares shall be issued to Hong Kong [**REDACTED**], other overseas [**REDACTED**] who meet the relevant requirements, qualified domestic [**REDACTED**] eligible to [**REDACTED**] in [**REDACTED**] according to the laws and regulations of the PRC and other [**REDACTED**] who comply with the relevant regulatory requirements.

(iv) [**REDACTED**]: the [**REDACTED**] of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of [**REDACTED**] and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) Validity Period: the [**REDACTED**] and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on November 27, 2025.

There is no other approved [**REDACTED**] plan for any other Shares except for the [**REDACTED**].

SHAREHOLDERS' GENERAL MEETING

See "Appendix III — Summary of the Articles of Association" for details of circumstances under which our general Shareholders' meetings are required.

You should read the following discussion and analysis in conjunction with our consolidated financial statements and the accompanying notes included in the Accountants' Report set forth in Appendix I to this Document. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties, over which we do not have control. In evaluating our business, you should carefully consider all of the information, including, but not limited to, that set forth under "Risk Factors," "Forward-Looking Statements" and provided elsewhere in this Document. For the purpose of this section, unless the context otherwise requires, references to 2023, 2024, 2025 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are primarily engaged in the design and development of consumer electronics in the global smart devices industry, delivering reliable products and user-centric experiences to consumers worldwide. Since our founding in 2011, we have grown from the Anker brand and steadily expanded our product portfolio across smart charging and power storage, smart home, and smart audio and video. We hold solid global market shares in several key segments, including mobile charging, power storage, smart home security and wireless headphones. Specifically, according to Frost & Sullivan, globally by revenue from 2020 to 2024, we ranked second in the mobile charging products sector, and have been the largest independent mobile charging brand. In 2025, we ranked first globally in the mobile charging products sector by revenue. Driven by our globalization strategy, we continue to expand our business footprint, with our products sold in more than 180 countries and regions worldwide. As of December 31, 2025, we had served over 200 million users globally.

Our strong operational execution has underpinned our strong financial results. During the Track Record Period, both revenue and profitability delivered strong growth. Total revenue increased from RMB17.5 billion in 2023 to RMB30.5 billion in 2025, representing a CAGR of 32.0%. Our gross profit grew from RMB7.5 billion in 2023 to RMB13.4 billion in 2025, with a CAGR of 33.7%. In addition to scaling rapidly, we continued to enhance profitability, with overall gross profit margin rising from 42.7% in 2023 to 43.9% in 2025.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards, which comprise all standards and interpretations approved by International Accounting Standards Board ("**IASB**"). For the purpose of preparing this historical financial information, we have adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2025. The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value: other financial assets, derivative financial instruments and other financial liabilities. Further details of the material accounting policy information adopted are set out in Note 2 of the Accountants' Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are subject to general factors affecting the smart devices industry in the jurisdictions in which we operate, including macroeconomic developments; evolving consumption patterns and habits in the PRC and globally; the continued growth and changing competitive landscape of the smart devices industry; international trade policies, geopolitics and trade protection measures, export controls and economic or trade sanctions; as well as force majeure events, public health outbreaks, acts of war, social or economic instability and natural disasters. In addition to these general factors listed above, the following specific factors have a more direct impact on our business, results of operations, and financial conditions.

Our Ability in Product Development in Terms of Technology Innovation and Capturing Users' Needs

Our capacity to effectively navigate the evolving dynamics of the smart devices and respond to intensifying market competition is fundamentally critical to our sustained operational performance and competitive positioning. We closely monitor global trends in smart devices technologies. Leveraging our experienced, international, and highly skilled R&D team, we are building on our existing product technologies to drive continuous innovation. We systematically analyze user feedback by utilizing various data-analytics tools to accurately capture users' needs, which helps improve features of existing products and identify new product opportunities to address unmet user demands.

In 2023, 2024 and 2025, our research and development expenses amounted to RMB1,413.9 million, RMB2,108.4 million, and RMB2,892.8 million, respectively. By concentrating on building our own brand, maintaining and expanding market share, and consistently providing differentiated user experiences, we aim to effectively address the challenges posed by changes in the smart devices industry and intensified market competition.

Our Ability to Leverage the Omni-channel Strategy to Market Our Diversified Product Categories

We have established an omni-channel system to deliver our products to customers worldwide, including a broad network of third-party e-commerce platforms, our official websites, third-party retailers and distributor partnerships and self-owned offline retail stores. To strengthen our direct engagement with global customers, we continue to invest in our official websites and self-owned offline retail stores, enhancing our autonomy in brand management and user engagement. In 2023, 2024 and 2025, our selling and distribution expenses amounted to RMB3,886.6 million, RMB5,569.8 million, and RMB6,826.8 million, respectively.

Our Ability to Further Penetrate in PRC and Overseas Market

Global expansion has been, and is expected to remain, a key driver of our revenue growth. We plan to sustain and expand our market share by implementing targeted marketing initiatives, broadening our sales and distribution channels, and maintaining an efficient supply chain. As of December 31, 2025, our products have reached across more than 180 countries and regions. We have also generated significant revenue from overseas markets (i.e. markets outside of Chinese mainland), which amounted to RMB16,869.2 million, RMB23,825.1 million, and RMB29,482.8 million in 2023, 2024, and 2025, respectively. Building on this proven success, we intend to further deepen our presence in both PRC and overseas markets to capture significant growth opportunities.

Our Ability to Control Costs and Improve Operational Efficiency

Our abilities to manage costs and operating expenses have a profound impact on our results of operations. Our cost of sales amounted to RMB10,026.8 million, RMB14,065.3 million, and RMB17,128.0 million in 2023, 2024 and 2025, respectively, accounting for 57.3%, 56.9%, and 56.1% of our total revenue in the respective years. This cost structure reflects our ongoing efforts to optimize procurement, streamline logistics operations, and enhance supply chain efficiency across different sales channels. The improving cost-to-revenue ratio demonstrates our ability to maintain competitive pricing while controlling direct product costs, a critical factor in sustaining profitability in the smart devices industry. We remain committed to further improving operational efficiency through technology-driven process enhancements and strategic supply chain management to support long-term margin expansion.

Our Ability to Manage Risks of Foreign Exchange Rate Fluctuations

Due to the global presence of our business, our results of operations are affected by foreign exchange rate movements, both on a translational and transactional basis. Our overseas sales primarily settle transactions in U.S. dollars, British pounds, Euros, and Japanese yen, while finished product procurement utilizes both U.S. dollar and Renminbi settlement modes. The Company's overseas operations are measured in currencies other than Renminbi and are then translated into Renminbi for presentation of its financial results in the consolidated financial statements. Consequently, significant and frequent fluctuations in foreign exchange rates may adversely affect our financial performance, primarily by influencing the price competitiveness of exported products and the cost of product procurement.

To mitigate the effects of currency volatility, we will continuously enhance analysis and research on exchange rate movements, proactively manage foreign exchange risks, and select appropriate currencies for pricing, balancing foreign currency receipts and payments, and employing comprehensive measures such as foreign exchange hedging to reduce the uncertainty of exchange rate fluctuations on business performance. We will also actively expand our overseas market presence through localized operations while maintaining domestic market penetration, aiming to reduce reliance on cross-border settlements. This dual approach will mitigate foreign exchange rate volatility risks and enhance financial resilience.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

Some of our accounting policies require us to apply estimates, assumptions, and complex judgments related to accounting items. These estimates, assumptions, and judgments have a significant impact on our financial position and results of operations. Our management continuously evaluates such estimates, assumptions, and judgments based on past experience, industry practices, and expectations of future events that are deemed reasonable under the circumstances. During the Track Record Period, there had not been any material deviation from our management's estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Our material accounting policy information, estimates and judgments, which are important for understanding our financial condition and results of operations, are set forth in further detail in Note 2 and Note 3 to the Accountants' Report included in Appendix I to this Document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth key items of our consolidated statements of profit or loss and other comprehensive income, in absolute amounts, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Revenue	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**
Cost of sales	(10,026,828)	(57.3)	(14,065,293)	(56.9)	(17,127,972)	(56.1)
Gross profit	**7,480,375**	**42.7**	**10,644,787**	**43.1**	**13,386,431**	**43.9**
Other income and losses, net	319,219	1.8	365,063	1.5	575,314	1.9
Research and development expenses	(1,413,867)	(8.1)	(2,108,445)	(8.5)	(2,892,785)	(9.5)
Selling and distribution expenses	(3,886,613)	(22.2)	(5,569,791)	(22.5)	(6,826,803)	(22.4)
General and administrative expenses	(658,897)	(3.8)	(984,217)	(4.0)	(1,246,690)	(4.1)
Impairment loss on trade and other receivables	(32,853)	(0.2)	(6,909)	(0.0)	(46,017)	(0.2)
Operating profit	**1,807,364**	**10.3**	**2,340,488**	**9.5**	**2,949,450**	**9.7**
Finance costs	(26,687)	(0.2)	(27,760)	(0.1)	(52,051)	(0.2)
Share of profits of associates	31,835	0.2	35,621	0.1	25,075	0.1
Profits before taxation	**1,812,512**	**10.4**	**2,348,349**	**9.5**	**2,922,474**	**9.6**
Income tax	(118,573)	(0.7)	(137,225)	(0.6)	(305,280)	(1.0)
Profit for the year	**1,693,939**	**9.7**	**2,211,124**	**8.9**	**2,617,194**	**8.6**
Equity shareholders of the Company	1,614,872	9.2	2,114,430	8.6	2,545,132	8.3
Non-controlling interests	79,067	0.5	96,694	0.4	72,062	0.2

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

By Types of Products and Services

During the Track Record Period, we generated revenue mainly from sales of smart devices. The following table sets forth the breakdown of our revenue in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Smart charging and power storage	8,603,582	49.1	12,667,007	51.3	15,401,753	50.5
Smart home	4,541,291	25.9	6,336,477	25.6	8,271,292	27.1
Smart audio and video	4,285,272	24.5	5,692,427	23.0	6,833,491	22.4
Others*	76,147	0.4	14,169	0.1	7,867	0.0
Subtotal	**17,506,292**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**
Gross rentals from investment property	911	0.0	–	–	–	–
Total	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**

Note:

* In 2023, others primarily include agency services, which included managing online store operations for third-parties, and the subsidiary responsible for providing agency services was divested in 2023. Since 2024, others primarily include revenue generated from certain accessories that were previously not categorized into our major product lines.

By Geographical Market

The following table sets forth a breakdown of our total revenue by geographical market in absolute amounts and as a percentage of total revenue for the years indicated:

	For the year ended 31 December					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
North America[1]	8,370,483	47.8	11,881,100	48.1	14,132,565	46.3
United States	7,755,713	44.3	10,958,796	44.3	13,061,310	42.8
Europe[2]	3,679,519	21.0	5,680,850	23.0	8,151,055	26.7
PRC	637,954	3.6	884,935	3.6	1,031,569	3.4
Rest of the world	4,819,247	27.5	6,263,195	25.3	7,199,214	23.6
Japan	2,486,766	14.2	3,440,320	13.9	3,969,686	13.0
Middle East[3]	907,792	5.2	1,115,580	4.5	1,179,834	3.9
Total	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**

Notes:

(1) Primarily includes the markets in the U.S., Canada and Mexico.

(2) Primarily includes the markets in Germany, the United Kingdom and the Netherlands.

(3) Primarily includes the markets in the UAE, Saudi Arabia and Egypt.

By Gross Profit Margins

The following table sets forth the breakdown of our revenue by products falling within the respective gross profit margin bands for the periods indicated.

	For the year ended 31 December					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Premium Offerings[1]	5,411,987	30.9	8,320,008	33.7	11,822,960	38.7
Mainstream Offerings[2]	7,497,783	42.8	10,693,428	43.3	12,394,026	40.6
Entry-level Offerings[3]	4,597,433	26.3	5,696,645	23.1	6,297,418	20.6
Total	**17,507,203**	**100.0**	**24,710,080**	**100.0**	**30,514,403**	**100.0**

Notes:

(1) The premium offerings consist of products with gross profit margins exceeding 50%. Our premium offerings generally generate higher gross profit margins as they are designed to target customers who seek more comprehensive and advanced features and functionality, typically incorporating advanced technologies, enhanced product performance and differentiated industrial design, which enhance their value proposition.

(2) The mainstream offerings consist of products with gross profit margins between 40% to 50%.

(3) The entry-level offerings consist of products with gross profit margins below 40%.

Sales Volume and Average Selling Price by Product Category

The following table sets forth a breakdown of the sales volume and average selling price by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Volume	Average selling price	Volume	Average selling price	Volume	Average selling price
	thousands	*RMB*	*thousands*	*RMB*	*thousands*	*RMB*
Smart charging and power storage	62,226	138.3	83,152	152.3	93,521	164.7
Smart home	6,917	656.5	9,639	657.4	10,778	767.5
Smart audio and video	14,179	302.2	23,258	244.7	27,588	247.7
Total	**83,322**	**209.2**	**116,049**	**212.8**	**131,887**	**231.3**

Cost of Sales

The following table sets out a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, for the years indicated. During the Track Record Period, the sustained increase in cost of sales was primarily driven by higher sales volume.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Cost of purchased goods	7,902,590	78.8	10,909,514	77.6	13,178,969	76.9
Transportation cost and others [(1)]	1,982,669	19.8	3,008,890	21.4	3,584,006	20.9
Write-down of inventories and return assets	141,569	1.4	146,889	1.0	364,997	2.1
Total	**10,026,828**	**100.0**	**14,065,293**	**100.0**	**17,127,972**	**100.0**

Note:

(1) Others primarily include corresponding tariffs, order fulfillment and operational handling costs as well as inventory write-offs arising from obsolescence or damages.

Gross Profit and Gross Profit Margin

Gross profit is calculated as total revenue minus cost of sales. The ratio of gross profit to total revenue is referred to as the gross profit margin, representing our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit and gross profit margin for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
		%		%		%
	(RMB in thousands, except for percentages)					
Smart charging and power storage	3,557,514	41.3	5,179,550	40.9	6,134,123	39.8
Smart home	2,064,236	45.5	2,903,391	45.8	3,941,304	47.7
Smart audio and video	1,849,450	43.2	2,551,537	44.8	3,304,427	48.4
Others	9,161	12.0	10,309	72.8	6,577	83.6
Subtotal	7,480,361	42.7	10,644,787	43.1	13,386,431	43.9
Gross rentals from investment property	14	1.5	–	–	–	–
Total	**7,480,375**	**42.7**	**10,644,787**	**43.1**	**13,386,431**	**43.9**

The increase in our gross profit margin during the Track Record Period was primarily driven by the continuous launch of new products as well as product iterations with higher gross profit margins, and enhanced cost control measures that resulted in margin improvement. For instance, the gross profit margin of smart home products and smart audio and video products are improving during the Track Record Period. Specifically, the increase in the gross profit margin of our smart home products from 45.8% in 2024 to 47.7% in 2025 was primarily driven by the stronger sales contribution from certain higher-margin products, for instance our eufy Robot Vacuum Omni C20, and SoloCam S340 in the home security category, each of which recorded gross profit margins of over 50% in 2025. In addition, the gross profit margin of our smart audio and video products increased from 44.8% in 2024 to 48.4% in 2025, mainly attributable to the increased revenue contribution from higher-margin products, including Soundcore P30i, Space One, and Liberty series headphones, each of which recorded gross profit margins of over 50% in 2025.

Other Income and Losses, Net

The following table sets forth the breakdown of our other income and losses, net for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Dividend income from equity investments	3,782	1.2	7,403	2.0	3,843	0.7
Fair value change of other financial assets	220,431	69.1	237,299	65.0	386,396	67.2
(Losses)/gains on disposal of a subsidiary and interests in associates	(1,051)	(0.3)	3,055	0.8	–	–
Impairment loss of interests in associates	–	–	(1,524)	(0.4)	–	–
Interest income	34,743	10.9	44,818	12.3	41,627	7.2
Net exchange (losses)/ gains	(32,626)	(10.2)	53,477	14.6	88,815	15.4
Others	93,940	29.4	20,535	5.6	54,633	9.5
Total	**319,219**	**100.0**	**365,063**	**100.0**	**575,314**	**100.0**

Research and Development Expenses

The following table sets forth the breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Employee benefit expenses	969,641	68.6	1,428,638	67.8	1,882,658	65.1
R&D material and sample expenses	158,076	11.2	210,809	10.0	259,461	9.0
Network and system usage fees	62,031	4.4	94,091	4.5	149,542	5.2
Design, development and testing expenses	66,274	4.7	92,227	4.4	136,353	4.7
Transportation and travel expenses	28,563	2.0	42,829	2.0	65,254	2.3
Professional service fees	14,796	1.0	40,049	1.9	101,186	3.5
Depreciation and amortization expenses	29,090	2.1	42,276	2.0	68,871	2.4
Share-based payment expenses	28,764	2.0	47,007	2.2	42,517	1.5
Outsourced service expenses	17,559	1.2	45,265	2.1	123,139	4.3
Others	39,073	2.8	65,254	3.1	63,804	2.2
Total	**1,413,867**	**100.0**	**2,108,445**	**100.0**	**2,892,785**	**100.0**

Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses, in absolute amounts and as a percentage of our total selling and distribution expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Platform service fees and commission expenses	1,371,469	35.3	1,954,995	35.1	2,477,482	36.3
Advertising, marketing and promotion expenses	1,543,944	39.7	2,273,804	40.8	2,488,702	36.5
Employee benefit expenses	708,676	18.2	950,635	17.1	1,139,946	16.7
Depreciation and amortization expenses	33,528	0.9	30,357	0.5	52,570	0.8
Warehousing and rental expenses	87,036	2.2	129,401	2.3	215,922	3.2
Office and travel expenses	40,933	1.1	64,039	1.1	96,499	1.4
Outsourced service expenses	19,558	0.5	44,359	0.8	157,421	2.3
Professional service fees	10,676	0.3	9,857	0.2	13,166	0.2
Share-based payment expenses	10,066	0.3	9,805	0.2	17,264	0.3
Others	60,727	1.6	102,539	1.8	167,831	2.5
Total	**3,886,613**	**100.0**	**5,569,791**	**100.0**	**6,826,803**	**100.0**

General and Administrative Expenses

The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as a percentage of our total general and administrative expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Employee benefit expenses	352,828	53.5	523,116	53.2	600,717	48.2
Professional service fees	82,727	12.6	128,181	13.0	196,989	15.8
Depreciation and amortization expenses	57,576	8.7	56,267	5.7	63,450	5.1
Office utilities, property management and rental fees	13,789	2.1	22,854	2.3	39,716	3.2
Outsourced service expenses	5,927	0.9	31,703	3.2	27,838	2.2
Office supplies and travel expenses	16,209	2.5	29,049	3.0	56,907	4.6
Share-based payment expenses	23,408	3.6	38,103	3.9	35,170	2.8
Bank charges and payment processing fees	65,995	10.0	97,447	9.9	133,290	10.7
Taxes and surcharges	9,721	1.5	18,038	1.8	20,342	1.6
Others	30,717	4.7	39,459	4.0	72,271	5.8
Total	**658,897**	**100.0**	**984,217**	**100.0**	**1,246,690**	**100.0**

Impairment Loss on Trade and Other Receivables

Impairment loss on trade and other receivables represents the impairment losses recognized on our trade receivables and other receivables. Our impairment loss on trade and other receivables was RMB32.9 million, RMB6.9 million, and RMB46.0 million in 2023, 2024, and 2025, respectively.

Finance Costs

The following table sets forth the breakdown of our finance costs, in absolute amounts and as a percentage of our total finance costs, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
		%		%		%
	(RMB in thousands, except for percentages)					
Interest on bank loans	24,319	91.1	24,866	89.6	31,119	59.8
Interest on bonds payable	–	–	–	–	13,762	26.4
Interest on lease liabilities	2,368	8.9	2,894	10.4	7,170	13.8
Total	**26,687**	**100.0**	**27,760**	**100.0**	**52,051**	**100.0**

Share of Profits of Associates

We recorded share of profits of associates of RMB31.8 million, RMB35.6 million, and RMB25.1 million in 2023, 2024, and 2025, respectively.

Income Tax

We are subject to income tax on an entity basis on profits arising in, or derived from, tax jurisdictions in which members of our Group are domiciled and operate. See Note 7 to the Accountants' Report in Appendix I to this document for detailed discussion on income tax in major jurisdictions.

The following table sets forth a breakdown of our income tax expenses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	183,023	327,319	351,278
Under/(over)-provision in respect of prior years	24,719	(40,667)	6,237
	207,742	286,652	357,515
Deferred tax			
Origination and reversal of temporary differences	(89,169)	(149,427)	(52,235)
	118,573	137,225	305,280

Profit for the Year

As a result of the foregoing, we recorded profit for the year of RMB1,693.9 million, RMB2,211.1 million, RMB2,617.2 million in 2023, 2024 and 2025, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our total revenue increased by 23.5% from RMB24,710.1 million in 2024 to RMB30,514.4 million in 2025, primarily due to an increase in the revenue generated from smart charging and power storage, and to a lesser extent to an increase in the revenue generated from smart home and smart audio and video. Total sales volume of our three major product categories increased from 116.0 million units to 131.9 million units, while the average selling price rose from RMB212.8 per unit to RMB231.3 per unit over the same periods. The overall growth was supported by stronger demand for smart charging and power storage products in North America and Europe, particularly balcony photovoltaic energy storage solutions. Ongoing optimization of our product matrix, including the launch and functional upgrades of new smart home products further contributed to revenue growth. In addition, revenue growth was further driven by enhanced brand recognition and continued expansion across both online and offline channels, including sustained growth of our self-operated official websites.

Smart charging and power storage. Revenue from smart charging and power storage products increased by 21.6% from RMB12,667.0 million in 2024 to RMB15,401.8 million in 2025, primarily attributable to higher sales volume of consumer power storage products with advanced technology, as well as the revenue growth from charging products. Sales volume of smart charging and power storage products increased from 83.2 million units in 2024 to 93.5 million units in 2025, while the average selling price rose from RMB152.3 per unit to RMB164.7 per unit over the same periods.

Smart home. Revenue from smart home products increased by 30.5% from RMB6,336.5 million in 2024 to RMB8,271.3 million in 2025. Sales volume of smart home products increased from 9.6 million units in 2024 to 10.8 million units in 2025, while the average selling price rose from RMB657.4 per unit to RMB767.5 per unit over the same periods. This growth was primarily driven by the growing demands for our home cleaning and home security solutions.

Smart audio and video. Revenue from smart audio and video products increased by 20.0% from RMB5,692.4 million in 2024 to RMB6,833.5 million in 2025, primarily driven by revenue growth from headphone products with enhanced features, particularly the wireless headphones, supported by our strategic expansion into new markets. Sales volume increased from 23.3 million units to 27.6 million units over the same periods. The average selling price remained relatively stable at RMB244.7 per unit and RMB247.7 per unit in 2024 and 2025, respectively.

Others. Revenue from others decreased by 44.5% from RMB14.2 million in 2024 to RMB7.9 million in 2025, primarily attributable to the fluctuations of our miscellaneous services.

Cost of Sales

Our cost of sales increased by 21.8% from RMB14,065.3 million in 2024 to RMB17,128.0 million in 2025, generally in line with our revenue growth in the same year.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 25.8% from RMB10,644.8 million in 2024 to RMB13,386.4 million in 2025. Our gross profit margin increased from 43.1% in 2024 to 43.9% in 2025.

Other Income and Losses, Net

Our other income and losses, net increased by 57.6% from RMB365.1 million in 2024 to RMB575.3 million in 2025, primarily attributable to an increase in fair value change of other financial assets from RMB237.3 million to RMB386.4 million due to the increase in the fair value of our equity investment.

Research and Development Expenses

Our research and development expenses increased by 37.2% from RMB2,108.4 million in 2024 to RMB2,892.8 million in 2025, primarily attributable to the expansion of R&D activities and the corresponding increase in the number of R&D personnel and their compensation.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 22.6% from RMB5,569.8 million in 2024 to RMB6,826.8 million in 2025, primarily attributable to the higher advertising, marketing and promotion expenses, increased platform service fees and commission expenses, and increased compensation for selling and marketing personnel, driven by the expansion of our marketing and branding activities in line with our business growth.

General and Administrative Expenses

Our general and administrative expenses increased by 26.7% from RMB984.2 million in 2024 to RMB1,246.7 million in 2025, primarily attributable to the increased administrative personnel compensation, professional service fees, and bank charges and payment processing fees driven by our business expansion.

Impairment Loss on Trade and Other Receivables

Our impairment loss on trade and other receivables increased from RMB6.9 million in 2024 to RMB46.0 million in 2025, primarily attributable to the increases in provision made for receivables, as a result of a particular bad debt provision and business expansion.

Finance Costs

Our finance costs significantly increased by 87.5% from RMB27.8 million in 2024 to RMB52.1 million in 2025, primarily due to (i) the occurrence of interest on bonds payable of RMB13.8 million in 2025, and (ii) an increase in interest on bank loans from RMB24.9 million in 2024 to RMB31.1 million in 2025, driven by an increase in bank loan drawdown for purchase of office building at the end of 2024.

Share of Profits of Associates

Our share of profits of associates decreased by 29.6% from RMB35.6 million in 2024 to RMB25.1 million in 2025, primarily due to fluctuations of the financial performance of our associates.

Income Tax

We recorded income tax of RMB137.2 million in 2024 and RMB305.3 million in 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 18.4% from RMB2,211.1 million in 2024 to RMB2,617.2 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 41.1% from RMB17,507.2 million in 2023 to RMB24,710.1 million in 2024, primarily due to an increase in revenue generated from smart charging and power storage products, and to a lesser extent to an increase in revenue generated from smart home products and smart audio and video products. Total sales volume of our three major product categories increased from 83.3 million units in 2023 to 116.0 million units in 2024, while the average selling price rose from RMB209.2 per unit to RMB212.8 per unit over the same periods. Smart charging and power storage remained the principal growth driver of revenue in 2024. The launch and functional upgrades of new smart home products also contributed to revenue growth. Revenue growth was further driven by enhanced brand recognition and continued expansion across both online and offline channels, including sustained growth of our self-operated official websites.

Smart charging and power storage. Revenue from smart charging and power storage products increased by 47.2% from RMB8,603.6 million in 2023 to RMB12,667.0 million in 2024, primarily attributable to the growth of charging products and consumer power storage products driven by the rising demand for reliable and flexible charging and power storage solutions, particularly in Europe and North America. Sales volume increased from 62.2 million units in 2023 to 83.2 million units in 2024, while the average selling price rose from RMB138.3 per unit to RMB152.3 per unit over the same period.

Smart home. Revenue from smart home products increased by 39.5% from RMB4,541.3 million in 2023 to RMB6,336.5 million in 2024, attributable to the expansion of our home cleaning solutions, mainly due to the new product launch, and home security products, mainly due to the launch of new models and increased sales volume in our existing products. Sales volume increased from 6.9 million units in 2023 to 9.6 million units in 2024, while the average selling price remained stable at RMB656.5 per unit in 2023 and RMB657.4 per unit in 2024.

Smart audio and video. Revenue from smart audio and video products increased by 32.8% from RMB4,285.3 million in 2023 to RMB5,692.4 million in 2024, primarily attributable to the rapid sales volume growth of headphones products. Sales volume increased significantly from 14.2 million units in 2023 to 23.3 million units in 2024. The growth was supported by expansion into new sub-categories, such as sleep earbuds.

Others. Revenue from others decreased by 81.4% from RMB76.1 million in 2023 to RMB14.2 million in 2024. This decline was primarily due to the divestiture of our agency operation services business in 2023, which constituted the majority of this revenue segment.

Cost of Sales

Our cost of sales increased by 40.3% from RMB10,026.8 million in 2023 to RMB14,065.3 million in 2024, generally in line with our revenue growth in the same period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit increased by 42.3% from RMB7,480.4 million in 2023 to RMB10,644.8 million in 2024. Our total gross profit margin slightly improved from 42.7% in 2023 to 43.1% in 2024 primarily due to margin improvement in smart audio and video and smart home products.

Other Income and Losses, Net

Our other income and losses, net increased by 14.4% from RMB319.2 million in 2023 to RMB365.1 million in 2024, primarily attributable to (i) we recorded net exchange gains of RMB53.5 million for the year ended December 31, 2024 compared with the net exchange losses of RMB32.6 million for the year ended December 31, 2023, primarily attributable to the appreciation of the U.S. dollar against Renminbi in 2024, (ii) an increase in fair value change of other financial assets from RMB220.4 million in 2023 to RMB237.3 million in 2024, partially offset by a decrease in others from RMB93.9 million for the year ended December 31, 2023 to RMB20.5 million for the year ended December 31, 2024.

Research and Development Expenses

Our research and development expenses increased by 49.1% from RMB1,413.9 million in 2023 to RMB2,108.4 million in 2024, primarily due to higher investment in R&D activities, increased remuneration for R&D personnel, and rising R&D material costs.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 43.3% from RMB3,886.6 million in 2023 to RMB5,569.8 million in 2024, primarily due to increased advertising, marketing and promotion expenses, higher platform service fees and commission expenses, and increased remuneration for marketing personnel, reflecting the expansion of our marketing and branding activities consistent with our business growth.

General and Administrative Expenses

Our general and administrative expenses increased by 49.4% from RMB658.9 million in 2023 to RMB984.2 million in 2024, primarily attributable to higher employee compensations, coupled with increased professional service fees, and bank charges and payment processing fees, driven by our business expansion.

Impairment Loss on Trade and Other Receivables

Our impairment loss on trade and other receivables decreased from RMB32.9 million in 2023 to RMB6.9 million in 2024, primarily attributable to the improved credit management.

Finance Costs

Our finance costs remained relatively stable at RMB26.7 million in 2023 and RMB27.8 million in 2024.

Share of Profits of Associates

Our share of profits of associates increased by 11.9% from RMB31.8 million in 2023 to RMB35.6 million in 2024, primarily due to fluctuations of the financial performance of our associates.

Income Tax

We recorded income tax of RMB118.6 million in 2023 and RMB137.2 million in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 30.5% from RMB1,693.9 million in 2023 to RMB2,211.1 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	3,601,746	4,236,158	3,980,366
Total current assets	9,174,957	12,367,550	16,086,527
Total assets	**12,776,703**	**16,603,708**	**20,066,893**
Total non-current liabilities	1,194,235	1,557,676	2,586,711
Total current liabilities	3,421,169	5,901,512	6,768,512
Total liabilities	**4,615,404**	**7,459,188**	**9,355,223**
Net assets	**8,161,299**	**9,144,520**	**10,711,670**

Current Assets and Liabilities

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Current assets				
Derivative financial instruments	–	–	131,686	166,992
Inventories	2,411,311	3,233,554	4,997,119	6,083,653
Trade receivables	1,527,818	1,654,200	1,872,624	1,982,311
Prepayments and other receivables	498,055	898,809	1,297,638	1,445,111
Other financial assets	2,672,487	4,047,403	4,130,951	3,415,657
Term deposits and restricted cash	276,185	204,880	588,767	931,373
Cash and cash equivalents	1,789,101	2,328,704	3,067,742	2,573,140
Total current assets	**9,174,957**	**12,367,550**	**16,086,527**	**16,598,237**
Current liabilities				
Trade and bills payables	1,552,902	2,245,901	2,313,362	2,975,744
Other payables	1,178,213	2,543,530	2,771,627	1,841,716
Contract liabilities	137,415	154,664	552,496	299,349
Bank loans	270,345	595,818	710,638	880,566
Bonds payable	–	–	1,202	1,930
Lease liabilities	66,574	54,164	81,922	88,986
Income tax payable	167,783	254,471	275,892	320,661
Derivative financial instruments	40,635	11,060	42,414	13,165
Other financial liabilities	7,302	41,904	18,959	–
Total current liabilities	**3,421,169**	**5,901,512**	**6,768,512**	**6,422,117**
Net current assets	**5,753,788**	**6,466,038**	**9,318,015**	**10,176,120**

We have net current assets position as of December 31, 2023, 2024, and 2025 and April 30, 2026.

Our net current assets increased from RMB9,318.0 million as of December 31, 2025 to RMB10,176.1 million as of April 30, 2026, primarily due to the increase in current assets and the decrease in current liabilities. Our current assets increased primarily attributable to an increase in inventories from RMB4,997.1 million as of December 31, 2025 to RMB6,083.7 million as of April 30, 2026. Our current liabilities decreased primarily attributable to a decrease in other payables from RMB2,771.6 million as of December 31, 2025 to RMB1,841.7 million as of April 30, 2026.

Our net current assets increased from RMB6,466.0 million as of December 31, 2024 to RMB9,318.0 million as of December 31, 2025, primarily because the increase in current assets outweighed the increase in current liabilities. Our current assets increased primarily attributable to an increase in inventories from RMB3,233.6 million as of December 31, 2024 to RMB4,997.1 million as of December 31, 2025, mainly due to our proactive inventory stocking, resulting from our business growth and in anticipation of future sales demand. Our current liabilities increased primarily attributable to an increase in contract liabilities and other payables. Contract liabilities increased from RMB154.7 million as of December 31, 2024 to RMB552.5 million as of December 31, 2025, mainly due to increased advances received from customers because of business expansion; Other payables increased from RMB2,543.5 million as of December 31, 2024 to RMB2,771.6 million as of December 31, 2025, mainly due to increased operating expenses payables and tax payables.

Our net current assets increased from RMB5,753.8 million as of December 31, 2023 to RMB6,466.0 million as of December 31, 2024, primarily because the increase in current assets outweighed the increase in current liabilities. Our current assets increased primarily attributable to (i) an increase in other financial assets from RMB2,672.5 million as of December 31, 2023 to RMB4,047.4 million as of December 31, 2024, mainly due to the increased balance of financial products, (ii) an increase in inventories from RMB2,411.3 million as of December 31, 2023 to RMB3,233.6 million as of December 31, 2024, mainly due to inventory growth aligned with increasing business volume, and (iii) an increase in cash and cash equivalents from RMB1,789.1 million as of December 31, 2023 to RMB2,328.7 million as of December 31, 2024, mainly due to our increased profits and improved working capital turnover efficiency. Our current liabilities increased primarily attributable to an increase in other payables from RMB1,178.2 million as of December 31, 2023 to RMB2,543.5 million as of December 31, 2024, mainly due to the increased accrued bonuses.

Assets

Property, Plant and Equipment

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Building	24,737	22,863	1,592,627
Vehicle	544	296	399
Electronic equipment and other	81,516	104,155	191,052
Construction in progress	–	1,492,762	5,303
Leasehold improvements	30,528	26,922	68,988
Investment property	12,484	11,587	10,690
Total	**149,809**	**1,658,585**	**1,869,059**

The amount of our property, plant and equipment increased from RMB149.8 million as of December 31, 2023 to RMB1,658.6 million as of December 31, 2024, primarily attributable to an increase in construction in progress from nil as of December 31, 2023 to RMB1,492.8 million as of December 31, 2024, due to the renovation of our new office building in the PRC. The amount of our property, plant and equipment increased from RMB1,658.6 million as of December 31, 2024 to RMB1,869.1 million as of December 31, 2025, primarily due to the increase in renovation projects in 2025.

Right-of-use Assets

Our right-of-use assets consist primarily of warehouses and offices through tenancy agreements. As of December 31, 2023, 2024 and 2025, our right-of-use assets were RMB133.1 million, RMB116.3 million, and RMB320.3 million, respectively. In 2023, the increase in right-of-use assets was driven by the expansion of our business scale and workforce, which led to increased leasing of office spaces and warehouses. In 2024, the decrease in these assets was primarily due to the expiration and non-renewal of certain lease agreements. Our right-of-use assets further increased to RMB320.3 million as of December 31, 2025 from RMB116.3 million as of December 31, 2024, primarily driven by additional leasing of office buildings, warehouses, and R&D centers.

Interests in Associates

Our interests in associates consist primarily of our interests in a number of individually immaterial associates that are measured using the equity method.

As of December 31, 2023, 2024 and 2025, our interests in associates were RMB517.1 million, RMB525.4 million, and RMB582.0 million, respectively. During the Track Record Period, the change of interests in associates was attributable to the aggregate carrying amount of individually immaterial associates and additional investment.

Other Financial Assets

The following table sets forth a breakdown of our other financial assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Equity investments	1,125,257	1,285,073	1,218,970
Financial products	2,699,659	4,032,657	3,508,786
Total	**3,824,916**	**5,317,730**	**4,727,756**

Other financial assets increased from RMB3,824.9 million as of December 31, 2023 to RMB5,317.7 million as of December 31, 2024, primarily attributable to the increase in the balance of financial products from RMB2,699.7 million as of December 31, 2023 to RMB4,032.7 million as of December 31, 2024. Other financial assets decreased from RMB5,317.7 million as of December 31, 2024 to RMB4,727.8 million as of December 31, 2025, primarily attributable to the decrease in the balance of financial products from RMB4,032.7 million as of December 31, 2024 to RMB3,508.8 million as of December 31, 2025.

Our financial asset investments consist primarily of financial product investments with banks and other financial institutions. For investments with financial institutions, our primary objective is capital preservation. We prioritize low-risk, highly liquid financial products offered by reputable banks and other financial institutions, such as principal-guaranteed wealth management products, structured deposits, and certificates of deposit. We seek optimal returns through refined management and price comparisons across multiple institutions, while strictly controlling foreign exchange and liquidity risks and conducting strategic monitoring of risk management on an ongoing basis.

In addition, we also hold equity investments in non-financial institutions. For equity investments in non-financial institutions, we give priority to upstream and downstream enterprises within the industrial chain that offer operational or technological synergies with our business, adopting a prudent investment approach. Such equity investments are principally strategic in nature.

We have robust internal monitoring mechanisms and processes. The shareholders' meeting and the board of directors serve as the decision-making bodies for outbound investments, each making decisions within their respective authority limits. The Strategy Committee of the Board acts as the steering body for outbound investments, overseeing the coordination of analysis and research, reviewing feasibility study reports, and making decisions based on comprehensive technical, economic, and financial analyses. We have established internal controls including an investment approval process, implementing hierarchical approval management based on investment type and amount, and exercising full-process oversight and risk monitoring from annual planning to monthly execution. In determining financial asset-related investment decisions, we evaluate each case on its merits against factors including, but not limited to, the macroeconomic environment, overall market conditions, risk controls, the creditworthiness of investees, our own working capital status, and expected returns or potential losses. To limit exposure, we have sought, and may continue to seek, additional low-risk financial assets in the future. We will continue to consider investing in financial assets when surplus cash is available beyond short-term working capital needs, taking into account the aforementioned factors in our best interests.

Following the completion of the [**REDACTED**], our financial asset investments will be subject to compliance with Chapter 14 of the Listing Rules.

Other Non-current Assets

Our other non-current assets consist of (i) prepayments for non-current assets, (ii) VAT recoverable, and (iii) others. As of December 31, 2023, 2024 and 2025, our other non-current assets were RMB1,259.1 million, RMB84.5 million, and RMB119.5 million, respectively. Our other non-current assets decreased from RMB1,259.1 million as of December 31, 2023 to RMB84.5 million as of December 31, 2024, primarily attributable to a decrease in prepayments for construction of non-current assets from RMB1,247.5 million as of December 31, 2023 to RMB14.7 million as of December 31, 2024, mainly due to the transfer of prepayments for construction of non-current assets to construction in progress. Our other non-current assets subsequently increased to RMB119.5 million as of December 31, 2025, primarily attributable to the increase in prepayments for construction of non-current assets from RMB14.7 million as of December 31, 2024 to RMB30.5 million as of December 31, 2025.

Derivative Financial Instruments

The following table sets forth a breakdown of our derivative financial instruments as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Derivative financial assets			
Derivatives held for hedging purpose . .	–	–	131,686
Derivative financial liabilities			
Derivatives held for hedging purpose . .	40,635	11,060	42,414

As of December 31, 2023, 2024 and 2025, our derivative financial assets held for hedging purpose were nil, nil, and RMB131.7 million, respectively, and our derivative financial liabilities held for hedging purpose were RMB40.6 million, RMB11.1 million, and RMB42.4 million, respectively. During the Track Record Period, the change of derivative financial instrument was driven by the exchange rate fluctuations and our strategic hedging activities.

Inventories

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Finished goods	2,529,489	3,321,288	5,306,292
Goods in transit	23,391	36,366	55,824
Less: write-down of inventories	(141,569)	(124,100)	(364,997)
Total	**2,411,311**	**3,233,554**	**4,997,119**

Our inventories increased from RMB2,411.3 million as of December 31, 2023 to RMB3,233.6 million as of December 31, 2024, and subsequently increased to RMB4,997.1 million as of December 31, 2025, primarily ascribed to an increase of finished goods from RMB2,529.5 million as of December 31, 2023 to RMB3,321.3 million as of December 31, 2024, and further increased to RMB5,306.3 million as of December 31, 2025, mainly due to our strategic stocking of finished goods in response to the business growth and in anticipation of future sales demand.

We assess impairment to inventories from time to time during the Track Record Period and may make provision to write down our inventories to their net realizable value if they become expired or damaged, or their prices go down, and their net realizable value substantially decreases. We believe we have made sufficient inventory provision during the Track Record Period, given that our inventory impairment policy remained consistent throughout the period. In addition, there were no significant market fluctuations and product pricing remained relatively stable during the Track Record Period, which supports the adequacy of our inventory provisions. We recorded write-down of inventories of RMB141.6 million, RMB124.1 million, and RMB365.0 million as of December 31, 2023, 2024 and 2025.

The following table provides an aging analysis of our inventories*, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
0-180 days	2,457,636	3,273,621	5,048,559
181-360 days	77,817	59,831	274,979
Over 360 days	17,427	24,202	38,578
Total	**2,552,880**	**3,357,654**	**5,362,116**

* Before write-down of inventories

The following table sets forth our inventory turnover days during the years indicated.

	As of December 31,		
	2023	2024	2025
	(days)		
Inventory turnover days[(1)]	70.8	73.2	87.7

Note:

(1) Calculated as the average of the beginning and ending balances of net value of inventory for the year divided by cost of sales for that year and multiplied by the number of days in that year (i.e. 365 days for a calendar year).

Our inventory turnover days remained relatively stable at 70.8 days in 2023, and 73.2 days in 2024. Our inventory turnover days increased to 87.7 days in 2025, primarily attributable to our inventory buildup, resulting from our business growth, as we maintained a higher level of inventory to mitigate potential logistics uncertainties and enhance cost control.

As of April 30, 2026, RMB4,184.5 million, or 78.0% of inventories outstanding as of December 31, 2025, had been subsequently sold or utilized.

Trade Receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables			
Amounts due from third parties	1,608,955	1,743,652	1,972,163
Less: loss allowance	(81,137)	(89,452)	(99,539)
Total	**1,527,818**	**1,654,200**	**1,872,624**

Our trade receivables increased from RMB1,527.8 million as of December 31, 2023 to RMB1,654.2 million as of December 31, 2024, and subsequently increased to RMB1,872.6 million as of December 31, 2025, primarily attributable to an increase in amounts due from third parties from RMB1,609.0 million as of December 31, 2023 to RMB1,743.7 million as of December 31, 2024, and further increased to RMB1,972.2 million as of December 31, 2025 mainly due to the increased trade receivables from our various sales channels resulting from our increased sales volume.

As of December 31, 2023, 2024 and 2025, we recorded loss allowances for trade receivables of RMB81.1 million, RMB89.5 million and RMB99.5 million, respectively. For further details on loss allowance for trade receivables, see Note 34(a) of the Accountants' Report in Appendix I to this Document.

The following table sets forth an aging analysis of our gross trade receivables, net of allowance for credit losses, based on the invoice date, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	1,520,619	1,651,182	1,869,422
1 to 2 years	7,082	3,018	2,985
2 to 3 years	–	–	217
Over 3 years	117	–	–
Total	**1,527,818**	**1,654,200**	**1,872,624**

The following table sets forth our trade receivables turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Trade receivables turnover days[(1)]	28.7	23.5	21.1

Note:

(1) Trade receivables turnover days for a period are calculated as the average of the opening and ending balances of net value of trade receivables divided by revenue for the relevant period, and then multiplied by the number of days in that period (i.e. 365 days for a calendar year).

Our trade receivables turnover days were 28.7 days in 2023. Our trade receivables turnover days decreased to 23.5 days in 2024 and further to 21.1 days in 2025, primarily due to our continued enhancement of customer credit profile management.

As of April 30, 2026, RMB1,963.8 million, or 99.6% of our trade receivables outstanding as of December 31, 2025, had been subsequently settled.

Prepayments and Other Receivables

The following table sets forth the details of our prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Prepayments	16,675	16,955	70,350
VAT recoverable	348,467	678,914	999,495
Return assets	37,984	68,349	64,533
Other receivables	112,640	150,347	197,533
Less: loss allowance	(17,711)	(15,756)	(34,273)
Total	**498,055**	**898,809**	**1,297,638**

Our prepayments and other receivables increased from RMB498.1 million as of December 31, 2023 to RMB898.8 million as of December 31, 2024, primarily attributable to an increase in VAT recoverable from RMB348.5 million as of December 31, 2023 to RMB678.9 million as of December 31, 2024. Our prepayments and other receivables further increased from RMB898.8 million as of December 31, 2024 to RMB1,297.6 million as of December 31, 2025, primarily attributable to (i) an increase in VAT recoverable from RMB678.9 million as of December 31, 2024 to RMB999.5 million as of December 31, 2025, and (ii) increased prepayments mainly for inventory from RMB17.0 million as of December 31, 2024 to RMB70.4 million as of December 31, 2025.

As of April 30, 2026, RMB812.0 million, or 61.0% of our prepayments and other receivables outstanding as of December 31, 2025, had been subsequently settled.

Term Deposits and Restricted Cash

Our term deposits and restricted cash consist primarily of (i) restricted cash, which was held at bank as security deposits mainly for letter of credit, issuance of letter of guarantee or bills payable, and (ii) term deposits. As of December 31, 2023, 2024 and 2025, our term deposits and restricted cash were RMB276.2 million, RMB204.9 million, and RMB588.8 million, respectively.

Cash and Cash Equivalents

The following table sets forth the details of our cash and cash equivalents.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Cash at bank	1,646,193	2,222,702	2,887,197
Other monetary funds	142,908	106,002	180,545
Total	**1,789,101**	**2,328,704**	**3,067,742**

Our cash and cash equivalents increased from RMB1,789.1 million as of December 31, 2023 to RMB2,328.7 million as of December 31, 2024, primarily attributable to an increase in cash at bank from RMB1,646.2 million as of December 31, 2023 to RMB2,222.7 million as of December 31, 2024, mainly due to the increased profit and improved working capital turnover efficiency. The cash and cash equivalents increased from RMB2,328.7 million as of December 31, 2024 to RMB3,067.7 million as of December 31, 2025, respectively. See "— Liquidity and Capital Resources — Cash Flow."

Liabilities

Trade and Bills Payables

The following table sets forth a breakdown of our trade and bill payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables	1,159,272	1,778,359	1,870,507
Bills payable	393,630	467,542	442,855
Total	**1,552,902**	**2,245,901**	**2,313,362**

Our trade and bill payables increased from RMB1,552.9 million as of December 31, 2023 to RMB2,245.9 million as of December 31, 2024, and subsequently increased to RMB2,313.4 million as of December 31, 2025, primarily attributable to the increase in trade payables from RMB1,159.3 million as of December 31, 2023 to RMB1,778.4 million as of December 31, 2024, and subsequently increased to RMB1,870.5 million as of December 31, 2025, mainly due to our higher proactive inventory stocking, which led to a rise in unsettled payables.

We are generally granted a credit period ranging from 30 to 90 days by our suppliers on purchases of goods. The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	1,154,596	1,770,731	1,868,399
After 1 year but within 2 years	4,494	6,303	1,634
After 2 years	182	1,325	474
Total	**1,159,272**	**1,778,359**	**1,870,507**

The following table sets forth our trade payables turnover days for the years indicated.

	As of December 31,		
	2023	2024	2025
		(days)	
Trade payables turnover days[(1)]	34.4	38.1	38.9

Note:

(1) Trade payables turnover days for a period are calculated as the average of the opening and closing trade payables balances divided by the cost of sales for the relevant period, and then multiplied by the number of days in that period (i.e. 365 days for a calendar year).

Our trade payables turnover days increased from 34.4 days in 2023, further increased to 38.1 days in 2024, primarily due to the more favorable payment terms we negotiated with our suppliers. Our trade payables turnover days remained relatively stable at 38.1 days and 38.9 days in 2024 and 2025, respectively.

As of April 30, 2026, RMB1,809.1 million, or 96.7% of our trade payables outstanding as of December 31, 2025, had been subsequently settled.

Other Payables

The following table sets forth the details of our other payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Payroll and welfare payables	606,648	1,376,657	1,250,861
Other tax payables	100,324	146,568	256,585
Refund liabilities	93,974	291,745	347,087
Other payables	377,267	728,560	917,094
Total	**1,178,213**	**2,543,530**	**2,771,627**

Our other payables increased from RMB1,178.2 million as of December 31, 2023 to RMB2,543.5 million as of December 31, 2024, primarily attributable to an increase in payroll and welfare payables from RMB606.6 million as of December 31, 2023, to RMB1,376.7 million as of December 31, 2024, mainly driven by the increased staff compensation due to team expansion. Our other payables subsequently increased to RMB2,771.6 million as of December 31, 2025, primarily attributable to an increase in other payables from RMB728.6 million as of December 31, 2024 to RMB917.1 million as of December 31, 2025, primarily attributable to the increase in operating fees payables and other tax payables.

As of April 30, 2026, RMB880.9 million, or 31.8% of other payables outstanding as of December 31, 2025, had been subsequently settled.

Contract Liabilities

Our contract liabilities primarily represent advance payments from customers upon which the performance obligations have been established while the underlying services are yet to be provided.

Our contract liabilities increased from RMB137.4 million as of December 31, 2023, RMB154.7 million as of December 31, 2024, and further to RMB552.5 million as of December 31, 2025, primarily attributable to increase in advanced payments from customers.

As of April 30, 2026, RMB417.6 million, or 75.6% of contract liabilities outstanding as of December 31, 2025, had been subsequently settled.

Income Tax Payable

Our income tax payable was RMB167.8 million, RMB254.5 million and RMB275.9 million in 2023, 2024 and 2025, respectively.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we relied on cash and cash equivalents and cash generated from business operations as the major sources of liquidity. We intend to finance our future capital requirements in the same manner after the [**REDACTED**]. We do not anticipate any material changes to the availability of financing to fund our operation in the future.

Cash Flow

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

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash generated from operating activities	1,429,913	2,745,459	480,807
Net cash (used in)/generated from investing activities	(4,453)	(1,503,479)	306,007
Net cash used in financing activities	(613,180)	(809,833)	(129,476)
Net increase in cash and cash equivalents	**812,280**	**432,147**	**657,338**
Cash and cash equivalents at the beginning of the year	928,610	1,789,101	2,328,704
Effect of foreign exchange rate changes	48,211	107,456	81,700
Cash and cash equivalents at the end of the year	**1,789,101**	**2,328,704**	**3,067,742**

Net Cash Generated from Operating Activities

Net cash generated from operating activities in 2025 was RMB480.8 million, which primarily consists of profit before taxation of RMB2,922.5 million, partially offset by tax paid of RMB336.1 million, adjusted for certain non-cash and non-operating items. Adjustments primarily include changes in working capital, mainly attributable to (i) an increase in inventories of RMB2,004.5 million, (ii) an increase in prepayments and other receivables of RMB432.1 million, and (iii) an increase in trade receivables of RMB228.5 million, partially offset by an increase in contract liabilities of RMB397.8 million.

Net cash generated from operating activities in 2024 was RMB2,745.5 million, which primarily consists of profit before taxation of RMB2,348.3 million, partially offset by tax paid of RMB200.0 million, adjusted for certain non-cash and non-operating items. Adjustments primarily include changes in working capital, mainly attributable to (i) an increase in other payables of RMB1,117.4 million, (ii) an increase in inventories of RMB804.8 million, (iii) an increase in trade and bills payables of RMB693.0 million, (iv) an increase in prepayments and other receivables of RMB398.8 million, and (v) an increase in trade receivables of RMB134.7 million. The amount was further adjusted by other non-cash and non-operating items primarily including write-down of inventories of RMB124.1 million partially offset by fair value change of other financial assets of RMB237.3 million.

Net cash generated from operating activities in 2023 was RMB1,429.9 million, which primarily consists of profit before taxation of RMB1,812.5 million, partially offset by tax paid of RMB87.2 million, adjusted for certain non-cash and non-operating items. Adjustments primarily include changes in working capital, mainly attributable to (i) an increase in trade and bills payables of RMB767.4 million, (ii) an increase in inventories of RMB956.6 million, (iii) an increase in trade receivables of RMB322.2 million, and (iv) an increase in restricted cash of RMB114.7 million. The amount was further adjusted by other non-cash and non-operating items primarily including write-down of inventories of RMB141.6 million, partially offset by fair value changes of other financial assets of RMB220.4 million.

Net Cash (Used in)/Generated from Investing Activities

Net cash generated from investing activities in 2025 was RMB306.0 million, which primarily consists of proceeds from financial products of RMB4,725.7 million, partially offset by payments for purchase of financial products of RMB4,272.7 million.

Net cash used in investing activities in 2024 was RMB1,503.5 million, which primarily consists of (i) payments for purchase of financial products of RMB4,755.5 million, and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB428.9 million, partially offset by proceeds from financial products of RMB3,675.6 million.

Net cash used in investing activities in 2023 was RMB4.5 million, which primarily consists of (i) payments for purchase of financial products of RMB3,086.4 million, (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB70.3 million, and (iii) payments for interests in associates of RMB70.0 million, partially offset by proceeds from financial products of RMB3,260.8 million.

Net Cash Used in Financing Activities

Net cash used in financing activities in 2025 was RMB129.5 million, which primarily consists of (i) dividends paid to equity shareholders of the Company of RMB1,172.6 million, (ii) proceeds from issuance of convertible bonds of RMB1,096.9 million, (iii) payments for acquisition of non-controlling interests of RMB112.0 million, and (iv) repayment of bank loans of RMB1,051.3 million, partially offset by proceeds from bank loans of RMB1,076.2 million.

Net cash used in financing activities in 2024 was RMB809.8 million, which consists of (i) dividends paid to equity shareholders of the Company of RMB1,131.9 million, and (ii) repayment of bank loans of RMB710.5 million, partially offset by proceeds from bank loans of RMB1,372.4 million.

Net cash used in financing activities in 2023 was RMB613.2 million, which consists of (i) dividends paid to equity shareholders of the Company of RMB487.7 million, and (ii) repayment of bank loans of RMB433.0 million, partially offset by proceeds from bank loans of RMB444.9 million.

INDEBTEDNESS

As of April 30, 2026, being the Indebtedness Date for the purpose of the indebtedness statement, we had total indebtedness of RMB3,108.2 million, including (i) bank loans, (ii) lease liabilities, and (iii) bonds payable.

The following table sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Current				
Bank loans	270,345	595,818	710,638	880,566
Lease liabilities	66,574	54,164	81,922	88,986
Bonds payable	–	–	1,202	1,930
Non-current				
Bank loans	610,700	924,915	781,332	747,747
Lease liabilities	69,249	62,898	246,331	283,902
Bonds payable	–	–	1,097,400	1,105,100
Total	**1,016,868**	**1,637,795**	**2,918,825**	**3,108,231**

Bank Loans

Our bank loans are RMB881.0 million, RMB1,520.7 million, and RMB1,492.0 million as of December 31, 2023, 2024 and 2025, respectively. The interest rates of our bank loans range from 0.665% to 4.260% during the Track Record Period. As of April 30, 2026, our unutilized banking facilities were RMB3,441.4 million.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Unsecured and unguaranteed	169,778	399,531	567,318	737,505
Guaranteed but not secured	611,267	453,514	394,768	380,864
Secured but not guaranteed	100,000	53,843	–	–
Secured and guaranteed	–	613,845	529,884	509,944
Total	**881,045**	**1,520,733**	**1,491,970**	**1,628,313**

As at December 31, 2023, 2024 and 2025, bank loans obtained by us through pledge of deposits and properties amounted to RMB100.0 million, RMB667.7 million, and RMB529.9 million, respectively. During the Track Record Period, the bank loans guaranteed but not secured were to our subsidiaries and guaranteed by the Company, the bank loans secured but not guaranteed were secured by cash, and the bank loans secured and guaranteed were to a subsidiary secured by properties held by the Group and guaranteed by the Company.

During the Track Record Period and up to the Latest Practicable Date, we did not violate any material covenant in our bank loans or experience any default in payment of our bank loans, nor did we experience any difficulty in obtaining bank or other borrowings.

Lease Liabilities

Our lease liabilities including current and non-current portions, primarily relate to the properties we leased as our offices. Our lease liabilities decreased from RMB135.8 million as of December 31, 2023 to RMB117.1 million as of December 31, 2024, primarily due to the expiration of certain leases. Our lease liabilities subsequently increased to RMB328.3 million as of December 31, 2025 and further to RMB372.9 million as of April 30, 2026, primarily driven by additional leasing of office buildings and warehouses resulting from our business growth.

Bonds Payable

Our bonds payable amounted to nil, nil and RMB1,098.6 million as of December 31, 2023, 2024 and 2025. As of April 30, 2026, our bonds payable amounted to RMB1,107.0 million. The fluctuations in the amount were primarily attributable to the public issuance of convertible bonds in June 2025.

Specifically, on June 16, 2025, we conducted a public issuance of convertible bonds with a total value of RMB1,104.8 million at par value of RMB100 each with a maturity period of six years. Fund raised amounted to RMB1,092.5 million after deduction of issuance cost of RMB12.4 million.

The initial conversion price of the convertible bonds is RMB111.94 per share. The coupon rate of the convertible bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

Except as otherwise disclosed under the sections titled "— Indebtedness," as of April 30, 2026, we did not have any material bank overdrafts, loans, or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees, or other material contingent liabilities. Our Directors confirm that there have been no material changes in our indebtedness since April 30, 2026 and up to the date of this Document.

CAPITAL EXPENDITURES

Our historical capital expenditures principally comprise expenditure for purchase of property, plant and equipment, intangible assets and other non-current assets. The following table sets forth our capital expenditures for the years indicated. We have funded our capital expenditures during the Track Record Period mainly from cash generated from operating activities and debt financings. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

Payments for property, plant and equipment, intangible assets and other non-current assets amounted to RMB70.3 million and RMB428.9 million for the years ended December 31, 2023 and 2024, respectively, and RMB365.1 million for the year ended December 31, 2025.

We will continue to make capital expenditures to support the expected growth of our business and our expansion plans. For details, see "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]." We intend to fund these future capital expenditures with financial resources available to us, including our existing cash and bank balances, cash flows generated from our operating activities and net [**REDACTED**] from the [**REDACTED**].

CAPITAL COMMITMENTS

As of December 31, 2023 and 2024, we had capital commitments related to the acquisition of property, plant and equipment and intangible assets in an aggregate amount of RMB308.4 million and RMB116.1 million, respectively. As of December 31, 2025, we did not have any material capital commitments.

KEY FINANCIAL RATIOS

The following table sets forth our selected key financial ratios as of the dates/for the years indicated:

	As of/For the year ended December 31,		
	2023	2024	2025
Current ratio[(1)]	2.7	2.1	2.4
Quick ratio[(2)]	2.0	1.5	1.6
Net gearing ratio[(3)]	N/A	N/A	N/A
Revenue growth rate	22.9%	41.1%	23.5%
Gross profit margin[(4)]	42.7%	43.1%	43.9%
Net profit margin[(5)]	9.7%	8.9%	8.6%
Return on equity[(6)]	22.4%	25.6%	26.4%
Return on assets[(7)]	14.8%	15.1%	14.3%

Notes:

(1) Current ratio is calculated as total current assets divided by total current liabilities, as of December 31, 2023, 2024, and 2025.

(2) Quick ratio is calculated as total current assets less inventories divided by total current liabilities, as of December 31, 2023, 2024, and 2025.

(3) Net gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as the sum of bank loans, bonds payable, lease liabilities, less cash and cash equivalents, as of December 31, 2023, 2024, and 2025. The Company is in net cash position as of December 31, 2023, 2024 and 2025 and therefore, the net gearing ratio for 2023, 2024 and 2025 is marked as N/A.

(4) Gross profit margin represents gross profit in the year as a percentage of total revenue in 2023, 2024, and 2025.

(5) Net profit margin represents profit for the year as a percentage of total revenue in 2023, 2024, and 2025.

(6) Return on equity is calculated as profit for the year divided by the average of the opening and closing balances of total equity in 2023, 2024, and 2025 and multiplied by 100%.

(7) Return on assets is calculated as profit for the year divided by the average of the opening and closing balances of total assets in 2023, 2024, and 2025 and multiplied by 100%.

See "— Major Factors Affecting Our Results of Operations" for a discussion of the factors affecting our gross profit margin and net profit margin during the relevant periods.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we rendered loans to related parties and the loans were interest bearing and in compliance with the relevant laws and regulations. For details of our related party transactions, see Note 36 to the Accountants' Report included in Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 36 to the Accountants' Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. 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 cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet arrangement.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

We are exposed to a variety of market and other financial risks, including foreign currency risk, credit risk, liquidity risk and capital management risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit Risk: Our credit risk primarily arises from trade and other receivables, while exposure from cash and cash equivalents is limited as they are placed with reputable banks and financial institutions. We maintain a credit policy and monitor credit risk on an ongoing basis. During the Track Record Period. We measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. We measure loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk.

Liquidity Risk: We regularly monitor liquidity requirements to ensure sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet short- and long-term obligations. Financial liabilities are based on contractual undiscounted cash flows and earliest payment dates.

Currency Risk: We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency. The currencies giving rise to this risk are primarily USD, Euro ("EUR"), GBP, RMB and JPY. We regularly monitor our net exposure to ensure that it is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

DIVIDENDS

We have adopted both Articles of Association and a separate dividend guideline governing the principles and considerations applicable to dividend distributions. Pursuant to our dividend guideline, dividend distributions are determined with a view to balancing shareholder returns and the Company's long-term development needs. Our Board considers a range of factors, including the Company's financial performance, cash flow, capital requirements, development stage, investment plans, debt repayment capability and other relevant circumstances, and seeks to maintain a stable and sustainable dividend policy while preserving sufficient resources to support the Company's future growth. In addition, our dividend guideline provides that we shall distribute no less than 10% of our distributable profits realized in the current year as cash dividends annually.

However, we do not have a formal dividend policy on a pre-determined fixed dividend payout ratio. During the Track Record Period, we have paid dividend of RMB487.7 million, RMB1,131.9 million and RMB1,172.6 million for the year ended December 31, 2023 and 2024 and 2025, respectively. According to applicable laws in the PRC and our Articles of Association, we will, in principle, declare cash dividend distribution annually after the conclusion of our annual general meeting of shareholders, and may also distribute interim cash dividends based on our profitability and capital requirements, provided that it meets the conditions for cash dividends while ensuring our normal operations and long-term development. In conjunction with the aforementioned cash dividend distributions, we may also distribute stock dividend.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion, and the Joint Sponsors concur, that, taking into account the financial resources available to our Group, including the estimated net [**REDACTED**] from the [**REDACTED**] and the expected cash flows generated from operating activities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our retained earnings was RMB3,720.6 million, which represents our distributable reserves.

[**REDACTED**]

Our [**REDACTED**] mainly include (i) [**REDACTED**] expenses, such as [**REDACTED**] fees and [**REDACTED**], and (ii) [**REDACTED**] expenses, comprising professional fees paid to our legal advisers and reporting accountants for their services rendered in relation to the [**REDACTED**]

and the [**REDACTED**], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [**REDACTED**] (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**]. Among such estimated total [**REDACTED**], we expect to pay [**REDACTED**] expenses of RMB[**REDACTED**], professional fees for our legal advisers and reporting accountants of RMB[**REDACTED**] and other fees and expenses of RMB[**REDACTED**]. An estimated amount of RMB[**REDACTED**] for our [**REDACTED**] was and is expected to be expensed through the consolidated statements of profit or loss and other comprehensive income and an estimated amount of RMB[**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. We did not recognize any [**REDACTED**] in 2023 and 2024. We recognized [**REDACTED**] of RMB[**REDACTED**] through profit and loss in 2025.

Recent Developments

Unaudited Financial Information for the Three Months Ended March 31, 2026

Our revenue increased by RMB1,614.3 million, or 26.9%, from RMB5,993.4 million for the three months ended March 31, 2025 to RMB7,607.6 million for the three months ended March 31, 2026, primarily due to an increase in the revenue generated from smart charging and power storage, and to a lesser extent to an increase in the revenue generated from smart home and smart audio and video. Total sales volume of our three major product categories increased from 28.1 million units to 31.7 million units, while the average selling price rose from RMB213.1 per unit to RMB240.1 per unit over the same periods.

Our cost of sales increased by RMB912.7 million, or 26.5%, from RMB3,441.8 million for the three months ended March 31, 2025 to RMB4,354.4 million for the three months ended March 31, 2026, generally in line with our revenue growth in the same period.

Our gross profit increased by RMB701.6 million, or 27.5%, from RMB2,551.6 million for the three months ended March 31, 2025 to RMB3,253.2 million for the three months ended March 31, 2026. Our gross profit margin remained stable, increasing slightly from 42.6% for the three months ended March 31, 2025 to 42.8% for the three months ended March 31, 2026.

Our research and development expenses increased by RMB251.2 million, or 45.3%, from RMB554.1 million for the three months ended March 31, 2025 to RMB805.3 million for the three months ended March 31, 2026, primarily attributable to the expansion of R&D activities, increase in the compensation of R&D personnel and corresponding outsourced service expenses, as well as increase in depreciation and amortization expenses.

Our selling and distribution expenses increased by RMB177.0 million, or 13.8%, from RMB1,279.9 million for the three months ended March 31, 2025 to RMB1,456.8 million for the three months ended March 31, 2026, primarily attributable to the increased platform service fees and commission expenses, as well as warehousing and rental expenses and outsourced service expenses driven by our business expansion.

Our general and administrative expenses increased by RMB39.2 million, or 15.6%, from RMB251.4 million for the three months ended March 31, 2025 to RMB290.7 million for the three months ended March 31, 2026, primarily attributable to the increased professional service fees, depreciation and amortization expenses, and bank charges and payment processing fees driven by our business expansion.

Our other income and losses, net decreased from a gain of RMB122.6 million for the three months ended March 31, 2025 to a loss of RMB118.1 million for the three months ended March 31, 2026, primarily attributable to the decrease in the fair value of our other financial assets and increase in foreign exchange losses.

As a result of the foregoing, our profit for the period decreased by 10.2% from RMB524.3 million for the three months ended March 31, 2025 to RMB470.9 million for the same period of 2026.

Our total assets increased from RMB20,066.9 million as of December 31, 2025 to RMB20,228.4 million as of March 31, 2026, primarily reflecting our business growth. Our total liabilities decreased from RMB9,355.2 million as of December 31, 2025 to RMB8,884.2 million as of March 31, 2026. Our net assets increased from RMB10,711.7 million as of December 31, 2025 to RMB11,344.2 million as of March 31, 2026, primarily attributable to the profit of RMB470.9 million recorded for the three months ended March 31, 2026.

For the three months ended March 31, 2026, our net cash used in operating activities was RMB450.6 million, which was primarily attributable to profit before taxation of RMB558.7 million, partially offset by tax paid of RMB141.2 million, adjusted for certain non-cash and non-operating items, including (i) increase in inventories from RMB4,997.1 million as of December 31, 2025 to RMB5,568.9 million as of March 31, 2026 and (ii) a decrease in contract liabilities from RMB552.5 million as of December 31, 2025 to RMB335.4 million as of March 31, 2026.

Our unaudited condensed consolidated interim financial information for the three months ended March 31, 2026 has been reviewed by our Reporting Accountants in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity,* as issued by the Hong Kong Institute of Certified Public Accountants. For details, see Appendix IA to this Document.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had 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 the periods reported on in the Accountants' Report set out in Appendix I to this Document, and there had 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 Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, 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.

[**REDACTED**]

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], [**REDACTED**] and estimated expenses payable by us in connection with the [**REDACTED**], assuming the [**REDACTED**] and the [**REDACTED**] are not exercised and an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the midpoint of the indicative [**REDACTED**] stated in this Document.

In line with our strategies, we intend to use the net [**REDACTED**] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions:

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to drive product iteration and innovation as well as to expand product categories. We remain committed to a user-centric approach, continuously advancing and innovating our existing product lines while focusing on shallow-sea markets. By leveraging real world usage scenarios, we aim to create differentiated products and expand our product portfolio. In particular:

  (i) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to advance our current product categories, including smart charging and power storage, smart home, and smart audio and video by integrating technological breakthroughs and user feedback. This includes enhancing energy efficiency, portability, and safety for smart charging and power storage products; improving connectivity for smart home products; increasing cleaning performance for smart cleaning products; and elevating sound and picture quality for smart audio and video products.

  Under smart charging and power storage segment, we plan to launch the following three new sub-category products: (i) charging products equipped with core technologies in power semiconductors, module packaging, and conversion topology in 2027; (ii) advanced backup power storage products in 2027; and (iii) intelligent residential energy storage products in 2028. Under smart home products segment, we plan to launch the following two new sub-category products: (i) security products equipped with advanced imaging and connectivity technologies, supporting edge-side deployment in 2026; (ii) cleaning robots equipped with advanced cleaning technologies and edge-side deployment in 2027; and (iii) maternal and infant smart home products. Under smart audio and video products, we plan to launch the following two new sub-category products: (i) development of key component and new material technologies for headphones in 2027; and (ii) development of optical engine technologies for projectors targeting new application scenarios in 2027. We will also continuously develop second- and third-generation of the above products over the next three to five years.

  (ii) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to the development of new product categories, with a focus on emerging fields, such as intelligent interactive agent, over the next five years. By exploring diverse application scenarios, we aim to introduce a broader range of intelligent products that meet evolving consumer needs.

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to R&D and talent acquisition focusing on development of underlying platforms and capabilities, strengthening our technological foundation to support ongoing innovation and global expansion. In particular:

  (i) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to the construction and upgrading of R&D centers and specialized laboratories, which will serve as the hubs for our technology innovation. Our R&D centers are primarily used for the research and development of new products and product upgrades, while our specialized laboratories are mainly dedicated to specific technology-focused functions, such as advanced battery packaging, charging heat dissipation and speaker acoustics. The R&D centers and specialized laboratories will be equipped to rapidly respond to market demands, facilitate flexible prototyping, product design, testing, and technical iteration. For R&D center, we plan to establish an R&D center in Shenzhen, PRC, by 2030. For specialized laboratories, we plan to establish specialized laboratories for different product categories, enabling the application of frontier technologies across various smart devices. For charging and power storage products, we plan to establish an advanced power packaging verification and testing laboratory in Shenzhen, primarily responsible for packaging verification and testing of power module products. Construction is scheduled to complete by 2030. We also plan to establish a charging products thermal design laboratory in Shenzhen, mainly tasked with integrated design, testing, and verification of power thermal solutions. Construction is expected to start in 2026 and be completed in 2028. The new specialized laboratories for charging and power storage products will offer dedicated experimental facilities for future technologies — particularly advanced packaging and high-efficiency thermal management. For smart audio and video products, we plan to establish an NPI (New Product Introduction) laboratory in Shenzhen by 2027, with primary beneficiary categories including earphones and speakers. We also plan to establish a speaker acoustics and spatial audio laboratory in Shenzhen by 2028, featuring an anechoic chamber for loudspeaker development.

  (ii) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to recruit talents with strong research backgrounds in fields such as advanced charging technologies, intelligent power management, intelligent acoustic algorithms, and intelligent interactive agent. We seek to utilize these technological innovations to ensure support for our product development and innovation.

  Over the next five years, we plan to expand our research and development team across several key technology areas. For advanced charging technologies and intelligent power management, we expect to recruit approximately 30–35 additional engineers, comprising a mix of hardware, software, testing and project management personnel. For intelligent acoustic algorithms, we plan to recruit approximately 30 professionals across hardware, algorithm development, and simulation and testing functions. For intelligent interactive agent development, we expect to recruit approximately 70–80 professionals across hardware engineering, algorithm development, and simulation and testing.

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to enhance our brand's appeal and deepen consumer loyalty. In particular:

  (i) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to strengthen our differentiated channel strategy, establishing touchpoints across social media, e-commerce platforms, and offline retail to achieve broad and meaningful brand presence. We plan to conduct joint marketing with well-known and top-tier brands. We also plan to sponsor major global events

and collaborate with leading entertainment and cultural brands, including popular video games, sports events, music festivals, art exhibitions and film festivals. Through multi-channel marketing campaigns, we aim to create content that is immersive and emotionally engaging. In addition, we will upgrade our digital marketing network to increase the reach and engagement of customized content.

(ii) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to strengthen membership programs, offering exclusive benefits such as exclusive gifts, after-sales support, and other benefits to promote member engagement.

Over the next five years, we plan to enhance our membership program by offering additional benefits, such as improved delivery and logistics services and other value-added perks, including electronic vouchers. We also intend to upgrade our membership management and data systems to better understand customer behavior and improve member engagement, including tools for customer communications, loyalty points and direct-store operations.

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to strengthen our direct-to-consumer global market strategy. In particular:

(i) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to open self-owned offline retail stores and experience centers in major cities globally, reinforcing our brand image and fostering closer customer engagement. Building on the successful operation of our self-owned offline retail stores in Japan, which have strengthened customer engagement, enhanced brand visibility and improved the overall user experience, we plan to gradually replicate and expand this retail model in other markets. As part of this strategy to strengthen our offline presence and deepen customer interaction, over the next five years, we plan to expand our physical presence by opening self-owned offline retail stores and experience centers across North America (e.g., the U.S., Canada), Europe (e.g., UK, Germany) and Chinese mainland. We expect to open a total of approximately 100 self-owned offline retail stores and experience centers during this period, with a phased rollout to support market development and brand engagement. Meanwhile, we will increase investment in our official websites, optimizing the user interface and shopping experience to boost online conversion, thereby building an integrated global direct sales network that connects both online and offline channels.

(ii) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to expand our local operations and sales teams, establish after-sales service centers, and appoint regional managers to deepen market penetration and drive growth across our full range of product categories.

Over the next five years, we plan to expand our operations and sales teams by approximately 200 to 300 personnel. In parallel, to strengthen our after-sales service capabilities, we expect to establish around 15 third-party service centers through partnerships with service providers, as well as approximately five self-operated after-sales service centers across North America (e.g., Canada), Europe (e.g., Germany) and Chinese mainland.

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated to upgrade supply chain management to support ongoing global expansion efforts. In particular:

(i) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to building a global logistics infrastructure to enhance the global reach of our supply chain. We plan to primarily lease the warehouse, and the [**REDACTED**] will be used to fund the related rental expenses and renovation costs. By investing in self-operated warehouses in key regions, we aim to increase

logistics responsiveness and improve inventory turnover efficiency. Over the next five years, we plan to further enhance the automation level and operational efficiency of our existing self-operated warehouses in established markets, including North America (e.g., the U.S., Canada), Europe (e.g., UK, Germany) and Chinese mainland, through the deployment of advanced warehousing technologies and automation systems. Separately, in emerging markets, including the Middle East (e.g., Saudi Arabia and the UAE), Latin America (e.g., Mexico and Brazil) and Australia, we intend to increase investment across the broader logistics and distribution network, including warehousing, transportation, fulfillment and last-mile delivery capabilities, to establish and strengthen local infrastructure that supports our long-term growth and customer service objectives. This expanded global logistics layout will strengthen our order fulfillment capabilities during peak seasons and promotional periods, reduce cross-border logistics costs, and enhance the overall customer experience, while boosting the stability and flexibility of our supply chain.

(ii) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to the development of digitalized systems for supply chain management, covering modules such as procurement management, inventory control, order fulfillment, and logistics tracking. These initiatives will enable end-to-end digitalization and intelligent management of the supply chain.

(iii) Approximately [**REDACTED**]% or HK$[**REDACTED**] of the net [**REDACTED**] will be allocated to expand our overseas procurement teams and establish local procurement operations globally. This may include staff training and optimization of production capabilities together with our manufacturing partners, allowing us to better control raw material costs, improve supply chain flexibility, and strengthen our command over the global supply network.

- Approximately [**REDACTED**]% or HK$[**REDACTED**] will be allocated for working capital and general corporate purposes.

In the event that the [**REDACTED**] is set at the maximum [**REDACTED**] or the minimum [**REDACTED**] of the indicative [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised), the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**] or HK$[**REDACTED**], respectively. If we make an upward or downward [**REDACTED**] adjustment to set the final [**REDACTED**] to be above or below the mid-point of the [**REDACTED**], we will increase or decrease the allocation of the net [**REDACTED**] to the above purposes on a pro rata basis.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the maximum [**REDACTED**] of the indicative [**REDACTED**]), (ii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**]) and (iii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the minimum [**REDACTED**] of the indicative [**REDACTED**]). We intend to apply the additional net [**REDACTED**] to the above uses on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes, we will only hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[**REDACTED**]

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The following is the text of a report set out on pages I-1 to I-65, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ANKER INNOVATIONS TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, GOLDMAN SACHS (ASIA) L.L.C. AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED

Introduction

We report on the historical financial information of Anker Innovations Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-65, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-65 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the initial [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

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 and presentation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "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' judgment, 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 and presentation set out in note 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 purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 33(d) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[**REDACTED**]

HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

	Notes	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	17,507,203	24,710,080	30,514,403
Cost of sales		(10,026,828)	(14,065,293)	(17,127,972)
Gross profit		7,480,375	10,644,787	13,386,431
Other income and losses, net	*5*	319,219	365,063	575,314
Research and development expenses		(1,413,867)	(2,108,445)	(2,892,785)
Selling and distribution expenses		(3,886,613)	(5,569,791)	(6,826,803)
General and administrative expenses		(658,897)	(984,217)	(1,246,690)
Impairment loss on trade and other receivables	*6(c)*	(32,853)	(6,909)	(46,017)
Operating profit		1,807,364	2,340,488	2,949,450
Finance costs	*6(a)*	(26,687)	(27,760)	(52,051)
Share of profits of associates		31,835	35,621	25,075
Profit before taxation	*6*	1,812,512	2,348,349	2,922,474
Income tax	*7(a)*	(118,573)	(137,225)	(305,280)
Profit for the year		1,693,939	2,211,124	2,617,194
Other comprehensive income for the year (after tax)				
Items that may be reclassified subsequently to profit or loss:				
– Share of other comprehensive income of associates		855	(291)	1,458
– Cash flow hedges		(35,042)	25,799	83,034
– Foreign currency translation differences		(29,704)	(24,053)	7,697
Other comprehensive income for the year		(63,891)	1,455	92,189
Total comprehensive income for the year		1,630,048	2,212,579	2,709,383
Profit for the year attributable to:				
– Equity shareholders of the Company		1,614,872	2,114,430	2,545,132
– Non-controlling interests		79,067	96,694	72,062
Total comprehensive income for the year attributable to:				
– Equity shareholders of the Company		1,550,870	2,115,886	2,637,280
– Non-controlling interests		79,178	96,693	72,103
Earnings per share				
– Basic (RMB)	*10(a)*	3.06	3.99	4.77
– Diluted (RMB)	*10(b)*	3.05	3.97	4.72

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	149,809	1,658,585	1,869,059
Right-of-use assets	*12*	133,054	116,275	320,302
Intangible assets	*13*	22,383	37,224	52,594
Interests in associates	*14(a)*	517,075	525,435	581,970
Other financial assets	*15*	1,152,429	1,270,327	596,805
Other non-current assets	*16*	1,259,053	84,454	119,529
Deferred tax assets	*31(b)*	367,943	543,858	440,107
		3,601,746	4,236,158	3,980,366
Current assets				
Derivative financial instruments	*17*	–	–	131,686
Inventories	*18*	2,411,311	3,233,554	4,997,119
Trade receivables	*19*	1,527,818	1,654,200	1,872,624
Prepayments and other receivables	*20*	498,055	898,809	1,297,638
Other financial assets	*15*	2,672,487	4,047,403	4,130,951
Term deposits and restricted cash	*21*	276,185	204,880	588,767
Cash and cash equivalents	*22*	1,789,101	2,328,704	3,067,742
		9,174,957	12,367,550	16,086,527
Current liabilities				
Trade and bills payables	*23*	1,552,902	2,245,901	2,313,362
Other payables	*24*	1,178,213	2,543,530	2,771,627
Contract liabilities	*25*	137,415	154,664	552,496
Bank loans	*26*	270,345	595,818	710,638
Bonds payable	*27*	–	–	1,202
Lease liabilities	*28*	66,574	54,164	81,922
Income tax payable	*31(a)*	167,783	254,471	275,892
Derivative financial instruments	*17*	40,635	11,060	42,414
Other financial liabilities	*34(e)*	7,302	41,904	18,959
		3,421,169	5,901,512	6,768,512
Net current assets		5,753,788	6,466,038	9,318,015
Total assets less current liabilities		9,355,534	10,702,196	13,298,381

The accompanying notes form part of the Historical Financial Information.

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Bank loans	*26*	610,700	924,915	781,332
Bonds payable	*27*	–	–	1,097,400
Lease liabilities	*28*	69,249	62,898	246,331
Employee benefit liabilities	*29*	282,736	198,881	182,458
Deferred income		26,028	24,069	22,110
Deferred tax liabilities	*31(b)*	126,016	161,975	31,744
Provisions	*32*	79,506	184,938	225,336
		1,194,235	1,557,676	2,586,711
NET ASSETS		8,161,299	9,144,520	10,711,670
CAPITAL AND RESERVES				
Share capital	*33*	406,427	531,411	536,159
Reserves	*33*	7,593,492	8,426,633	9,991,444
Total equity attributable to equity shareholders of the Company		7,999,919	8,958,044	10,527,603
Non-controlling interests		161,380	186,476	184,067
TOTAL EQUITY		8,161,299	9,144,520	10,711,670

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	129,725	151,065	323,855
Right-of-use assets	*12*	44,683	26,599	469,507
Intangible assets		21,968	34,355	45,909
Interests in associates	*14(a)*	412,127	414,321	426,835
Investment in subsidiaries	*14(b)*	1,245,478	1,589,302	1,862,934
Loans to subsidiaries		213,193	–	–
Other financial assets	*15*	796,403	893,876	224,420
Other non-current assets		19,372	11,064	28,361
Deferred tax assets	*31(b)*	88,583	161,957	69,603
		2,971,532	3,282,539	3,451,424
Current assets				
Inventories		32,986	65,863	54,864
Trade receivables	*19*	209,311	307,964	506,154
Prepayments and other receivables	*20*	3,362,794	5,838,717	5,858,994
Other financial assets	*15*	2,255,416	2,326,055	3,316,012
Cash and cash equivalents		335,139	229,913	303,309
		6,195,646	8,768,512	10,039,333
Current liabilities				
Trade and bills payables	*23*	993,374	1,404,076	1,802,412
Other payables	*24*	1,077,448	3,067,512	1,919,734
Contract liabilities		2,727	3,092	11,615
Bonds payable	*27*	–	–	1,202
Lease liabilities		22,615	15,045	36,052
Income tax payable	*31(a)*	64,633	70,520	83,369
Other financial liabilities		39,389	–	20,966
		2,200,186	4,560,245	3,875,350
Net current assets		3,995,460	4,208,267	6,163,983
Total assets less current liabilities		6,966,992	7,490,806	9,615,407
Non-current liabilities				
Bonds payable	*27*	–	–	1,097,400
Lease liabilities		22,619	11,831	436,524
Employee benefit liabilities	*29*	266,241	140,936	134,909
Deferred income		26,028	24,069	22,110
Deferred tax liabilities	*31(b)*	87,527	128,762	–
Provisions		–	–	1,500
		402,415	305,598	1,692,443
NET ASSETS		6,564,577	7,185,208	7,922,964
CAPITAL AND RESERVES				
Share capital	*33*	406,427	531,411	536,159
Reserves	*33*	6,158,150	6,653,797	7,386,805
TOTAL EQUITY		6,564,577	7,185,208	7,922,964

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Attributable to equity shareholders of the Company							
	Share capital	Capital reserve	Other comprehensive income	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 note 33(b)	*RMB'000 note 33(c)(i)*	*RMB'000 note 33(c)(ii)*	*RMB'000 note 33(c)(iv)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	406,427	2,994,692	(6,282)	203,214	3,245,215	6,843,266	101,327	6,944,593
Changes in equity for 2023:								
Profit for the year	–	–	–	–	1,614,872	1,614,872	79,067	1,693,939
Other comprehensive income	–	–	(64,002)	–	–	(64,002)	111	(63,891)
Total comprehensive income	–	–	(64,002)	–	1,614,872	1,550,870	79,178	1,630,048
Share-based payment expenses	–	54,150	–	–	–	54,150	8,650	62,800
Acquisitions of non-controlling interests	–	(3,380)	–	–	–	(3,380)	(1,114)	(4,494)
Dividends declared and approved	–	–	–	–	(487,713)	(487,713)	(26,661)	(514,374)
Disposal of a subsidiary	–	36,631	–	–	(40,211)	(3,580)	–	(3,580)
Others*	–	46,306	–	–	–	46,306	–	46,306
Balance at December 31, 2023	406,427	3,128,399	(70,284)	203,214	4,332,163	7,999,919	161,380	8,161,299

	Attributable to equity shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Bonds payable reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 note 33(b)	*RMB'000 note 33(c)(i)*	*RMB'000 note 33(c)(ii)*	*RMB'000 note 33(c)(iii)*	*RMB'000 note 33(c)(iv)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2024	406,427	3,128,399	(70,284)	–	203,214	4,332,163	7,999,919	161,380	8,161,299
Changes in equity for 2024:									
Profit for the year	–	–	–	–	–	2,114,430	2,114,430	96,694	2,211,124
Other comprehensive income	–	–	1,456	–	–	–	1,456	(1)	1,455
Total comprehensive income	–	–	1,456	–	–	2,114,430	2,115,886	96,693	2,212,579
Capitalization issue	121,958	(121,958)	–	–	–	–	–	–	–
Issuance of shares under share award schemes	3,026	100,492	–	–	–	–	103,518	–	103,518
Share-based payment expenses	–	82,759	–	–	–	–	82,759	13,247	96,006
Acquisitions of non-controlling interests	–	(213,683)	–	–	–	–	(213,683)	(71,355)	(285,038)
Dividends declared and approved	–	–	–	–	–	(1,131,897)	(1,131,897)	(13,635)	(1,145,532)
Appropriation to statutory reserve	–	–	–	–	62,492	(62,492)	–	–	–
Others*	–	1,542	–	–	–	–	1,542	146	1,688
Balance at December 31, 2024	531,411	2,977,551	(68,828)	–	265,706	5,252,204	8,958,044	186,476	9,144,520

	Attributable to equity shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Bonds payable reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 note 33(b)	*RMB'000 note 33(c)(i)*	*RMB'000 note 33(c)(ii)*	*RMB'000 note 33(c)(iii)*	*RMB'000 note 33(c)(iv)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	531,411	2,977,551	(68,828)	–	265,706	5,252,204	8,958,044	186,476	9,144,520
Changes in equity for 2025:									
Profit for the year	–	–	–	–	–	2,545,132	2,545,132	72,062	2,617,194
Other comprehensive income	–	–	92,148	–	–	–	92,148	41	92,189
Total comprehensive income	–	–	92,148	–	–	2,545,132	2,637,280	72,103	2,709,383
Issuance of shares under share award schemes	4,747	159,571	–	–	–	–	164,318	–	164,318
Issuance of convertible bonds	–	–	–	4,495	–	–	4,495	–	4,495
Conversion of convertible bonds into ordinary shares	1	139	–	(1)	–	–	139	–	139
Share-based payment expenses	–	86,460	–	–	–	–	86,460	9,413	95,873
Acquisitions of non-controlling interests	–	(160,940)	–	–	–	–	(160,940)	(67,615)	(228,555)
Dividends declared and approved	–	–	–	–	–	(1,172,618)	(1,172,618)	(16,360)	(1,188,978)
Appropriation to statutory reserve	–	–	–	–	2,374	(2,374)	–	–	–
Others*	–	10,425	–	–	–	–	10,425	50	10,475
Balance at December 31, 2025	536,159	3,073,206	23,320	4,494	268,080	6,622,344	10,527,603	184,067	10,711,670

* Others mainly include the changes in the Group's share of net assets of its associates, other than those arising from the associates' profit or loss, other comprehensive income or profit distribution. Such changes mainly arose from the listing of an associate in 2023, equity-settled share-based payment expenses of this associate under its share award scheme, and passive equity dilution of certain associates during the Track Record Period.

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Notes	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash generated from operations	*22(b)*	1,517,160	2,945,423	816,901
Income tax paid	*31(a)*	(87,247)	(199,964)	(336,094)
Net cash generated from operating activities		1,429,913	2,745,459	480,807
Investing activities				
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(70,297)	(428,882)	(365,120)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		1,218	–	–
Payments for interests in associates		(70,000)	–	(35,528)
Proceeds from disposal of associates		–	11,610	–
Dividend received from associates and equity investments		3,782	27,249	17,074
Net cash outflows from disposal of a subsidiary		(43,545)	–	–
Payments for purchase of equity investments		–	(72,547)	(56,469)
Proceeds from disposal of equity investments		–	38,934	293,128
Payments for purchase of financial products		(3,086,421)	(4,755,461)	(4,272,734)
Proceeds from financial products		3,260,810	3,675,618	4,725,656
Net cash (used in)/generated from investing activities		(4,453)	(1,503,479)	306,007
Financing activities				
Capital element of lease rentals paid	*22(c)*	(72,549)	(73,321)	(75,191)
Interest element of lease rentals paid	*22(c)*	(2,368)	(2,894)	(7,170)
Proceeds from bank loans	*22(c)*	444,890	1,372,408	1,076,237
Repayment of bank loans	*22(c)*	(433,041)	(710,482)	(1,051,254)
Repayments of bonds	*22(c)*	(5,235)	–	–
Proceeds from issuance of convertible bonds	*22(c)*	–	–	1,096,920
Interest paid	*22(c)*	(23,936)	(22,581)	(23,083)
Increase in restricted cash in connection with bank loans drawn		–	(52,750)	–
Proceeds from share-based payments		–	103,518	164,318
Payments for acquisition of non-controlling interests		(6,567)	(278,345)	(111,953)
Contributions from non-controlling interests		–	146	50
Distributions to non-controlling shareholders		(26,661)	(13,635)	(16,360)
Dividend paid to equity shareholders of the Company	*33(d)*	(487,713)	(1,131,897)	(1,172,618)
Payments for [**REDACTED**] to be deducted from equity		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Net cash used in financing activities		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Net increase in cash and cash equivalents		812,280	432,147	657,338
Cash and cash equivalents at the beginning of year		928,610	1,789,101	2,328,704
Effect of foreign exchange rate changes		48,211	107,456	81,700
Cash and cash equivalents at the end of year	*22(a)*	1,789,101	2,328,704	3,067,742

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

The Company was formerly established as a limited liability company in Changsha, Hunan, the People's Republic of China (the "PRC") on December 6, 2011, and converted to a joint stock limited liability company on June 6, 2016.

The Company's A Shares have been listed on the Shenzhen Stock Exchange (stock code: 300866) since August 2020.

The Group are principally engaged in independent research and development, design and sales of consumer electronic products such as peripheral products for mobile devices and intelligent hardware products under own brands. The products are mainly consumer electronic products such as smart charging and power storage, smart audio and video, and smart home.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries and regions in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合夥)).

During the Track Record Period, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	Place of incorporation and business and date of incorporation	Particulars of registered capital and paid-up capital	Proportion of ownership interest as at December 31, 2023	Proportion of ownership interest as at December 31, 2024	Proportion of ownership interest as at December 31, 2025	Proportion of ownership interest as at At the date of this report	Principal activities	Name of auditor
Shenzhen Oceanwing Smart Innovation Co., Ltd. 深圳海翼智新科技有限公司 *(i)*	Shenzhen, PRC January 17, 2014	RMB1,000,000	76.44%	83.02%	87.28%	87.28%	Research and development	2023-2025: Shenzhen Tianchen Certified Public Accountants (General Partnership) 深圳天晨會計師事務所(普通合夥)
Hunan Anker Electronic Technology Co., Ltd. 湖南安克電子科技有限公司 *(i)*	Hunan, PRC June 5, 2017	RMB617,000,000	100%	100%	100.00%	100.00%	Procurement	2023-2025: Hunan Zhongtong Certified Public Accountants Co., Ltd. 湖南中彤會計師事務所有限責任公司
Anker Innovations Limited	Hong Kong October 18, 2013	Hong Kong Dollar ("HKD") 10,000	100%	100%	100.00%	100.00%	Sales and distribution	2023-2024: Zhonghui Anda CPA Limited 中匯安達會計師事務所有限公司 2025: (ii)
Fantasia Trading LLC	United States July 2, 2009	United States dollars ("USD") 60,000	100%	100%	100.00%	100.00%	Sales and distribution	2023-2025: (ii)
Anker Technology (UK) Ltd.	United Kingdom November 7, 2013	Great Britain Pound ("GBP") 10,000	100%	100%	100.00%	100.00%	Sales and distribution	2023-2024: Azets Audit Services 2025: (ii)
Anker Japan Co., Ltd.	Japan January 30, 2013	Japanese Yen ("JPY") 160,000,000	100%	100%	100.00%	100.00%	Sales and distribution	2023-2025: (ii)
Power Mobile Life LLC	United States November 5, 2015	USD50,000	100%	100%	100.00%	100.00%	Sales and distribution	2023-2025: (ii)
Anker MEA – FZE	The United Arab Emirates January 13, 2022	United Arab Emirates Dirham ("AED") 50,000	100%	100%	100.00%	100.00%	Sales and distribution	2023-2024: NBN Auditing of Accounts 2025: (ii)

Notes:

(i) These companies are limited liability companies established in the PRC. The English translation of the names is for identification only. The official names of these entities are in Chinese.

(ii) No audited financial statements have been prepared for the relevant entities in the respective year.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning January 1, 2025 are set out in note 39.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies below:

- other investments in securities (see note 2(f));
- derivative financial instruments (see note 2(g)); and
- other financial liabilities.

(b) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) Consolidation

(i) Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the financial statements of the controlling party at the combination date. The difference between the carrying amounts of the net assets acquired and the consideration paid for the combination is adjusted to equity. Any costs directly attributable to the combination are recognized in profit or loss when incurred. The combination date is the date on which the acquirer effectively obtains control of the acquiree.

(ii) Business combination involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not controlled by the same party or parties both before and after the business combination. Acquisition related costs are expensed when incurred. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognized by the Group at their acquisition date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Except for business combination involving entities under common control, the financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(t) or 2(r) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognized at cost, which includes transaction costs. Subsequently, the financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see note 2(m)(i)).

Unrealized profits resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 34(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(x)(ii)(c)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

– Fair Value through Other Comprehensive Income ("FVOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income.

(g) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation (see note 2(h)).

(h) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

(i) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI within equity. The effective portion that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the OCI is removed from the reserve and is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated is reclassified through OCI to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, the amount that has been accumulated in the OCI remains in equity until the transaction occurs and it is recognized in accordance with the above policy.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the OCI is immediately reclassified through OCI to profit or loss.

(i) Investment property

Investment property is initially measured at cost, and subsequently at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment property over its estimated useful lives (20 years) and after taking into account its estimated residual value, using the straight-line method.

Any gain or loss on disposal of investment property is recognized in profit or loss. Rental income from investment properties is recognized in accordance with note 2(x)(ii)(a).

(j) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(m)).

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the purchase costs of the asset and the related construction and installation costs. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

– Building	20 years
– Vehicle	3-5 years
– Electronic equipment and others	3-5 years
– Leasehold improvements	Over the lease terms

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(k) Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including software and patent right, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see note 2(m)).

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

– Software	10 years
– Patent right	10 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contracts contain lease component(s) and non-lease component(s), the Group has elected to separate non-lease components and allocated the consideration in the contract to each lease component on the basis of the relative stand-alone price.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(m)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see note 2(f)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with note 2(x)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(l), then the Group classifies the sub-lease as an operating lease.

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables.

The Group recognizes a loss allowance for expected credit losses (ECLs) on:

– financial assets measured at amortized cost (including cash and cash equivalents, term deposits and restricted cash, trade receivables and other receivables) and contract assets as defined in IFRS 15;

– non-equity securities measured at FVOCI (recycling) (see note 2(f)(i));

– lease receivables.

Other financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation there of;

– variable-rate financial assets: current effective interest rate;

– lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor ability to meet its obligation to the Group.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see note 2(f)).

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganization; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Inventories

Inventories are measured at the lower of cost and net realizable value as follows:

Cost is calculated using the weighted average cost formula by month and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(o) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see note 2(x)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(m)(i)) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(p)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 2(x)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see note 2(p)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(x)(i)).

(p) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see note 2(m)(i)).

Insurance reimbursement is recognized and measured in accordance with note 2(w).

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(m)(i)).

(r) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(s) Interest-bearing borrowings

Bank loans are measured initially at fair value less transaction costs. Subsequent these bank loans are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with note 2(z).

(t) Convertible bonds

(i) Convertible bonds that contain an equity component

Compound financial instruments issued by the Group comprise convertible bonds denominated in RMB that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. Interest is recognized in profit or loss. The equity component is not remeasured and is recognized in the bonds payable reserve until the bonds are converted.

If the bonds are converted, the bonds payable reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and capital reserve as consideration for the shares issued.

(ii) Other convertible bonds

For convertible bonds which do not contain an equity component, at initial recognition the derivative component is measured at fair value and presented as part of derivative financial instruments (see note 2(g)). Any excess of proceeds over the amount initially recognized as the derivative component is recognized as the host liability component. Any directly attributable transaction costs are allocated to the host liability and derivative components in proportion to their initial carrying amounts. The portion of the transaction costs relating to the host liability component is recognized initially as part of the liability. The portion relating to the derivative component is recognized immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with note 2(g). The host liability component is subsequently carried at amortized cost using effective interest method. Interest related to the host liability component is recognized in profit or loss.

If the bonds are converted, the shares issued are measured at fair value and any difference between the fair value of shares issued and the carrying amounts of the derivative and liability components are recognized in profit or loss. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognized in profit or loss.

(u) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the Black-Scholes model. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the capital reserve until the award is vested (when it is included in the amount recognized in share capital for the shares issued).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(v) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(w) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract (see note 2(m)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(x) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contract with customers

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis, including the sale of electronic products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. The Group recognizes provision for the warranty, which is presented as cost of sales (see note 2(w)). Some contracts for the sale of products provide customers with rights of return, giving rise to variable consideration (see note 3(i)). A refund liability is recognized for the expected returns, and is included in other payables (see note 24).

(a) Online Sales

For online Business-to-Consumer ("B2C") sales, the sales platform is responsible for delivering the goods to customer or the Group entrusts a logistics company to deliver the goods to customer. The Group recognizes revenue when customers obtain control of relevant goods.

For e-commerce warehousing mode sales, the Group's customers are self-operated e-commerce platforms. Consumers directly place orders and make payments to the e-commerce platform, and the e-commerce platform directly delivers goods to consumers through its own or third-party logistics after receiving the consumers' payment. The Group recognizes revenue when customers obtain control of relevant goods.

(b) Offline sales

For offline sales, customers directly place orders with the Group after signing a contract with the Group. The contract only includes one performance obligation for product sales. The Group delivers goods to customers by the delivery terms agreed in the contract, completes the performance obligation when customers receive the goods according to the agreement in the contract and international trade terms, transfers the control right of relevant goods to customers, and recognizes revenue at that point in time.

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

(b) Dividends

Dividend income is recognized in profit or loss on the date on which the Group's right to

receive payment is established.

(c) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful life of the asset.

(y) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

– an investment in equity securities designated as at FVOCI;

– qualifying cash flow hedges to the extent that the hedges are effective (see note 2(h)).

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in OCI related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(z) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(aa) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(ab) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGMENT AND ESTIMATES

Note 2(m) contains information about the assumptions and their risk factors relating to measurement of ECL allowance for trade receivables. Note 2(f) contains information about the fair value disclosure. Notes 2(i), 2(j), 2(k) and 2(l) contains information about the accounting estimates relating to depreciation and amortization of assets such as property, plant and equipment, intangible assets and right-of-use assets. Note 2(n) contains information about accounting estimates relating to impairment of inventories. Note 2(v) contains information about recognition of deferred tax. Note 2(w) contains information about provisions and contingent liabilities. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Variable consideration for right of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied to determine the amount of variable consideration that can be included in the transaction price.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group recognizes a refund liability based on the amount expected to be returned. An asset is initially measured by reference to the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of returned products). At the end of each reporting period, the Group updates the measurement of the refund liability for changes in expectations about the amount of returns. The above assets and liabilities are adjusted accordingly.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are independent research and development, design and sales of consumer electronic products such as peripheral products for mobile devices and intelligent hardware products under own brands. The products are mainly consumer electronic products.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products or service lines			
Smart charging and power storage	8,603,582	12,667,007	15,401,753
Smart home	4,541,291	6,336,477	8,271,292
Smart audio and video	4,285,272	5,692,427	6,833,491
Others	76,147	14,169	7,867
	17,506,292	24,710,080	30,514,403
Revenue from other sources			
Gross rentals from investment property	911	–	–
	17,507,203	24,710,080	30,514,403

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Point in time	17,463,968	24,644,412	30,429,338
Over time	42,324	65,668	85,065
	17,506,292	24,710,080	30,514,403

The Group's customer base is diversified, and there are no customers with whom transactions have exceeded 10% of the Group's revenues during the Track Record Period.

The Group has also applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for electronic products such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of electronic products that had an original expected duration of one year or less.

(b) Segment reporting

The Group determines the operating segments on the basis of internal organization structure, management requirements and internal report principles. Management reviews the results of the Group's operating segments regularly for the purpose of making decisions about resource allocation and performance assessment.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented five reportable segments based on geographical location: PRC (including Hong Kong), USA, Europe, Japan and others. No operating segments have been aggregated to form the reportable segments.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The measure used for reporting segment result is segment revenue less segment cost (i.e. carrying amount of inventories sold) and the measures used for segment assets and liabilities are total assets and total liabilities.

Revenue and cost are allocated to the reportable segments with reference to sales generated by those segments and the carrying amount of inventories sold incurred by those segments.

Segment information for the year ended December 31, 2023 is as follows:

	PRC (including Hong Kong)	USA	Europe	Japan	Others	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	22,988,636	8,057,297	5,302,801	2,502,145	1,576,922	(22,920,598)	17,507,203
Reportable segment cost	(18,539,599)	(6,404,232)	(4,536,450)	(1,989,325)	(1,173,866)	22,758,213	(9,885,259)
Reportable segment profit	4,449,037	1,653,065	766,351	512,820	403,056	(162,385)	7,621,944
Write-down of inventories							(141,569)
Other income and losses, net							319,219
Research and development expenses							(1,413,867)
Selling and distribution expenses							(3,886,613)
General and administrative expenses							(658,897)
Impairment loss on trade and other receivables							(32,853)
Operating profit							1,807,364
Reportable segment assets	20,188,136	2,945,657	3,620,241	824,160	1,393,701	(16,195,192)	12,776,703
Reportable segment liabilities	11,356,538	2,779,373	3,350,452	655,468	846,467	(14,372,894)	4,615,404

Segment information for the year ended December 31, 2024 is as follows:

	PRC (including Hong Kong)	USA	Europe	Japan	Others	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	30,121,926	11,215,491	9,111,353	3,472,937	3,020,172	(32,231,799)	24,710,080
Reportable segment cost	(23,628,264)	(9,096,586)	(8,023,626)	(2,735,359)	(2,681,931)	32,224,573	(13,941,193)
Reportable segment profit	6,493,662	2,118,905	1,087,727	737,578	338,241	(7,226)	10,768,887
Write-down of inventories							(124,100)
Other income and losses, net							365,063
Research and development expenses							(2,108,445)
Selling and distribution expenses							(5,569,791)
General and administrative expenses							(984,217)
Impairment loss on trade and other receivables							(6,909)
Operating profit							2,340,488
Reportable segment assets	26,307,667	3,509,105	3,900,228	1,068,767	1,658,570	(19,840,629)	16,603,708
Reportable segment liabilities	16,342,221	3,355,584	3,475,051	835,795	1,039,182	(17,588,645)	7,459,188

Segment information for the year ended December 31, 2025 is as follows:

	PRC (including Hong Kong)	USA	Europe	Japan	Others	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	33,202,708	13,647,455	13,308,623	4,021,597	4,962,796	(38,628,776)	30,514,403
Reportable segment cost	(25,967,079)	(10,393,298)	(11,876,108)	(2,985,121)	(4,561,897)	39,020,528	(16,762,975)
Reportable segment profit	7,235,629	3,254,157	1,432,515	1,036,476	400,899	391,752	13,751,428
Write-down of inventories							(364,997)
Other income and losses, net							575,314
Research and development expenses							(2,892,785)
Selling and distribution expenses							(6,826,803)
General and administrative expenses							(1,246,690)
Impairment loss on trade and other receivables							(46,017)
Operating profit							2,949,450
Reportable segment assets	32,957,763	5,123,499	5,565,299	1,103,276	1,612,844	(26,295,788)	20,066,893
Reportable segment liabilities	21,522,720	4,784,190	5,011,850	794,156	986,910	(23,744,603)	9,355,223

Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered, or the services provided.

	Revenue from external customers		
	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Northern America	8,370,483	11,881,100	14,132,565
Europe	3,679,519	5,680,850	8,151,055
PRC	637,954	884,935	1,031,569
Rest of the world	4,819,247	6,263,195	7,199,214
	17,507,203	24,710,080	30,514,403

During the Track Record Period, most of the Group's specified non-current assets (primarily include property, plant and equipment, right-of-use assets, intangible assets, interests in associates and other non-current assets) are located in the PRC.

5 OTHER INCOME AND LOSSES, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Dividend income from equity investments	3,782	7,403	3,843
Fair value change of other financial assets	220,431	237,299	386,396
(Losses)/gains on disposal of a subsidiary and interests in associates	(1,051)	3,055	–
Impairment loss of interests in associates	–	(1,524)	–
Interest income	34,743	44,818	41,627
Net exchange (losses)/gains	(32,626)	53,477	88,815
Others	93,940	20,535	54,633
	319,219	365,063	575,314

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans	24,319	24,866	31,119
Interest on bonds payable	–	–	13,762
Interest on lease liabilities	2,368	2,894	7,170
	26,687	27,760	52,051

(b) Staff costs

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	2,014,699	2,854,209	3,549,980
Retirement scheme contributions *(i)*	37,624	73,035	123,393
Share-based payment expenses *(note 30)*	62,800	96,006	95,873
	2,115,123	3,023,250	3,769,246

Note:

(i) Retirement scheme contributions

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages as agreed by the local municipal government to the scheme to fund the retirement benefits of employees.

All other overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions. No forfeited contributions were utilized by the Group to reduce its contributions to the abovementioned social insurance plan during the Track Record Period.

(c) Other items

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of inventories *(i)*	10,026,828	14,065,293	17,127,972
Depreciation and amortization charge			
– Property, plant and equipment *(note 11)*	46,742	51,746	97,100
– Right-of-use assets *(note 12)*	77,192	76,220	94,345
– Intangible assets *(note 13)*	2,891	3,569	5,886
– Other non-current assets	3,996	3,946	1,794
Impairment losses recognized/(reversed)			
– Trade receivables	24,428	8,511	26,676
– Other receivables	8,425	(1,602)	19,341
Auditors' remuneration			
– Audit services	2,793	3,250	3,400
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Note:

(i) Cost of inventories include RMB22,550,000, RMB27,339,000, RMB50,184,000, relating to staff costs, depreciation and amortization expenses for each of the years ended December 31, 2023, 2024 and 2025, respectively, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	183,023	327,319	351,278
Under/(over)-provision in respect of prior years	24,719	(40,667)	6,237
	207,742	286,652	357,515
Deferred tax			
Origination and reversal of accumulated tax losses and temporary differences	(89,169)	(149,427)	(52,235)
	118,573	137,225	305,280

Notes:

(i) PRC enterprise income tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

Under the PRC Enterprise Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("HNTE") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. The Company and Shenzhen Oceanwing Smart Innovation Co., Ltd., as HNTEs, are entitled to a preferential tax rate of 15% during the Track Record Period.

In accordance with the "Announcement of the Ministry of Finance and State Taxation Administration on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises" (Caishui No. 13 [2022]), the "Announcement of the Ministry of Finance and State Taxation Administration on Income Tax Preferences for Small and Micro Enterprises and Individual Businesses" (Caishui No. 6 [2023]), and the "Announcement of the Ministry of Finance and State Taxation Administration on Relevant Tax and Fee Policies With Respect to Further Supporting the Development of Small and Micro Enterprises and Individual Businesses" (Caishui No. 12 [2023]), for small and micro enterprises the applicable rate of enterprise income tax is 20%. Some of the Group's subsidiaries meet the criteria as small and micro enterprises, therefore fall in the scope of the above tax preferential.

During the Track Record Period, and an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations.

(ii) Hong Kong profits tax

For the Hong Kong subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Hong Kong subsidiary was calculated at the same basis in the Track Record Period.

(iii) Enterprise income tax in other jurisdictions

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries at a range from 0% to 35% during the reporting period.

According to the relevant taxation ruling of Malta, specific preferential tax rates can be applied to eligible taxpayers. Some of subsidiaries of the Group in Malta entitled to preferential tax rate.

(iv) Pillar Two income taxes

The Group is a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organization for Economic Co-operation and Development.

Certain jurisdictions in which the Group operates have implemented local Pillar Two rules with effect from January 1, 2024 and Pillar Two rules do not have a material impact on the Group's consolidated financial statements as at December 31, 2024. From January 1, 2025, the Group is liable to Pillar Two income taxes under United Arab Emirates's local Pillar Two rules for its earnings in United Arab Emirates, and Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong, as well as certain other low-taxed jurisdictions where a qualified domestic minimum top-up tax has not been implemented.

Consequently, the Group has recognized a related current tax expense of RMB30,309,000 for the year ended December 31, 2025.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	1,812,512	2,348,349	2,922,474
Tax at the PRC income tax rate of 15%	271,877	352,252	438,371
Differential income tax rates applicable to subsidiaries	(65,277)	20,265	95,835
Under/(over)-provision in respect of prior years	24,719	(40,667)	6,237
Effect of non-taxable income	(8,889)	(6,686)	(28,376)
Effect of non-deductible costs, expense and losses	6,938	24,565	977
Utilization of tax losses previously not recognized	(788)	(516)	(2,883)
Tax losses and deductible temporary difference not recognized	17,249	22,643	62,453
Additional deduction on research and development expenses	(127,256)	(234,631)	(267,334)
Actual tax expense	118,573	137,225	305,280

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of emoluments of directors and supervisors are as follows:

	Year ended December 31, 2023						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payment expenses *(i)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors							
Mr. Yang Meng	60	–	41	4	105	–	105
Mr. Zhao Dongping	60	485	249	4	798	–	798
Mr. Zhang Shanfeng	60	571	798	43	1,472	–	1,472
Mr. Zhu Fanghao	60	1,075	277	46	1,458	10,544	12,002
Mr. Xiong Kang (appointed on July 3, 2023)	25	1,304	764	43	2,136	2,726	4,862
Mr. Lian Meng	60	–	–	–	60	–	60
Mr. Gao Tao (resigned on June 15, 2023)	30	47	–	4	81	–	81
Sub-total	355	3,482	2,129	144	6,110	13,270	19,380
Independent Directors							
Mr. Deng Haifeng	84	–	–	–	84	–	84
Mr. Li Guoqiang	84	–	–	–	84	–	84
Mr. Gao Wenjin	84	–	–	–	84	–	84
Sub-total	252	–	–	–	252	–	252
Supervisors							
Ms. Yang Ting	60	106	22	8	196	–	196
Ms. Liu Meiqing	60	101	53	8	222	–	222
Ms. Zeng Yi	60	158	78	8	304	–	304
Sub-total	180	365	153	24	722	–	722
Total	787	3,847	2,282	168	7,084	13,270	20,354

	Year ended December 31, 2024						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payment expenses *(i)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors							
Mr. Yang Meng	60	–	1	7	68	–	68
Mr. Zhao Dongping	60	–	751	7	818	–	818
Mr. Zhang Shanfeng	60	–	–	7	67	–	67
Mr. Zhu Fanghao	60	938	451	54	1,503	16,139	17,642
Mr. Xiong Kang	60	1,363	2,610	51	4,084	5,047	9,131
Mr. Lian Meng	60	–	–	–	60	–	60
Sub-total	360	2,301	3,813	126	6,600	21,186	27,786
Independent Directors							
Mr. Deng Haifeng	84	–	–	–	84	–	84
Mr. Li Congliang (appointed on January 25, 2024)	79	–	–	–	79	–	79
Ms. Yi Xuan (appointed on January 25, 2024)	79	–	–	–	79	–	79
Mr. Li Guoqiang (resigned on January 25, 2024)	7	–	–	–	7	–	7
Mr. Gao Wenjin (resigned on January 25, 2024)	7	–	–	–	7	–	7
Sub-total	256	–	–	–	256	–	256
Supervisors							
Ms. Yang Ting	60	112	67	8	247	–	247
Ms. Liu Meiqing	60	118	45	8	231	–	231
Ms. Zeng Yi	60	216	92	8	376	–	376
Sub-total	180	446	204	24	854	–	854
Total	796	2,747	4,017	150	7,710	21,186	28,896

	Year ended December 31, 2025						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payment expenses *(i)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors							
Mr. Yang Meng	60	6	–	10	76	–	76
Mr. Zhao Dongping	60	6	–	10	76	–	76
Mr. Zhang Shanfeng *(ii)*	60	5	–	10	75	–	75
Mr. Zhu Fanghao	60	1,846	470	59	2,435	19,694	22,129
Mr. Xiong Kang	60	1,860	1,300	58	3,278	1,898	5,176
Mr. Lian Meng *(ii)*	60	–	–	–	60	–	60
Sub-total	360	3,723	1,770	147	6,000	21,592	27,592
Independent Directors							
Mr. Deng Haifeng (resigned on May 23, 2025)	42	–	–	–	42	–	42
Mr. Li Congliang	84	–	–	–	84	–	84
Ms. Yi Xuan	84	–	–	–	84	–	84
Mr. Han Xi (appointed on May 23, 2025)	51	–	–	–	51	–	51
Sub-total	261	–	–	–	261	–	261
Supervisors							
Ms. Yang Ting *(iii)*	30	110	28	5	173	–	173
Ms. Liu Meiqing *(iii)*	30	99	38	6	173	–	173
Ms. Zeng Yi *(iii)*	30	169	116	6	321	–	321
Sub-total	90	378	182	17	667	–	667
Total	711	4,101	1,952	164	6,928	21,592	28,520

Notes:

(i) These represent the estimated value of share awards to the directors and the supervisors under the Company's share award scheme. The value of these share awards is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(u)(ii). The details of share-based payment, including the principal terms and number of share awards granted, are disclosed in note 30.

(ii) Mr. Zhang Shanfeng and Mr. Lian Meng were re-designated as Non-executive Directors by the shareholders at the extraordinary general meeting held on November 27, 2025, and such re-designations shall take effect upon the [**REDACTED**] of the Company's H shares.

(iii) The Company abolished the supervisory committee on July 1, 2025.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors and supervisors and other employees included in the five highest paid individuals during the Track Record Period are set forth below:

	Year ended December 31,		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
Directors and supervisors	2	2	2
Other employees	3	3	3
	5	5	5

The emoluments of the directors and supervisors are disclosed in note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	5,924	1,982	3,908
Discretionary bonuses	2,206	2,251	4,926
Retirement scheme contributions	133	134	103
Share-based payment expenses	3,108	8,589	7,337
	11,371	12,956	16,274

The emoluments of the remaining highest paid individuals are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
HK$3,000,001 – HK$3,500,000	1	1	–
HK$3,500,001 – HK$4,000,000	1	1	1
HK$5,500,001 – HK$6,000,000	1	–	–
HK$6,500,001 – HK$7,000,000	–	–	1
HK$7,000,001 – HK$7,500,000	–	1	–
HK$7,500,001 – HK$8,000,000	–	–	1
	3	3	3

10 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the years ended December 31, 2023, 2024 and 2025 are based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue.

As disclosed in note 33(b)(i), the Company distributed stock dividend of 3 ordinary shares for every 10 ordinary shares in 2024. Accordingly, the weighted average number of ordinary shares has been adjusted retrospectively from January 1, 2023, for such stock dividends.

Profit attributable to ordinary equity shareholders of the Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to ordinary equity shareholders of the Company	1,614,872	2,114,430	2,545,132

Weighted average number of ordinary shares

	Year ended December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
Issued ordinary shares at January 1	406,427	406,427	531,411
Capitalization issue *(note 33 (b)(i))*	121,958	121,958	–
Effect of restricted shares vested	–	1,033	1,994
Conversion of convertible bonds	–	–	–*
Weighted average number of ordinary shares in issue at December 31	528,385	529,418	533,405

* Less than 500 shares.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares, calculated as follows:

Profit attributable to ordinary equity shareholders of the Company (diluted)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to ordinary equity shareholders of the Company	1,614,872	2,114,430	2,545,132
After-tax effect of effective interest on the liability component of convertible bonds	–	–	11,698
Profit for the year attributable to ordinary equity shareholders of the Company (diluted)	1,614,872	2,114,430	2,556,830

Weighted average number of ordinary shares (diluted)

	Year ended December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
Weighted average number of ordinary shares in issue	528,385	529,418	533,405
Effect of restricted shares	1,146	3,025	3,151
Effect of convertible bonds	–	–	5,447
Weighted average number of ordinary shares in issue (diluted) at December 31	529,531	532,443	542,003

11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Building	Vehicle	Electronic equipment and other	Construction in progress	Leasehold improvements	Investment property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At January 1, 2023	37,519	1,710	125,767	–	44,352	17,936	227,284
Exchange adjustments	–	30	(282)	–	(76)	–	(328)
Additions	–	6	42,296	–	16,301	–	58,603
Disposals	–	(9)	(7,967)	–	–	–	(7,976)
At December 31, 2023 and at January 1, 2024	37,519	1,737	159,814	–	60,577	17,936	277,583
Exchange adjustments	–	24	(628)	–	(345)	–	(949)
Additions	–	65	63,882	1,492,762	5,242	–	1,561,951
Disposals	–	–	(5,586)	–	–	–	(5,586)
At December 31, 2024 and at January 1, 2025	37,519	1,826	217,482	1,492,762	65,474	17,936	1,832,999
Exchange adjustments	–	(38)	(612)	–	(295)	–	(945)
Additions	–	322	147,505	104,074	61,234	–	313,135
Disposals	–	(43)	(16,878)	–	–	–	(16,921)
Transfers	1,591,533	–	–	(1,591,533)	–	–	–
At December 31, 2025	1,629,052	2,067	347,497	5,303	126,413	17,936	2,128,268
Accumulated depreciation:							
At January 1, 2023	(10,907)	(844)	(52,777)	–	(18,787)	(4,555)	(87,870)
Exchange adjustments	–	(16)	90	–	10	–	84
Charge for the year	(1,875)	(338)	(32,360)	–	(11,272)	(897)	(46,742)
Written back on disposals	–	5	6,749	–	–	–	6,754
At December 31, 2023 and at January 1, 2024	(12,782)	(1,193)	(78,298)	–	(30,049)	(5,452)	(127,774)
Exchange adjustments	–	(20)	333	–	(1)	–	312
Charge for the year	(1,874)	(317)	(40,156)	–	(8,502)	(897)	(51,746)
Written back on disposals	–	–	4,794	–	–	–	4,794
At December 31, 2024 and at January 1, 2025	(14,656)	(1,530)	(113,327)	–	(38,552)	(6,349)	(174,414)
Exchange adjustments	–	33	317	–	13	–	363
Charge for the period	(21,769)	(214)	(55,334)	–	(18,886)	(897)	(97,100)
Written back on disposals	–	43	11,899	–	–	–	11,942
At December 31, 2025	(36,425)	(1,668)	(156,445)	–	(57,425)	(7,246)	(259,209)
Net book value:							
At December 31, 2023	24,737	544	81,516	–	30,528	12,484	149,809
At December 31, 2024	22,863	296	104,155	1,492,762	26,922	11,587	1,658,585
At December 31, 2025	1,592,627	399	191,052	5,303	68,988	10,690	1,869,059

The Company

	Building	Vehicle	Electronic equipment and other	Construction in progress	Leasehold improvements	Investment property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At January 1, 2023	37,519	48	99,147	–	38,224	17,936	192,874
Additions	–	–	40,162	–	10,528	–	50,690
Disposals	–	(9)	(6,135)	–	–	–	(6,144)
At December 31, 2023 and at January 1, 2024	37,519	39	133,174	–	48,752	17,936	237,420
Additions	–	16	48,263	17,566	250	–	66,095
Disposals	–	–	(4,807)	–	–	–	(4,807)
At December 31, 2024 and at January 1, 2025	37,519	55	176,630	17,566	49,002	17,936	298,708
Additions	–	4	92,181	102,390	44,258	–	238,833
Disposals	–	(40)	(14,883)	–	–	–	(14,923)
Transfers	–	–	–	(119,956)	119,956	–	–
At December 31, 2025	37,519	19	253,928	–	213,216	17,936	522,618
Accumulated depreciation:							
At January 1, 2023	(10,907)	(44)	(41,843)	–	(17,169)	(4,555)	(74,518)
Charge for the year	(1,875)	–	(28,211)	–	(7,720)	(897)	(38,703)
Written back on disposals	–	5	5,521	–	–	–	5,526
At December 31, 2023 and at January 1, 2024	(12,782)	(39)	(64,533)	–	(24,889)	(5,452)	(107,695)
Charge for the year	(1,874)	(1)	(33,739)	–	(7,703)	(897)	(44,214)
Written back on disposals	–	–	4,266	–	–	–	4,266
At December 31, 2024 and at January 1, 2025	(14,656)	(40)	(94,006)	–	(32,592)	(6,349)	(147,643)
Charge for the period	(1,874)	(3)	(43,787)	–	(15,327)	(896)	(61,887)
Written back on disposals	–	40	10,727	–	–	–	10,767
At December 31, 2025	(16,530)	(3)	(127,066)	–	(47,919)	(7,245)	(198,763)
Net book value:							
At December 31, 2023	24,737	–	68,641	–	23,863	12,484	129,725
At December 31, 2024	22,863	15	82,624	17,566	16,410	11,587	151,065
At December 31, 2025	20,989	16	126,862	–	165,297	10,691	323,855

Note: As at December 31, 2024 and 2025, certain properties of the Group with carrying amount of RMB845,460,000 and RMB912,858,000 were pledged as securities for bank loan, as disclosed under note 26.

As at December 31, 2023 and 2024 and 2025, the fair values of investment properties are not materially different from their carrying amount.

As at December 31, 2025, the Group was in the process of applying for the title certificates of certain of its properties with an aggregate carrying amount of RMB32,525,000. The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned properties.

12 RIGHT-OF-USE ASSETS

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1	229,219	209,797	234,741
Additions	141,265	66,966	316,865
Reduction	(160,484)	(36,245)	(97,549)
Exchange adjustments	(203)	(5,777)	(3,917)
At December 31	209,797	234,741	450,140

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Accumulated depreciation:			
At January 1	(124,040)	(76,743)	(118,466)
Charge for the year	(77,192)	(76,220)	(94,345)
Reduction	124,314	32,800	81,439
Exchange adjustments	175	1,697	1,534
At December 31	(76,743)	(118,466)	(129,838)
Net book value:			
At December 31	133,054	116,275	320,302

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1	96,637	56,452	64,882
Additions	48,997	11,463	481,698
Reduction	(89,182)	(3,033)	(47,112)
At December 31	56,452	64,882	499,468
Accumulated depreciation:			
At January 1	(64,955)	(11,769)	(38,283)
Charge for the year	(34,132)	(29,181)	(34,426)
Reduction	87,318	2,667	42,748
At December 31	(11,769)	(38,283)	(29,961)
Net book value:			
At December 31	44,683	26,599	469,507

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets of buildings	77,192	76,220	94,345
Interest on lease liabilities	2,368	2,894	7,170
Expenses relating to short-term leases	59,290	78,042	147,650

The Group has obtained the right-of-use assets as its warehouse and offices through tenancy agreements. The leases run for an initial period of 2 to 7 years.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 22(d) and 28, respectively.

13 INTANGIBLE ASSETS

	Patent right	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2023	–	26,473	26,473
Exchange adjustments	–	(17)	(17)
Additions	–	4,886	4,886
At December 31, 2023 and January 1, 2024	–	31,342	31,342
Exchange adjustments	–	(31)	(31)
Additions	9,500	8,913	18,413
At December 31, 2024 and January 1, 2025	9,500	40,224	49,724
Exchange adjustments	–	(97)	(97)
Additions	6,132	15,205	21,337
At December 31, 2025	15,632	55,332	70,964

	Patent right	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
Accumulated amortization:			
At January 1, 2023	–	(6,077)	(6,077)
Exchange adjustments	–	9	9
Charge for the year	–	(2,891)	(2,891)
At December 31, 2023 and January 1, 2024	–	(8,959)	(8,959)
Exchange adjustments	–	28	28
Charge for the year	(80)	(3,489)	(3,569)
At December 31, 2024 and January 1, 2025	(80)	(12,420)	(12,500)
Exchange adjustments	–	16	16
Charge for the period	(1,001)	(4,885)	(5,886)
At December 31, 2025	(1,081)	(17,289)	(18,370)
Net book value:			
At December 31, 2023	–	22,383	22,383
At December 31, 2024	9,420	27,804	37,224
At December 31, 2025	14,551	38,043	52,594

The amortization charge for the year is mainly included in "research and development expenses", "selling and distribution expenses" and "general and administrative expenses" in the consolidated statements of profit or loss and other comprehensive income.

14 INTERESTS IN ASSOCIATES AND INVESTMENT IN SUBSIDIARIES

(a) Interests in associates

In the opinion of the directors, no interests in associate are material to the Group.

The carrying amount and the Group's share of the results of individually immaterial associates are shown in aggregate as below:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	517,075	525,435	581,970

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate amounts of the Group's share of those associates':			
– Profit for the year	31,835	35,621	25,075
– Other comprehensive income for the year	855	(291)	1,458
Total comprehensive income for the year	32,690	35,330	26,533

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the financial statements	412,127	414,321	426,835

There are no commitment or contingent liabilities relating to the Group's interests in the associates.

Both external and internal sources of information of associates are considered in assessing whether there is any indicator that the investments may be impaired, including but not limited to information about financial position and business performance of the associates, and a significant or prolonged decline in the fair value of an investment below its carrying amount is also objective evidence of impairment. The Group carries out impairment assessments on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and value in use.

During the years ended December 31, 2024, an aggregate impairment loss of approximately RMB1,524,000 had been recognized on the interests in an associate. Based on the associate's operating status as at 31 December 2024, the Group determined that the associate's expected future cash flows were minimal. Accordingly, the recoverable amount of the investment was assessed by management using discounted cash flow forecasts and determined to be nil, and a full impairment loss was recognized. This associate was deregistered in 2025.

(b) Investment in subsidiaries

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment in subsidiaries	1,245,478	1,589,302	1,862,934

15 OTHER FINANCIAL ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity investments	1,125,257	1,285,073	1,218,970
Financial products	2,699,659	4,032,657	3,508,786
	3,824,916	5,317,730	4,727,756
Current portion	2,672,487	4,047,403	4,130,951
Non-current portion	1,152,429	1,270,327	596,805

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity investments	746,188	891,514	846,585
Financial products	2,305,631	2,328,417	2,693,847
	3,051,819	3,219,931	3,540,432
Current portion	2,255,416	2,326,055	3,316,012
Non-current portion	796,403	893,876	224,420

Notes:

(i) Financial products at FVPL failed the solely payments of principal and interest ("SPPI") criterion.

(ii) Financial products at FVOCI are held within a business model with the objective of both holding to collect of contractual cash flows and selling, and the contractual cash flows qualify for the SPPI criterion.

(iii) Financial products at amortized cost are held for collection of contractual cash flow and the contractual cash flows of these investment qualify for SPPI criterion.

As at December 31, 2023 and 2024 and 2025, the financial products were issued by reputable financial institutions.

16 OTHER NON-CURRENT ASSETS

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for non-current assets	1,247,495	14,665	30,534
VAT recoverable	–	66,819	72,415
Others	11,558	2,970	16,580
	1,259,053	84,454	119,529

17 DERIVATIVE FINANCIAL INSTRUMENTS

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Derivative financial assets			
– Derivatives held for hedging purpose	–	–	131,686
Derivative financial liabilities			
– Derivatives held for hedging purpose	40,635	11,060	42,414

Derivative financial assets and derivative financial liabilities of the Group are foreign currency forward contracts.

18 INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	2,529,489	3,321,288	5,306,292
Goods in transit	23,391	36,366	55,824
Less: write-down of inventories	(141,569)	(124,100)	(364,997)
	2,411,311	3,233,554	4,997,119

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	9,885,259	13,941,193	16,762,975
Write-down of inventories	141,569	124,100	364,997
	10,026,828	14,065,293	17,127,972

19 TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
– Amounts due from third parties	1,608,955	1,743,652	1,972,163
Gross amount of trade receivables	1,608,955	1,743,652	1,972,163
Less: loss allowance *(note 34(a))*	(81,137)	(89,452)	(99,539)
	1,527,818	1,654,200	1,872,624

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
– Amounts due from subsidiaries	181,195	270,953	462,876
– Amounts due from third parties	29,504	38,949	45,555
Gross amount of trade receivables	210,699	309,902	508,431
Less: loss allowance	(1,388)	(1,938)	(2,277)
	209,311	307,964	506,154

Aging analysis

As at the end of each reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,520,619	1,651,182	1,869,422
1 to 2 years	7,082	3,018	2,985
2 to 3 years	–	–	217
Over 3 years	117	–	–
	1,527,818	1,654,200	1,872,624

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	209,311	307,964	506,154
	209,311	307,964	506,154

All of the trade receivables are expected to be recovered within one year. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 34(a).

20 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	16,675	16,955	70,350
VAT recoverable	348,467	678,914	999,495
Return assets *(note 24(i))*	37,984	68,349	64,533
Other receivables	112,640	150,347	197,533
	515,766	914,565	1,331,911
Less: loss allowance	(17,711)	(15,756)	(34,273)
	498,055	898,809	1,297,638

As at December 31, 2023, 2024 and 2025, other receivables mainly include deposits, petty cash and loans to related parties.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	1,043	4,099	12,279
VAT recoverable	66,639	89,102	192,392
Return assets *(note 24(i))*	1,687	2,226	2,968
Amounts due from subsidiaries	3,241,724	5,677,288	5,592,734
Amounts due from other related parties	33,393	26,661	19,682
Amounts due from third parties	22,956	46,025	50,606
	3,367,442	5,845,401	5,870,661
Less: loss allowance	(4,648)	(6,684)	(11,667)
	3,362,794	5,838,717	5,858,994

Most of prepayments and other receivables are expected to be settled within one year.

21 TERM DEPOSITS AND RESTRICTED CASH

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Restricted cash	131,689	204,880	306,919
Term deposits	144,496	–	281,848
	276,185	204,880	588,767

As at December 31, 2023, 2024 and 2025, restricted cash was held at bank as security deposits mainly for letter of credit, issuance of letter of guarantee or bills payable.

22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	1,646,193	2,222,702	2,887,197
Other monetary funds	142,908	106,002	180,545
	1,789,101	2,328,704	3,067,742

As at December 31, 2023, 2024 and 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB551,345,000, RMB657,968,000 and RMB608,620,000. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of profit before taxation to cash generated from/(used in) operations:

		Year ended December 31,		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Profit before taxation		1,812,512	2,348,349	2,922,474
Depreciation of property, plant and equipment	*6(c)*	46,742	51,746	97,100
Depreciation of right-of-use assets	*6(c)*	77,192	76,220	94,345
Amortization of intangible assets	*6(c)*	2,891	3,569	5,886
Amortization of other non-current assets	*6(c)*	3,996	3,946	1,794
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets		(1,328)	153	541
Losses/(gains) on disposal of a subsidiary and interests in associates	*5*	1,051	(3,055)	–
Fair value change of other financial assets	*5*	(220,431)	(237,299)	(386,396)
Dividend income from equity investments	*5*	(3,782)	(7,403)	(3,843)

	Notes	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Impairment loss of interests in associates	*5*	–	1,524	–
Write-down of inventories	*18*	141,569	124,100	364,997
Impairment loss on trade and other receivables	*6(c)*	32,853	6,909	46,017
Share-based payment expenses	*6(b)*	62,800	96,006	95,873
Share of profits of associates		(31,835)	(35,621)	(25,075)
Finance costs	*6(a)*	26,687	27,760	52,051
Operating cash flows before movements in working capital		1,950,917	2,456,904	3,265,764
Changes in working capital:				
Increase in inventories		(956,609)	(804,774)	(2,004,462)
Increase in trade receivables		(322,158)	(134,697)	(228,511)
Increase in prepayments and other receivables		(47,092)	(398,799)	(432,097)
Increase in trade and bills payables		767,422	692,999	67,461
Increase/(decrease) in other payables		89,714	1,117,364	(116,313)
Increase in contract liabilities		43,733	17,249	397,832
Increase in provisions		6,673	105,432	40,398
Decrease in deferred income		(1,959)	(1,959)	(1,959)
Increase/(decrease) in employee benefit liabilities		101,266	(83,855)	(16,423)
Increase in restricted cash		(114,747)	(20,441)	(154,789)
Cash generated from operations		1,517,160	2,945,423	816,901

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank loans	Bonds payable	Lease liabilities	Total
	RMB'000 (note 26)	*RMB'000 (note 27)*	*RMB'000 (note 28)*	*RMB'000*
At January 1, 2023	869,606	5,235	107,814	982,655
Changes from financing cash flows:				
Capital element of lease rentals paid	–	–	(72,549)	(72,549)
Interest element of lease rentals paid	–	–	(2,368)	(2,368)
Proceeds from bank loans	444,890	–	–	444,890
Repayment of bank loans	(433,041)	–	–	(433,041)
Repayments of bonds	–	(5,235)	–	(5,235)
Interest paid	(23,936)	–	–	(23,936)
Total changes from financing cash flows	(12,087)	(5,235)	(74,917)	(92,239)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	141,265	141,265
Decrease in lease liabilities from termination of leases	–	–	(38,539)	(38,539)
Exchange adjustments	(793)	–	(2,168)	(2,961)
Interest expenses	24,319	–	2,368	26,687
Total other changes	23,526	–	102,926	126,452
At December 31, 2023	**881,045**	**–**	**135,823**	**1,016,868**

	Bank loans	Lease liabilities	Total
	RMB'000 (note 26)	*RMB'000 (note 28)*	*RMB'000*
At January 1, 2024	881,045	135,823	1,016,868
Changes from financing cash flows:			
Capital element of lease rentals paid	–	(73,321)	(73,321)
Interest element of lease rentals paid	–	(2,894)	(2,894)
Proceeds from bank loans	1,372,408	–	1,372,408
Repayment of bank loans	(710,482)	–	(710,482)
Interest paid	(22,581)	–	(22,581)
Total changes from financing cash flows	639,345	(76,215)	563,130
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	66,966	66,966
Decrease in lease liabilities from termination of leases	–	(6,340)	(6,340)
Offset with restricted cash	(25,245)	–	(25,245)
Exchange adjustments	722	(6,066)	(5,344)
Interest expenses	24,866	2,894	27,760
Total other changes	343	57,454	57,797
At December 31, 2024	**1,520,733**	**117,062**	**1,637,795**

	Bank loans	Bonds payable	Lease liabilities	Total
	RMB'000 (note 26)	*RMB'000 (note 27)*	*RMB'000 (note 28)*	*RMB'000*
At January 1, 2025	1,520,733	–	117,062	1,637,795
Changes from financing cash flows:				
Capital element of lease rentals paid	–	–	(75,191)	(75,191)
Interest element of lease rentals paid	–	–	(7,170)	(7,170)
Proceeds from bank loans	1,076,237	–	–	1,076,237
Proceeds from issuance of convertible bonds	–	1,096,920	–	1,096,920
Repayment of bank loans	(1,051,254)	–	–	(1,051,254)
Interest paid	(23,083)	–	–	(23,083)
Total changes from financing cash flows	1,900	1,096,920	(82,361)	1,016,459
Other changes:				
Increase in lease liabilities from entering into new leases during the period	–	–	316,865	316,865
Decrease in lease liabilities from termination of leases	–	–	(23,280)	(23,280)
Equity component of convertible bonds	–	(7,471)	–	(7,471)
Issuance cost	–	(4,470)	–	(4,470)
Offset with restricted cash	(53,718)	–	–	(53,718)
Conversion of convertible bonds	–	(139)	–	(139)
Exchange adjustments	(8,064)	–	(7,203)	(15,267)
Interest expenses	31,119	13,762	7,170	52,051
Total other changes	(30,663)	1,682	293,552	264,571
At December 31, 2025	**1,491,970**	**1,098,602**	**328,253**	**2,918,825**

(d) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases represent lease rental paid and comprise the following:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	59,290	78,042	147,650
Within financing cash flows	74,917	76,215	82,361
	134,207	154,257	230,011

23 TRADE AND BILLS PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	1,159,272	1,778,359	1,870,507
Bills payable	393,630	467,542	442,855
	1,552,902	2,245,901	2,313,362

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	733,638	1,154,076	1,384,076
Bills payable	259,736	250,000	418,336
	993,374	1,404,076	1,802,412

As at the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,154,596	1,770,731	1,868,399
After 1 year but within 2 years	4,494	6,303	1,634
After 2 years	182	1,325	474
	1,159,272	1,778,359	1,870,507

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	733,095	1,153,427	1,384,073
After 1 year but within 2 years	543	649	3
	733,638	1,154,076	1,384,076

24 OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	606,648	1,376,657	1,250,861
Other tax payables	100,324	146,568	256,585
Refund liabilities *(i)*	93,974	291,745	347,087
Other payables *(ii)*	377,267	728,560	917,094
	1,178,213	2,543,530	2,771,627

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	448,734	1,139,439	939,746
Other tax payables	6,167	11,982	16,893
Refund liabilities *(i)*	3,425	9,487	15,396
Amounts due to subsidiaries	561,823	1,795,474	790,488
Amounts due to other related parties	250	493	156
Amounts due to third parties	57,049	110,637	157,055
	1,077,448	3,067,512	1,919,734

Notes:

(i) Refund liabilities and return assets

A refund liability relating to sales with a right of return in practice was recognized based on historical sales return data associated with similar products. A return asset was recognized accordingly for a right to recover products on settling the refund liability.

(ii) As at December 31, 2023, 2024 and 2025, other payables mainly include logistics and customs expenses payable, marketing expenses payable, R&D expenses payable and deposits.

Other payables are unsecured, non-interest-bearing and repayable on demand.

25 CONTRACT LIABILITIES

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	137,415	154,664	552,496

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	93,682	137,415	154,664
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(93,682)	(137,415)	(154,664)
Increase in contract liabilities as a result of receipts in advance	137,415	154,664	552,496
Balance at the end of the year	137,415	154,664	552,496

All of the contract liabilities are expected to be recognized as revenue within one year during the Track Record Period.

26 BANK LOANS

(a) The bank loans were secured as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank loans			
– unsecured and unguaranteed	169,778	399,531	567,318
– guaranteed but not secured *(i)*	611,267	453,514	394,768
– secured but not guaranteed	100,000	53,843	–
– secured and guaranteed *(ii)*	–	613,845	529,884
	881,045	1,520,733	1,491,970

Notes:

(i) The amounts were bank loans to subsidiaries of the Company and guaranteed by the Company.

(ii) As at December 31, 2024 and 2025, the amounts were bank loans to a subsidiary of the Company, secured by properties held by the Group (see note 11) and guaranteed by the Company.

(b) The analysis of the repayment schedule of bank loans is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	270,345	595,818	710,638
After 1 year but within 2 years	81,213	142,678	123,859
After 2 years but within 3 years	81,213	123,859	113,379
After 3 years but within 4 years	70,351	113,379	104,858
After 4 years but within 5 years	65,446	104,858	94,348
After 5 years	312,477	440,141	344,888
	881,045	1,520,733	1,491,970

As at December 31, 2023, 2024 and 2025, bank loans obtained by the Group through pledge of deposits and properties amounted to RMB100,000,000, RMB667,688,000 and 529,884,000, respectively.

As at December 31, 2023, 2024 and 2025, the interest rate of the Group's bank loans ranged from 0.665%-3.300%, 0.665%-4.260% and 1.245%-2.500% per annum respectively.

The Group did not identify any difficulties complying with the covenants and there was no breach of any covenant during the Track Record Period. Further details of the covenants and the Group's management of liquidity risk are set out in note 34(b).

27 BONDS PAYABLE

(a) The analysis of the carrying amount of bonds is as follows:

The Group and The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Liability component of convertible bonds *(i)*	–	–	1,098,602
Current portion	–	–	1,202
Non-current portion	–	–	1,097,400

Note:

(i) On June 16, 2025, the Company conducted a public issuance of convertible bonds with a total value of RMB1,104,820,000 at par value of RMB100 each with a maturity period of six years. Fund raised amounted to RMB1,092,451,000 after deduction of issuance cost of RMB12,369,000.

The initial conversion price of the convertible bonds is RMB111.94 per share. The coupon rate of the convertible bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

The issuance ended on June 20, 2025. The conversion period starts from December 22, 2025 (the first trading day after six months from June 20, 2025) to June 15, 2031 (the maturity date of the convertible bonds). During the last two years of conversion period, upon the occurrence of a conditional event, the holders will have the options to require the Company to redeem all or some of the convertible bonds at par value plus accrued interest. If the convertible bonds have not been converted or redeemed, they will be redeemed on maturity date at par with accumulated accrued interest of the par value.

The convertible bonds issued by the Group contain both debt and conversion option components, which are separated upon initial recognition. The conversion option components is presented in bonds payable reserve at an amount of RMB4,495,000 after taxation (see note 33(c)).

28 LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	66,574	54,164	81,922
After 1 year but within 2 years	41,229	26,095	86,154
After 2 years but within 5 years	28,020	36,709	134,959
After 5 years	–	94	25,218
	69,249	62,898	246,331
	135,823	117,062	328,253

29 EMPLOYEE BENEFIT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee Bonus Plan	595,869	1,150,845	930,506
Less: amounts due within one year shown under current liabilities	(313,133)	(951,964)	(748,048)
	282,736	198,881	182,458

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee Bonus Plan	553,212	1,036,830	764,306
Less: amounts due within one year shown under current liabilities	(286,971)	(895,894)	(629,397)
	266,241	140,936	134,909

30 SHARE-BASED PAYMENT EXPENSES

The Company has adopted four share award schemes, namely the 2022 Scheme (two batch granted), the 2023 Scheme, the 2024 Scheme and the 2025 Scheme (two batch granted) (the "Schemes"). Subject to certain performance conditions and the individual grantees' continued status as a service provider through each of the applicable vesting dates, and to the extent permitted by applicable law, the restricted shares shall be vested in accordance with the rules and the vesting schedule. The awards were divided into two to three tranches as at their grant dates and the first tranche can be vested around one year from the grant date, and the remaining tranches will become vest in each subsequent year. Each award gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life
Awards granted to directors and key management personnel:			
– on July 12, 2022	1,102,000	12 months, 24 months and 36 months from the date of grant	3 years
– on July 25, 2023	450,000	12 months, 24 months from the date of grant	2 years
– on July 16, 2024	954,000	12 months, 24 months from the date of grant	2 years
–on August 19, 2025	990,000	12 months, 24 months from the date of grant	2 years
Awards granted to employees:			
– on July 12, 2022	4,081,000	12 months, 24 months and 36 months from the date of grant	3 years
– on August 24, 2022	381,000	12 months, 24 months and 36 months from the date of grant	3 years
– on July 25, 2023	2,013,000	12 months, 24 months from the date of grant	2 years
– on July 16, 2024	3,248,000	12 months, 24 months from the date of grant	2 years
– on August 19, 2025	3,207,000	12 months, 24 months from the date of grant	2 years
– on October 28, 2025	51,000	12 months, 24 months from the date of grant	2 years
Total share awards granted	16,477,000		

(b) Movements in the numbers of share awards are as follows:

	Year ended December 31,		
	2023	2024	2025
	Number of instruments	Number of instruments	Number of instruments
	'000	*'000*	*'000*
Outstanding at the beginning of the year	5,564	6,299	8,303
Increased due to capitalization issue	–	1,834	–
Granted during the year	2,463	4,202	4,248
Vested during the year	–	(3,026)	(4,765)
Forfeited during the year	(1,728)	(1,006)	(1,422)
Outstanding at the end of the year	6,299	8,303	6,364

(c) Fair value of share awards and assumptions

The fair value of services received in return for share awards granted is measured by reference to the fair value of share awards granted. The estimate of the fair value of the share awards granted is measured based on a Black-Scholes model. The contractual life of the share awards is used as an input into this model.

	First batch of 2022 Scheme	Second batch of 2022 Scheme	2023 Scheme	2024 Scheme	First batch of 2025 Scheme	Second batch of 2025 Scheme
Share price	72.80	63.36	81.84	59.25	143.40	125.88
Exercise price *(i)*	40	40	55.37	40.62	126.90	124.00
Risk-free interest rates	1.50%-2.75%	1.50%-2.75%	1.50%-2.10%	1.50%-2.10%	1.50%-2.10%	1.50%-2.10%
Expected volatility	21.52%-22.02%	20.58%-22.03%	16.38%-18.81%	18.60%-20.79%	27.64%-31.06%	24.94%-28.00%
Dividend yield	–	–	–	1.69%	2.15%	1.74%

Note:

(i) The exercise price represents the initial exercise price at the grant date. During the Track Record Period, along with the cash dividends and stock dividends declared by the Company, the exercise prices were adjusted accordingly in accordance with the terms of each Scheme.

The expected volatility is based on the average historic volatility of the Company and the Shenzhen Composite Index (calculated based on the remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Dividend yield are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share awards were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share awards grants.

31 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At January 1	47,288	167,783	254,471
Provision for the year	207,742	286,652	357,515
Income tax paid	(87,247)	(199,964)	(336,094)
At December 31	167,783	254,471	275,892

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At January 1	–	64,633	70,520
Provision for the year	105,874	95,052	113,713
Income tax paid	(41,241)	(89,165)	(100,864)
At December 31	64,633	70,520	83,369

(b) Deferred tax assets and liabilities recognized

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	367,943	543,858	440,107
Deferred tax liabilities	(126,016)	(161,975)	(31,744)
	241,927	381,883	408,363

The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during each reporting period are as follows:

	Payroll	Unrealized profits of intra-group transactions	Impairment Provision	Provisions and other liabilities	Lease liabilities	Right-of-use assets	Fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	52,508	71,656	40,263	39,648	24,417	(24,683)	(91,704)	37,510	149,615
Credited/(charged) to profit or loss	36,820	87,551	17,406	(3,435)	3,560	(2,834)	(27,810)	(22,089)	89,169
Exchange differences	(66)	–	623	1,106	318	6	–	(5,541)	(3,554)
Charged to reserves	–	–	–	–	–	–	–	6,697	6,697
At December 31, 2023 and January 1, 2024	89,262	159,207	58,292	37,319	28,295	(27,511)	(119,514)	16,577	241,927
Credited/(charged) to profit or loss	77,082	38,543	(5,890)	64,615	1,273	(1,666)	(29,916)	5,386	149,427
Exchange differences	(274)	–	(471)	(4,011)	(286)	11	–	(6,202)	(11,233)
Charged to reserves	–	–	–	–	–	–	–	1,762	1,762

	Payroll	Unrealized profits of intra-group transactions	Impairment Provision	Provisions and other liabilities	Lease liabilities	Right-of-use assets	Fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024 and January 1, 2025	166,070	197,750	51,931	97,923	29,282	(29,166)	(149,430)	17,523	381,883
Credited/(charged) to profit or loss	41,973	(86,792)	64,990	24,764	52,853	(50,879)	2,027	3,299	52,235
Exchange differences	(385)	–	(1,015)	(3,241)	(2,515)	2,473	–	(799)	(5,482)
Charged to reserves	–	–	–	–	–	–	–	(20,273)	(20,273)
At December 31, 2025	207,658	110,958	115,906	119,446	79,620	(77,572)	(147,403)	(250)	408,363

The components of deferred tax assets/(liabilities) recognized in the statements of financial position of the Company and the movements during each reporting period are as follows:

	Payroll	Impairment Provision	Provisions and other liabilities	Lease liabilities	Right-of-use assets	Fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	47,388	653	644	4,877	(4,752)	(64,270)	3,891	(11,569)
Credited/(charged) to profit or loss	35,594	448	(130)	1,908	(1,950)	(23,004)	(241)	12,625
At December 31, 2023 and January 1, 2024	82,982	1,101	514	6,785	(6,702)	(87,274)	3,650	1,056
Credited/(charged) to profit or loss	72,543	255	909	(2,754)	2,712	(41,155)	(371)	32,139
At December 31, 2024 and January 1, 2025	155,525	1,356	1,423	4,031	(3,990)	(128,429)	3,279	33,195
Credited/(charged) to profit or loss	25,161	873	1,111	66,855	(66,436)	10,162	1,658	39,384
Charged to reserves	–	–	–	–	–	–	(2,976)	(2,976)
At December 31, 2025	180,686	2,229	2,534	70,886	(70,426)	(118,267)	1,961	69,603

Others mainly include the deferred tax assets/(liabilities) recognized in respect of temporary differences relating to derivative financial instruments, return assets, bonds payable and tax losses.

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in note 2(v), the Group has not recognized deferred tax assets in respect of cumulative tax losses RMB156,851,000, RMB270,986,000 and RMB296,231,000 as at December 31, 2023, 2024 and 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

(i) Deductible temporary difference and deductible losses in respect of deferred tax assets not yet recognized are presented as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary difference	8	450	590
Deductible losses	156,851	270,986	296,231
	156,859	271,436	296,821

(ii) Deductible losses in respect of deferred tax assets not yet recognized will expire in the following years:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2026	18,319	18,319	18,318
2027	92,438	85,908	83,025
2028	46,094	90,137	90,137
2029	–	76,622	45,450
2030	–	–	59,301
	156,851	270,986	296,231

32 PROVISIONS

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Provision for outstanding litigation	30,169	166,045	198,509
Provision for contract performance	46,475	16,258	24,274
Provision for reinstatement cost for leases	2,862	2,635	2,553
	79,506	184,938	225,336

The movements of the Group's provision are analyzed as follows:

	Provision for outstanding litigation	Provision for contract performance	Provision for reinstatement cost for leases	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	21,566	48,289	2,978	72,833
Provision for the year	8,921	18,112	6	27,039
Amounts utilized during the year	(672)	(19,926)	–	(20,598)
Exchange adjustments	354	–	(122)	232
As at December 31, 2023 and January 1, 2024	30,169	46,475	2,862	79,506
Provision for the year	135,425	7,766	–	143,191
Amounts utilized during the year	–	(37,983)	–	(37,983)
Exchange adjustments	451	–	(227)	224
As at December 31, 2024 and January 1, 2025	166,045	16,258	2,635	184,938
Provision for the year	59,884	16,985	–	76,869
Amounts utilized during the year	(23,907)	(8,969)	–	(32,876)
Exchange adjustments	(3,513)	–	(82)	(3,595)
As at December 31, 2025	198,509	24,274	2,553	225,336

Outstanding litigation consists principally of legal disputes in respect of the Group's product patents. After evaluating the current status of each case, applicable legal rules, the compensation sought by opposing parties, the Group's grounds of defence and professional legal advice, management made a reasonable assessment of probable losses and recognised provisions for these outstanding litigations.

33 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Period are set out below:

	Share capital	Capital reserve	Other comprehensive income	Bonds payable reserve	Statutory reserve	Retained earnings	Total
	RMB'000 note 33(b)	*RMB'000 note 33(c)(i)*	*RMB'000 note 33(c)(ii)*	*RMB'000 note 33(c)(iii)*	*RMB'000 note 33(c)(iv)*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	406,427	3,000,591	(89)	–	203,214	2,256,314	5,866,457
Changes in equity for 2023:							
Profit for the year	–	–	–	–	–	1,092,525	1,092,525
Other comprehensive income	–	–	1,176	–	–	–	1,176
Total comprehensive income	–	–	1,176	–	–	1,092,525	1,093,701
Share-based payment expenses	–	46,097	–	–	–	–	46,097
Dividends declared and approved	–	–	–	–	–	(487,713)	(487,713)
Others	–	57,149	–	–	–	(11,114)	46,035
Balance at December 31, 2023	406,427	3,103,837	1,087	–	203,214	2,850,012	6,564,577
Balance at January 1, 2024	406,427	3,103,837	1,087	–	203,214	2,850,012	6,564,577
Changes in equity for 2024:							
Profit for the year	–	–	–	–	–	1,581,312	1,581,312
Other comprehensive income	–	–	(199)	–	–	–	(199)
Total comprehensive income	–	–	(199)	–	–	1,581,312	1,581,113
Capitalization issue	121,958	(121,958)	–	–	–	–	–
Issuance of shares under share award schemes	3,026	100,492	–	–	–	–	103,518
Share-based payment expenses	–	66,508	–	–	–	–	66,508

	Share capital	Capital reserve	Other comprehensive income	Bonds payable reserve	Statutory reserve	Retained earnings	Total
	RMB'000 note 33(b)	*RMB'000 note 33(c)(i)*	*RMB'000 note 33(c)(ii)*	*RMB'000 note 33(c)(iii)*	*RMB'000 note 33(c)(iv)*	*RMB'000*	*RMB'000*
Dividends declared and approved	–	–	–	–	–	(1,131,897)	(1,131,897)
Appropriation to statutory surplus reserve	–	–	–	–	62,492	(62,492)	–
Others	–	1,389	–	–	–	–	1,389
Balance at December 31, 2024	531,411	3,150,268	888	–	265,706	3,236,935	7,185,208
Balance at January 1, 2025	531,411	3,150,268	888	–	265,706	3,236,935	7,185,208
Changes in equity for 2025:							
Profit for the period	–	–	–	–	–	1,658,665	1,658,665
Other comprehensive income	–	–	1,606	–	–	–	1,606
Total comprehensive income	–	–	1,606	–	–	1,658,665	1,660,271
Issuance of shares under share award schemes	4,747	159,571	–	–	–	–	164,318
Issuance of convertible bonds	–	–	–	4,495	–	–	4,495
Conversion of convertible bonds into ordinary shares	1	139	–	(1)	–	–	139
Share-based payment expenses	–	83,139	–	–	–	–	83,139
Dividends declared and approved	–	–	–	–	–	(1,172,618)	(1,172,618)
Appropriation to statutory surplus reserve	–	–	–	–	2,374	(2,374)	–
Others	–	(1,988)	–	–	–	–	(1,988)
Balance at December 31, 2025	536,159	3,391,129	2,494	4,494	268,080	3,720,608	7,922,964

(b) Share capital

The Group and the Company

	Year ended December 31,					
	2023		2024		2025	
	Number of shares	Share capital	Number of shares	Share capital	Number of shares	Share capital
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
Ordinary shares, issued and fully paid:						
At January 1	406,427	406,427	406,427	406,427	531,411	531,411
Capitalization issue *(i)*	–	–	121,958	121,958	–	–
Issuance of shares under share award schemes *(ii)*	–	–	3,026	3,026	4,747	4,747
Conversion of convertible bonds into ordinary shares	–	–	–	–	1	1
At December 31	406,427	406,427	531,411	531,411	536,159	536,159

Notes:

(i) Capitalization issue

On May 15, 2024, the Company declared 2023 share distribution, which includes cash dividends (details are set out in note 33 (d)) and stock dividends. The stock dividend plan specifically distributed stock dividend of 3 ordinary share for every 10 ordinary share. After the complementation of 2023 share distribution, the share capital was transferred from the capital reserve amounting to RMB121,958,000.

(ii) Issuance of shares under share award schemes

During the year ended December 31, 2024, totally 3,026,000 shares were issued under share award schemes, which increased the share capital by RMB3,026,000.

During the year ended December 31, 2025, totally 4,747,000 shares were issued under share award schemes, which increased the share capital by RMB4,747,000.

(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve mainly comprises the following:

- the net proceeds received in excess of the total amount of the par value of the Company's shares;
- the portion of the grant date fair value of share awards granted to directors and employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in note 2(u)(ii);
- the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company;
- the difference arising from equity transactions with non-controlling interests;
- other equity movements from investments under the equity method.

(ii) Other comprehensive income

Other comprehensive income mainly comprises the effective portion of changes in the fair value of cash flow hedging instrument (see note 2(g)), as well as all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currency other than RMB (see note 2(y)).

(iii) Bonds payable reserve

The bonds payable reserve comprise the amount allocated to the unexercised equity component of bonds payable issued by the Company recognized in accordance with the accounting policy adopted for bonds payable in note 2(t).

(iv) Statutory reserve

Pursuant to the articles of association of the Company and the PRC subsidiaries of the Group, appropriations to the statutory reserve fund should be made at a certain percentage of profit after taxation determined in accordance with the accounting standards and regulations of the PRC, until the statutory reserve fund was equal to or more than 50% of the entity's registered capital.

(d) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interim dividend declared and paid during the year	–	318,846	375,310
Final dividend proposed after the end of each reporting period	813,051	797,308	911,470

During year ended December 31, 2023, the Company did not declare or pay any interim dividend. The Company declared and paid interim dividend of RMB0.60 per share and RMB0.70 per share to equity shareholders during year ended December 31, 2024 and 2025, respectively.

For the years ended December 31, 2023, 2024 and 2025, the Company proposed final dividend of RMB2.00 per share, RMB1.50 per share and RMB1.70 per share, respectively.

The final dividend proposed after the end of each reporting period has not been recognized as a liability at the end of each reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Final dividend approved and paid during the year	487,713	813,051	797,308

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to represent low credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At December 31, 2023, 2024 and 2025, 31%, 27% and 27% of the total trade receivables was due from the Group's five largest debtors respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at December 31, 2023		
	Gross carrying Amount	ECL rate	Loss allowance
	RMB'000	*%*	*RMB'000*
Within 1 year	1,600,502	4.99%	79,883
After 1 year but within 2 years	7,869	10.00%	787
After 4 years but within 5 years	584	80.00%	467
	1,608,955		81,137

	As at December 31, 2024		
	Gross carrying Amount	ECL rate	Loss allowance
	RMB'000	*%*	*RMB'000*
Within 1 year	1,740,299	5.12%	89,117
After 1 year but within 2 years	3,353	10.00%	335
	1,743,652		89,452

	As at December 31, 2025		
	Gross carrying Amount	ECL rate	Loss allowance
	RMB'000	*%*	*RMB'000*
Within 1 year	1,968,537	5.03%	99,115
After 1 year but within 2 years	3,316	10.00%	331
After 2 year but within 3 years	310	30.00%	93
	1,972,163		99,539

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1	64,364	81,137	89,452
Impairment losses recognized during the year	24,428	8,511	26,676
Written-off	(7,048)	(1,334)	(14,624)
Exchange adjustments	(607)	1,138	(1,965)
Balance at December 31	81,137	89,452	99,539

Other receivables

Other receivables mainly include deposits, staff advance and loan to a related party. The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk.

Movement in the loss allowance account in respect of other receivables of the Group during the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1	9,399	17,711	15,756
Impairment losses recognized during the year	8,425	(1,602)	19,341
Exchange adjustments	(113)	(353)	(824)
Balance at December 31	17,711	15,756	34,273

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As disclosed in note 26(b), the Group did not identify any difficulties complying with the covenants and there was no breach of any covenant during the Track Record Period.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	After 1 year but within 2 years	After 2 year but within 5 years	After 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	290,577	100,942	260,295	344,031	995,845	881,045
Trade and bills payables	1,552,902	–	–	–	1,552,902	1,552,902
Other payables	377,267	–	–	–	377,267	377,267
Other financial liabilities	7,302	–	–	–	7,302	7,302
Lease liabilities	72,829	41,629	28,381	–	142,839	135,823
	2,300,877	142,571	288,676	344,031	3,076,155	2,954,339

	As at December 31, 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	After 1 year but within 2 years	After 2 year but within 5 years	After 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	625,473	165,646	391,025	468,589	1,650,733	1,520,733
Trade and bills payables	2,245,901	–	–	–	2,245,901	2,245,901
Other payables	728,560	–	–	–	728,560	728,560
Other financial liabilities	41,904	–	–	–	41,904	41,904
Lease liabilities	56,719	27,267	37,504	94	121,584	117,062
	3,698,557	192,913	428,529	468,683	4,788,682	4,654,160

	As at December 31, 2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	After 1 year but within 2 years	After 2 year but within 5 years	After 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	733,324	142,416	351,241	362,763	1,589,744	1,491,970
Trade and bills payables	2,313,362	–	–	–	2,313,362	2,313,362
Other payables	917,094	–	–	–	917,094	917,094
Bonds payable	2,209	4,419	43,082	1,193,053	1,242,763	1,098,602
Other financial liabilities	18,959	–	–	–	18,959	18,959
Lease liabilities	93,742	92,875	143,960	26,559	357,136	328,253
	4,078,690	239,710	538,283	1,582,375	6,439,058	6,168,240

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest-bearing financial instruments with fixed and floating interest rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group set the ratio of fixed and floating rate financial instruments based on market environment, and maintain an appropriate combination of fixed and floating rate financial instruments through regular review and monitoring. The Group has not engaged in derivative financial instruments to hedge interest rate risk.

(d) Currency risk

The Group is exposed to currency risk primarily through sales which give rise to receivables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(i) Hedges of foreign currency risk in forecast transactions

At any point in time the Group hedges majority of its foreign currency exposure in respect of highly probable forecast sales. The Group uses forward exchange contracts to manage its currency risk until the settlement date of foreign currency receivables. The Group designates those forward exchange contracts as hedging instruments in cash flow hedges and does not separate the forward and spot element of a forward exchange contract but instead designates the forward exchange contract in its entirety in a hedging relationship. Correspondingly, the hedged item is measured based on the forward exchange rate.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward match the terms of the expected highly probable forecast transactions. The forward exchange contracts have a maturity within one year and are entered into for various currencies, including but not limited to RMB against USD, USD against Euro ("EUR"), USD against GBP and USD against JPY.

Hedge ineffectiveness can arise from:

(i) Differences in the timing of the cash flows of the forecasted sales and purchases and the hedging instruments

(ii) Different interest rate curves applied to discount the hedged items and hedging instruments

(iii) The counterparties' credit risks differently impacting the fair value movements of the hedging instruments and hedged items

(iv) Changes to the forecasted amounts of cash flows of hedged items and hedging instruments.

The following table details the forward exchange contracts that have been designated as cash flow hedges of the Group's highly probable forecast sales transactions at the end of the reporting period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Notional amount	5,100,080	6,400,976	8,624,196
Carrying amount (note)			
–Asset	–	–	131,686
–Liability	40,635	11,060	42,414

Note:

Forward exchange contract assets and liabilities are included in the "Derivative financial instruments" (note 17).

The following table provides a reconciliation of the hedging reserve in respect of foreign currency risk and shows the effectiveness of the continuing hedging relationships:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1	605	(34,437)	(8,638)
Effective portion of the cash flow hedge recognised in other comprehensive income	(40,635)	(11,060)	89,272
Amounts reclassified to profit or loss (i)	(605)	34,437	11,060
Related tax	6,198	2,422	(17,298)
Balance at 31 December (ii)	(34,437)	(8,638)	74,396

Notes:

(i) Amounts reclassified to profit or loss are recognized in the "Revenue" or "Other income and losses, net" line item in the consolidated statement of profit or loss and other comprehensive income (see note 4 and 5).

(ii) The entire balance in the hedging reserve relates to continuing hedges.

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded. The currencies giving rise to this risk are primarily USD, EUR, GBP, RMB and JPY.

	Exposure to foreign currencies as at December 31, 2023					
	Trade receivables	Prepayments and other receivables	Trade and bills payables	Other payables	Cash and cash equivalents	Exposure arising from recognized assets and liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
USD	1,863,908	2,254,524	(264,500)	(256,584)	26,617	3,623,965
EUR	1,119,884	590,172	(1,408,529)	(215,893)	137,469	223,103
GBP	7,562	7,937	–	(11,307)	23,244	27,436
RMB	7,369	327,490	(32,317)	(276,384)	36,524	62,682
JPY	511,187	151	–	(2,469)	17,521	526,390

	Exposure to foreign currencies as at December 31, 2024					
	Trade receivables	Prepayments and other receivables	Trade and bills payables	Other payables	Cash and cash equivalents	Exposure arising from recognized assets and liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
USD	2,163,311	2,853,091	(428,469)	(5,987)	116,352	4,698,298
EUR	1,292,031	794,749	(1,714,136)	(349,568)	102,997	126,073
GBP	106,536	–	(4,548)	(10,043)	131,857	223,802
RMB	–	347,460	(115,761)	(399,929)	334,915	166,685
JPY	714,017	388	–	(2,366)	187,223	899,262

	Exposure to foreign currencies as at December 31, 2025					
	Trade receivables	Prepayments and other receivables	Trade and bills payables	Other payables	Cash and cash equivalents	Exposure arising from recognized assets and liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
USD	2,816,107	3,332,717	(925,454)	–	105,132	5,328,502
EUR	1,620,314	1,052,068	(1,901,133)	(432,361)	169,933	508,821
GBP	141,131	19,154	(37,218)	–	90,603	213,670
RMB	–	450,482	(130,606)	(467,895)	71,857	(76,162)
JPY	487,963	270	(55)	(2,486)	22,400	508,092

(iii) Sensitivity analysis

A 5% strengthening of RMB against the following currencies at the end of each reporting year is estimated that a general effect on the profit after taxation (and retained earnings) by the amounts shown below. This analysis assumes that all other variables remain constant.

	As at December 31,					
	2023		2024		2025	
	Increase in foreign exchange rates	Effect on profit after tax and retained earnings	Increase in foreign exchange rates	Effect on profit after tax and retained earnings	Increase in foreign exchange rates	Effect on profit after tax and retained earnings
		RMB'000		*RMB'000*		*RMB'000*
USD	5%	(155,620)	5%	(195,986)	5%	(227,727)
EUR	5%	(10,730)	5%	(15,526)	5%	(36,462)
GBP	5%	(714)	5%	(12,021)	5%	(3,913)
RMB	5%	(2,099)	5%	(6,560)	5%	668
JPY	5%	(21,982)	5%	(37,544)	5%	(25,405)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of each reporting period for presentation purposes.

(e) Fair value measurement

(i) Assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement.* The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at the end of each reporting date:

	Fair value at December 31, 2023	Fair value measurements as at December 31, 2023 categorized into		
		level 1	level 2	level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Financial products measured at FVPL	1,424,643	–	7,505	1,417,138
Financial products measured at FVOCI	1,174,963	–	–	1,174,963
Equity investments measured at FVPL	1,125,257	37,103	624,660	463,494
Liabilities:				
Other financial liabilities	7,302	–	7,302	–
Derivative financial liabilities	40,635	–	40,635	–

	Fair value at December 31, 2024	Fair value measurements as at December 31, 2024 categorized into		
		level 1	level 2	level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Financial products measured at FVPL	2,315,961	–	39,231	2,276,730
Financial products measured at FVOCI	1,716,696	–	–	1,716,696
Equity investments measured at FVPL	1,285,073	710,490	–	574,583
Liabilities:				
Other financial liabilities	41,904	–	41,904	–
Derivative financial liabilities	11,060	–	11,060	–

	Fair value at December 31, 2025	Fair value measurements as at December 31, 2025 categorized into		
		level 1	level 2	level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Asset:				
Financial products measured at FVPL	1,844,831	–	20,236	1,824,595
Financial products measured at FVOCI	1,663,955	–	–	1,663,955
Equity investments measured at FVPL	1,218,970	655,850	–	563,120
Derivative financial assets	131,686	–	131,686	–
Liabilities:				
Other financial liabilities	18,959	–	18,959	–
Derivative financial liabilities	42,414	–	42,414	–

In 2023, an unlisted equity instrument became a listed company, and the fair value hierarchy of the equity instrument was transferred from Level 3 into Level 2. In 2024, the lock-up period of a listed equity instrument has ended, and the fair value hierarchy of the equity instrument was transferred from Level 2 into Level 1. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts in Level 2 is determined with reference to the value report provided by the financial institutions.

The fair value of restricted listed equity instruments in Level 2 is determined by the Group using valuation approach of option pricing model. The inputs of the valuation technique mainly include expected yield, risk-free rate and expected volatility.

Information about Level 3 fair value measurements

The fair value of financial products and equity investments in Level 3 is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow approach, recent transaction price approach or other market approach.

The following table summarises the quantitative information about the significant unobservable inputs of major financial assets used in Level 3 fair value measurements:

	Valuation techniques	Significant Unobservable inputs	Range of inputs As at December 31, 2023	Range of inputs As at December 31, 2024	Range of inputs As at December 31, 2025	Sensitivity of fair value to the input
Financial products measured at FVPL	Discounted cash flow method	Interest return rate	0.10%-4.10%	1.30%-6.01%	0.80%-5.80%	As at December 31, 2023, 2024 and 2025, with 1% increase/decrease in interest return rate would result in increase/decrease the fair value by RMB965,000, RMB4,561,000, and RMB1,578,000, respectively.

	Valuation techniques	Significant Unobservable inputs	Range of inputs As at December 31, 2023	2024	2025	Sensitivity of fair value to the input
Financial products measured at FVOCI	Discounted cash flow method	Interest return rate	3.10%-3.64%	1.80%-3.64%	1.10%-3.64%	As at December 31, 2023, 2024 and 2025, with 1% increase/decrease in interest return rate would result in increase/decrease the fair value by RMB6,678,000, RMB20,878,000 and RMB24,972,000, respectively.
Equity investments measured at FVPL	Market approach	Price sales ratio	1.35-13.06	0.67-8.37	1.09-2.54	As at December 31, 2023, 2024 and 2025, with 1% increase/decrease in price sales ratio would result in increase/decrease the fair value by RMB2,410,000, RMB2,978,000 and RMB1,757,000, respectively.
		Discount for lack of marketability	26.20%-35.00%	25.60%	25.60%	As at December 31, 2023, 2024 and 2025, with 1% increase/decrease in discount for lack of marketability would result in decrease/increase the fair value by RMB4,664,000, RMB4,002,000 and RMB2,548,000, respectively.

The movement during the Track Record Period in the balance of Level 3 fair value measurements is as follows:

	Year ended December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial products measured at FVPL:			
At January 1	1,770,801	1,417,138	2,276,730
Changes in fair value	7,339	61,656	48,179
Exchange adjustments	–	–	(19,301)
Additions	1,624,998	4,002,407	3,851,448
Disposals	(1,986,000)	(3,204,471)	(4,332,461)
At December 31	1,417,138	2,276,730	1,824,595
Financial products measured at FVOCI:			
At January 1	880,879	1,174,963	1,716,696
Changes in fair value	3,339	46,936	40,852
Exchange adjustments	–	–	(34)
Additions	1,720,754	911,885	488,324
Disposals	(1,430,009)	(417,088)	(581,883)
At December 31	1,174,963	1,716,696	1,663,955
Equity investments measured at FVPL			
At January 1	914,377	463,494	574,583
Transferred to Level 2	(624,659)	–	–
Changes in fair value	167,213	33,441	46,015
Exchange adjustments	6,563	4,561	(7,764)
Additions	–	73,087	55,875
Disposals	–	–	(105,589)
At December 31	463,494	574,583	563,120

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at the end of each reporting periods.

35 COMMITMENTS

Significant capital expenditures contracted for at the end of each reporting period but not recognized as liabilities yet are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment and intangible assets	308,389	116,126	–

36 MATERIAL RELATED PARTY TRANSACTIONS

The material related party transactions entered into by the Group during the Track Record Period and the balances with related parties at the end of each reporting period are set out below.

(i) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Short-term employee benefits	8,645	9,235	7,739
Retirement scheme contributions	179	164	214
Share-based payment expenses	14,551	22,726	22,313
	23,375	32,125	30,266

Total remuneration is included in "staff costs" (see note 6(b)).

(ii) Material related parties and the relationship

The related party of the Company and its subsidiaries that had transactions with the Group is as follow:

Name of related party	*Notes*	Relationship with the Group
Shenzhen Meishile Catering Management Co., Ltd.	*(i)*	Associate of the Group
Ameziel Inc.		Subsidiary of associate of the Group
EUZIEL International GmbH		Subsidiary of associate of the Group
ZIELJP Co., Ltd.	*(i)*	Subsidiary of associate of the Group
Hunan Haiyi E-commerce Co., Ltd.	*(i)(ii)*	Associate of the Group
Linghai Yunfu (Zhejiang) Technology Co., Ltd.	*(i)*	Subsidiary of associate of the Group
Beijing Keyi Technology Co., Ltd.	*(i)*	Subsidiary of associate of the Group
SHULEX TECHNOLOGY LIMITED		Subsidiary of associate of the Group
Hangzhou Shulihangjian Technology Co., Ltd.	*(i)*	Subsidiary of associate of the Group
Cell Robotics HK limited		Subsidiary of associate of the Group
Hangzhou Fangbiandian Technology Co., Ltd.	*(i)*	Associate of the Group
Shanghai Haiyilingfei E-commerce Co., Ltd.	*(i)*	Subsidiary of associate of the Group
Oceanwing Service Ltd.		Subsidiary of associate of the Group
Xiong Kang		Director
Zhu Fanghao		Director

Notes:

(i) The English translation of the names is for identification only.

(ii) In 2022, Hunan Haiyi E-commerce Co., Ltd. was a subsidiary of the Group. In May 2023, the Group disposed of 60.40% equity interest in Hunan Haiyi E-commerce Co., Ltd. at a consideration of RMB16,000. Upon completion, the Group lose control of Hunan Haiyi E-commerce Co., Ltd., which was subsequently accounted for as an associate.

(iii) Transactions with related parties

The Group entered into the following related party transactions during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rendering of services			
– Shenzhen Meishile Catering Management Co., Ltd.	87	–	–
– Ameziel Inc.	2,233	–	–
– EUZIEL International GmbH	1,302	–	–
– ZIELJP Co., Ltd.	56	–	–
Accepting service			
– Linghai Yunfu (Zhejiang) Technology Co., Ltd.	7,300	787	–
– SHULEX TECHNOLOGY LIMITED	–	1,777	1,299
– Hangzhou Shulihangjian Technology Co., Ltd.	–	804	1,356
– Shanghai Haiyilingfei E-commerce Co., Ltd.	–	–	5,402
– Oceanwing Service Ltd.	–	–	4,336
Purchasing goods			
– Beijing Keyi Technology Co., Ltd. *(i)*	5,543	5,715	(4,697)
– EUZIEL International GmbH	–	–	146
Gain or loss from disposal of equity			
– Shenzhen Meishile Catering Management Co., Ltd.	(35)	–	–
Sale of minority interests in a subsidiary			
– Xiong Kang	–	–	50
Rendering/(withdrawal) loans to related parties			
– Hunan Haiyi E-commerce Co., Ltd.	33,393	(6,832)	(7,509)

Note:

(i) The negative amount for purchases from Beijing Keyi Technology Co., Ltd. is due to the return of procured goods.

(iv) Balances with related parties as at the end of each reporting period

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Contract liabilities			
– Hangzhou Fangbiandian Technology Co., Ltd.	820	832	–
Other payables			
– Hangzhou Fangbiandian Technology Co., Ltd.	297	297	–
– Linghai Yunfu (Zhejiang) Technology Co., Ltd.	250	493	–
Shanghai Haiyilingfei E-commerce Co., Ltd.	–	–	156
– SHULEX TECHNOLOGY LIMITED	–	–	224
– Oceanwing Service Ltd.	–	–	232
Trade payables			
– Beijing Keyi Technology Co., Ltd.	4	24	24
Non-trade nature			
Other receivables			
– Hunan Haiyi E-commerce Co., Ltd. *(i)*	33,393	26,561	19,682
Other payables			
– Zhu Fanghao *(ii)*	–	–	35,931

Notes:

(i) The loan to the associate bear interest at 3.65 % per annum. The loan is repayable by installments and will be fully settled in 2028.

(ii) In October 2025, the Company purchased 4.2659% equity interest in Shenzhen Oceanwing Smart Innovation Co., Ltd., a non-wholly owned subsidiary of the Company, from Nanjing Haiyi Yuanzhi Management Consulting Partnership (Limited Partnership) ("Haiyi Yuanzhi") and other non-controlling shareholders for a cash consideration of RMB228,556,000. Subsequent to the equity transfer, Mr. Zhu Fanghao, a director of the Company who is also a limited partner of Haiyi Yuanzhi, reduced his capital contribution in such partnership. Pursuant to the capital reduction agreement of Haiyi Yuanzhi, the total capital reduction consideration payable to Mr. Zhu Fanghao amounts to RMB55,200,000 (tax inclusive). As at December 31, 2025, the amount payable to Mr. Zhu Fanghao was RMB35,931,000 (after tax). The amount is expected to be settled after the [**REDACTED**].

37 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At December 31, 2023, 2024 and 2025, the directors consider the immediate and ultimate controlling party of the Group to be Mr. Yang Meng. Mr. Yang Meng and Ms. He Li are parties acting in concert. As such, the directors consider Mr. Yang Meng and Ms. He Li are controlling shareholders.

38 SUBSEQUENT EVENTS

Subsequent to the end of the Track Record Period, a final dividend in respect of the year ended December 31, 2025 of RMB1.7 per share (tax inclusive), in an aggregate amount of approximately RMB911,670,000, was approved by the shareholders at the annual general meeting and paid in May 2026.

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING ON JANUARY 1, 2025

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the accounting period beginning on January 1, 2025 and which have not been adopted in the Historical Financial Information, including:

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	January 1, 2026
Amendments to IFRS 9 and IFRS 7, *Classification and Measurement of Financial Instruments*	January 1, 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027
Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss and other comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

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

The following is the text of a report set out on pages IA-1 to IA-2, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. The information set out below is the unaudited interim financial information of the Group for the three months ended March 31, 2026, and does not form part of the Accountants' Report from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, as set out in Appendix I, and is included herein for information purpose only.



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF ANKER INNOVATIONS TECHNOLOGY CO., LTD.

Introduction

We have reviewed the interim financial information set out on pages IA-3 to IA-16 which comprises the consolidated statement of financial position of Anker Innovations Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at March 31, 2026 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the three months ended March 31, 2026 and explanatory notes. The directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34, *Interim financial reporting*, as issued by the International Accounting Standards Board.

Our responsibility is to form a conclusion, based on our review, on this interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("HKSRE 2410"), as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at and for the three months ended March 31, 2026 is not prepared, in all material respects, in accordance with IAS 34, *Interim financial reporting*.

Other Matter

We draw attention to the fact that the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the three months ended March 31, 2025 and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with HKSRE 2410.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[**REDACTED**]

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 — UNAUDITED

(Expressed in Renminbi ("RMB"))

	Notes	Three months ended March 31, 2026	Three months ended March 31, 2025
		RMB'000	*RMB'000*
Revenue	*3*	7,607,646	5,993,381
Cost of sales		(4,354,438)	(3,441,786)
Gross profit		3,253,208	2,551,595
Other income and losses, net		(118,126)	122,561
Research and development expenses		(805,291)	(554,128)
Selling and distribution expenses		(1,456,835)	(1,279,880)
General and administrative expenses		(290,652)	(251,423)
Impairment loss on trade and other receivables		(11,061)	(5,762)
Operating profit		571,243	582,963
Finance costs	*4(a)*	(15,725)	(11,083)
Share of profits of associates		3,206	8,859
Profit before taxation	*4*	558,724	580,739
Income tax	*5*	(87,802)	(56,423)
Profit for the period		470,922	524,316
Other comprehensive income for the period (after tax)			
Items that may be reclassified subsequently to profit or loss:			
– Share of other comprehensive income of associates		(1,008)	1
– Cash flow hedges		96,383	(88,521)
– Foreign currency translation differences		61,216	(24,455)
Other comprehensive income for the period		156,591	(112,975)
Total comprehensive income for the period		627,513	411,341
Profit for the period attributable to:			
– Equity shareholders of the Company		471,594	495,761
– Non-controlling interests		(672)	28,555
Total comprehensive income for the period attributable to:			
– Equity shareholders of the Company		628,180	382,786
– Non-controlling interests		(667)	28,555
Earnings per share			
– Basic (RMB)	*6(a)*	0.88	0.93
– Diluted (RMB)	*6(b)*	0.87	0.93

The accompanying notes on are integral part of this interim financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2026 — UNAUDITED

(Expressed in RMB)

	Notes	At March 31, 2026	At December 31, 2025
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment	*7(a)*	1,880,453	1,869,059
Right-of-use assets	*7(b)*	359,959	320,302
Intangible assets		52,077	52,594
Interests in associates		579,424	581,970
Other financial assets		598,455	596,805
Other non-current assets		163,639	119,529
Deferred tax assets		437,436	440,107
		4,071,443	3,980,366
Current assets			
Derivative financial instruments		225,440	131,686
Inventories		5,568,864	4,997,119
Trade receivables		1,954,645	1,872,624
Prepayments and other receivables		1,382,634	1,297,638
Other financial assets		3,424,085	4,130,951
Term deposits and restricted cash		931,120	588,767
Cash and cash equivalents		2,670,127	3,067,742
		16,156,915	16,086,527
Current liabilities			
Trade and bills payables		2,488,498	2,313,362
Other payables		2,439,209	2,771,627
Contract liabilities		335,443	552,496
Bank loans		703,611	710,638
Bonds payable		1,748	1,202
Lease liabilities		85,561	81,922
Income tax payable		225,315	275,892
Derivative financial instruments		4,655	42,414
Other financial liabilities		18,579	18,959
		6,302,619	6,768,512
Net current assets		9,854,296	9,318,015
Total assets less current liabilities		13,925,739	13,298,381
Non-current liabilities			
Bank loans		747,747	781,332
Bonds payable		1,103,180	1,097,400
Lease liabilities		286,675	246,331
Employee benefit liabilities		181,092	182,458
Deferred income		21,621	22,110
Deferred tax liabilities		48,755	31,744
Provisions		192,472	225,336
		2,581,542	2,586,711
NET ASSETS		11,344,197	10,711,670

	Notes	At March 31, 2026	At December 31, 2025
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital		536,159	536,159
Reserves		10,634,751	9,991,444
Total equity attributable to equity shareholders of the Company		11,170,910	10,527,603
Non-controlling interests		173,287	184,067
TOTAL EQUITY		11,344,197	10,711,670

The accompanying notes on are integral part of this interim financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 — UNAUDITED
(Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Bonds payable reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2026	536,159	3,073,206	23,320	4,494	268,080	6,622,344	10,527,603	184,067	10,711,670
Changes in equity for the three months ended March 31, 2026:									
Profit for the period	–	–	–	–	–	471,594	471,594	(672)	470,922
Other comprehensive income	–	–	156,586	–	–	–	156,586	5	156,591
Total comprehensive income	–	–	156,586	–	–	471,594	628,180	(667)	627,513
Conversion of convertible bonds into ordinary shares	–*	7	–	–*	–	–	7	–	7
Share-based payment expenses	–	17,578	–	–	–	–	17,578	1,278	18,856
Dividends declared and approved	–	–	–	–	–	–	–	(11,391)	(11,391)
Others**	–	(2,458)	–	–	–	–	(2,458)	–	(2,458)
Balance at March 31, 2026	536,159	3,088,333	179,906	4,494	268,080	7,093,938	11,170,910	173,287	11,344,197

* Less than RMB500.

	Attributable to equity shareholders of the Company							
	Share capital	Capital reserve	Other comprehensive income	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	531,411	2,977,551	(68,828)	265,706	5,252,204	8,958,044	186,476	9,144,520
Changes in equity for the three months ended March 31, 2025:								
Profit for the period	–	–	–	–	495,761	495,761	28,555	524,316
Other comprehensive income	–	–	(112,975)	–	–	(112,975)	–	(112,975)
Total comprehensive income	–	–	(112,975)	–	495,761	382,786	28,555	411,341
Share-based payment expenses	–	19,324	–	–	–	19,324	2,161	21,485
Others**	–	–	–	–	–	–	50	50
Balance at March 31, 2025	531,411	2,996,875	(181,803)	265,706	5,747,965	9,360,154	217,242	9,577,396

** Others mainly include the changes in the Group's share of net assets of its associates, other than those arising from the associates' profit or loss, other comprehensive income or profit distribution. Such changes mainly arose from the equity-settled share-based payment expenses of an associate under its share award scheme, and passive equity dilution of certain associates.

The accompanying notes on are integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2026 — UNAUDITED

(Expressed in RMB)

	Three months ended March 31,	
	2026	**2025**
	RMB'000	*RMB'000*
Operating activities		
Cash used in operations	(309,444)	(214,204)
Income tax paid	(141,188)	(73,453)
Net cash used in operating activities	(450,632)	(287,657)
Investing activities		
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets	(25,360)	(63,919)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets	17	–
Payments for interests in associates	(102)	–
Dividend received from associates and equity investments	375	60
Payments for purchase of equity investments	–	(20,000)
Proceeds from disposal of equity investments	–	8,884
Payments for purchase of financial products	(1,853,555)	(1,218,330)
Proceeds from financial products	2,159,502	1,373,466
Net cash generated from investing activities	280,877	80,161
Financing activities		
Capital element of lease rentals paid	(23,657)	(20,006)
Interest element of lease rentals paid	(2,765)	(1,089)
Proceeds from bank loans	90,855	–
Repayment of bank loans	(132,479)	(35,670)
Interest paid	(6,591)	(6,955)
Payments for acquisition of non-controlling interests	(76,216)	–
Contributions from non-controlling interests	–	50
Distributions to non-controlling shareholders	(11,391)	–
Payments for [**REDACTED**] to be deducted from equity	[**REDACTED**]	[**REDACTED**]
Net cash used in financing activities	[**REDACTED**]	[**REDACTED**]
Net decrease in cash and cash equivalents	(344,322)	(271,166)
Cash and cash equivalents at the beginning of period	3,067,742	2,328,704
Effect of foreign exchange rate changes	(53,293)	46,652
Cash and cash equivalents at the end of period	2,670,127	2,104,190

The accompanying notes on are integral part of this interim financial information.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in thousands of RMB, unless otherwise indicated)

1 BASIS OF PREPARATION

Anker Innovations Technology Co., Ltd. (the "Company") was formerly established as a limited liability company in Changsha, Hunan, the People's Republic of China (the "PRC") on December 6, 2011, and converted to a joint stock limited liability company on June 6, 2016.

The Company's A Shares have been listed on the Shenzhen Stock Exchange (stock code: 300866) since August 2020.

The Group are principally engaged in independent research and development, design and sales of consumer electronic products such as peripheral products for mobile devices and intelligent hardware products under own brands. The products are mainly consumer electronic products such as smart charging and power storage, smart audio and video, and smart home.

The interim financial information has been prepared in accordance with IAS 34, *Interim financial reporting*, as issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on [●].

The interim financial information has been prepared in accordance with the same basis of preparation and presentation and accounting policies adopted in the historical financial information for the years ended December 31, 2023, 2024 and 2025 (the "Historical Financial Information") as disclosed in Appendix I to the document dated [**REDACTED**] (the "Document") issued by the Company, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since December 31, 2025 in the Historical Financial Information as disclosed in Appendix I to the Document. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2 CHANGES IN ACCOUNTING POLICIES

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on January 1, 2026:

Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments
Annual improvements to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards – Volume 11

The adoption of these amendments to standards does not have material impact on the interim financial information of the Group.

3 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
Smart charging and power storage	4,167,743	3,248,108
Smart home	1,908,068	1,452,912
Smart audio and video	1,530,439	1,291,274
Others	1,396	1,087
	7,607,646	5,993,381

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is set out below:

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Point in time	7,580,930	5,975,738
Over time	26,716	17,643
	7,607,646	5,993,381

The Group's customer base is diversified, and there are no customers with whom transactions have exceeded 10% of the Group's revenues during the three months ended March 31, 2026 (three months ended March 31, 2025: Nil).

(b) Segment reporting

The Group determines the operating segments on the basis of internal organisation structure, management requirements and internal report principles. Management reviews the results of the Group's operating segments regularly for the purpose of making decisions about resource allocation and performance assessment.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented five reportable segments based on geographical location: PRC (including Hong Kong), USA, Europe, Japan and others. No operating segments have been aggregated to form the reportable segments.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

The measure used for reporting segment result is segment revenue less segment cost (i.e. carrying amount of inventories sold).

Revenue and cost are allocated to the reportable segments with reference to sales generated by those segments and the carrying amount of inventories sold by those segments.

Segment information for three months ended March 31, 2026 is as follows:

	PRC (including Hong Kong)	USA	Europe	Japan	Others	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	7,672,533	3,334,676	3,263,129	969,412	1,277,638	(8,909,742)	7,607,646
Reportable segment cost	(5,682,929)	(2,664,582)	(2,936,193)	(753,598)	(1,128,585)	8,878,227	(4,287,660)
Reportable segment profit	1,989,604	670,094	326,936	215,814	149,053	(31,515)	3,319,986
Write-down of inventories							(66,778)
Other income and losses, net							(118,126)
Research and development expenses							(805,291)
Selling and distribution expenses							(1,456,835)
General and administrative expenses							(290,652)
Impairment loss on trade and other receivables							(11,061)
Operating profit							571,243

Segment information for three months ended March 31, 2025 is as follows:

	PRC (including Hong Kong)	USA	Europe	Japan	Others	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	6,919,787	2,573,396	2,283,844	884,656	1,017,434	(7,685,736)	5,993,381
Reportable segment cost	(5,655,444)	(1,952,221)	(1,902,545)	(665,230)	(858,974)	7,634,885	(3,399,529)
Reportable segment profit	1,264,343	621,175	381,299	219,426	158,460	(50,851)	2,593,852
Write-down of inventories							(42,257)
Other income and losses, net							122,561
Research and development expenses							(554,128)
Selling and distribution expenses							(1,279,880)
General and administrative expenses							(251,423)
Impairment loss on trade and other receivables							(5,762)
Operating profit							582,963

Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered, or the services were provided.

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Northern America	3,409,682	2,681,236
Europe	1,998,135	1,418,422
PRC	357,191	254,999
Rest of the world	1,842,638	1,638,724
	7,607,646	5,993,381

As at the end of the reporting period, most of the Group's specified non-current assets (primarily include property, plant and equipment, right-of-use assets, intangible assets, interests in associates and other non-current assets) are located in the PRC.

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Interest on bank loans	6,626	9,994
Interest on bonds payable	6,334	–
Interest on lease liabilities	2,765	1,089
	15,725	11,083

(b) Staff costs

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	854,563	803,394
Retirement scheme contributions *(i)*	31,695	28,291
Share-based payment expenses	18,856	21,485
	905,114	853,170

Note:

(i) Retirement scheme contributions

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages as agreed by the local municipal government to the scheme to fund the retirement benefits of employees.

All other overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories *(i)*	4,354,438	3,441,786
Depreciation and amortization charge		
– Property, plant and equipment	44,098	15,096
– Right-of-use assets	26,665	21,024
– Intangible assets	1,870	1,181
– Other non-current assets	97	68
Impairment losses recognized		
– Trade receivables	6,429	1,985
– Other receivables	4,632	3,777

(i) Cost of inventories include RMB13,452,000, relating to staff costs, depreciation and amortization expenses for three months ended March 31, 2026 (three months ended March 31, 2025: RMB8,797,000), which are also included in the respective total amounts disclosed separately above or in Note 4(b) for each of these types of expenses.

5 INCOME TAX

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Three months ended March 31,	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
Provision for the period	95,461	119,973
Over-provision in respect of prior years	(4,850)	(461)
	90,611	119,512
Deferred tax		
Origination and reversal of temporary differences	(2,809)	(63,089)
	87,802	56,423

Notes:

(i) PRC enterprise income tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

Under the PRC Enterprise Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("HNTE") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. The Company and Shenzhen Oceanwing Smart Innovation Technology Co., Ltd., as HNTEs, are entitled to a preferential tax rate of 15% during the three months ended March 31, 2026 (three months ended March 31, 2025: 15%).

In accordance with the "Announcement of the Ministry of Finance and State Taxation Administration on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises" (Caishui No. 13 [2022]), the "Announcement of the Ministry of Finance and State Taxation Administration on Income Tax Preferences for Small and Micro Enterprises and Individual Businesses" (Caishui No. 6 [2023]), and the "Announcement of the Ministry of Finance and State Taxation Administration on Relevant Tax and Fee Policies With Respect to Further Supporting the Development of Small and Micro Enterprises and Individual Businesses" (Caishui No. 12 [2023]), for small and micro enterprises, the applicable rate of enterprise income tax is 20%. Some of the Group's subsidiaries meet the criteria as small and micro enterprises, therefore fall in the scope of the above tax preferential.

During the three months ended March 31, 2025 and 2026, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations.

(ii) Hong Kong profits tax

For the Hong Kong subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Hong Kong subsidiary was calculated at the same basis in the three months ended March 31, 2025 and 2026.

(iii) Income tax in other jurisdictions

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries at a range from 0% to 35% during the three months ended March 31, 2025 and 2026.

According to the relevant taxation ruling of Malta, specific preferential tax rates can be applied to eligible taxpayers. Some of subsidiaries of the Group in Malta entitled to preferential tax rate.

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB471,594,000 (three months ended March 31, 2025: RMB495,761,000) and the weighted average of 536,159,000 ordinary shares (2025: 531,411,000 shares) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company (diluted) of RMB476,978,000 (three months ended March 31, 2025: RMB495,761,000) and the weighted average number of ordinary shares (diluted) of 547,350,000 (2025: 532,390,000 shares).

7 RIGHT-OF-USE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment

During the three months ended March 31, 2026, the Group acquired items of property, plant and equipment with a cost of RMB57,618,000 (three months ended March 31, 2025: RMB53,474,000).

As at March 31, 2026, certain properties of the Group with carrying amount of RMB901,303,000 (December 31, 2025: RMB912,858,000) were pledged as securities for bank loan.

(b) Right-of-use assets

During the three months ended March 31, 2026, the Group entered into new lease agreement and therefore recognised the addition to original value of right-of-use assets of RMB85,135,000 (three months ended March 31, 2025: RMB68,756,000).

8 DIVIDENDS

(i) No interim dividends were proposed to equity shareholders of the Company attributable to the interim period after the end of the reporting period during the three months ended March 31, 2026 (three months ended March 31, 2025: Nil).

(ii) No dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the three months ended March 31, 2026 (three months ended March 31, 2025: Nil).

9 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The following table presents the Group's financial assets and financial liabilities that are measured at fair value as at March 31, 2026 and December 31, 2025:

		Fair value measurements as at March 31, 2026 categorized into		
	Fair value at March 31, 2026	level 1	level 2	level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Financial products measured at FVPL	1,573,022	–	18,579	1,554,443
Financial products measured at FVOCI	1,330,247	–	–	1,330,247
Equity investments measured at FVPL	1,119,271	554,392	–	564,879
Derivative financial assets	225,440	–	225,440	–
Liabilities:				
Other financial liabilities	18,579	–	18,579	–
Derivative financial liabilities	4,655	–	4,655	–

		Fair value measurements as at December 31, 2025 categorized into		
	Fair value at December 31, 2025	level 1	level 2	level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Assets:				
Financial products measured at FVPL	1,844,831	–	20,236	1,824,595
Financial products measured at FVOCI	1,663,955	–	–	1,663,955
Equity investments measured at FVPL	1,218,970	655,850	–	563,120
Derivative financial assets	131,686	–	131,686	–
Liabilities:				
Other financial liabilities	18,959	–	18,959	–
Derivative financial liabilities	42,414	–	42,414	–

During the three months ended March 31, 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (three months ended March 31, 2025: Nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts in Level 2 is determined with reference to the value report as provided by the financial institutions.

The fair value of restricted listed equity instruments in Level 2 is determined by the Group using valuation approach of option pricing model. The inputs of the valuation technique mainly include expected yield, risk-free rate, expected volatility.

Information about Level 3 fair value measurements

The fair value of financial products and equity investments in Level 3 is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow approach, recent transaction price approach or market approach.

(iii) The following table summarises the quantitative information about the significant unobservable inputs of major financial assets and liabilities used in Level 3 fair value measurements of major financial assets:

			Range of inputs		
	Valuation techniques	**Significant Unobservable inputs**	**As at March 31, 2026**	**As at December 31, 2025**	**Sensitivity of fair value to the input**
Financial products measured at FVPL . .	Discounted cash flow method	Interest return rate	0.65%-5.80%	0.80%-5.80%	As at March 31, 2026, an increase/decrease in interest return rate by 1% would have increased/decreased the fair value by RMB3,588,000 (December 31, 2025: RMB1,578,000)
Financial products measured at FVOCI .	Discounted cash flow method	Interest return rate	1.20%-3.15%	1.10%-3.64%	As at March 31, 2026, an increase/decrease in interest return rate by 1% would have increase/decrease the fair value by RMB23,045,000 (December 31, 2025: RMB24,972,000)
Equity investments measured at FVPL . .	Market approach	Price sales ratio	1.09-2.54	1.09-2.54	As at March 31, 2026, an increase/decrease in price sales ratio by 1% would have increased/decreased the fair value by RMB1,750,000 (December 31, 2025: RMB1,757,000)
		Discount for lack of marketability	25.60%	25.60%	As at March 31, 2026, an increase/decrease in discount for lack of marketability by 1% would have decreased/increased the fair value by RMB1,675,000 (December 31, 2025: RMB2,548,000)

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	2026	**2025**
	RMB'000	*RMB'000*
Financial products measured at FVPL:		
At January 1	1,824,595	2,276,730
Changes in fair value	10,000	25,286
Exchange adjustments	(3,282)	(1,151)
Additions	1,575,000	747,128
Disposals	(1,851,870)	(778,049)
At March 31	1,554,443	2,269,944

	2026	2025
	RMB'000	*RMB'000*
Financial products measured at FVOCI:		
At January 1	1,663,955	1,716,696
Changes in fair value	1,773	10,685
Exchange adjustments	(5,575)	1,168
Additions	60,000	30,000
Disposals	(389,906)	(95,894)
At March 31	1,330,247	1,662,655
Equity investments measured at FVPL:		
At January 1	563,120	574,583
Changes in fair value	7,913	60
Exchange adjustments	(6,154)	4,780
Additions	–	20,000
Disposals	–	(5,375)
At March 31	564,879	594,048

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at the end of the reporting period.

10 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, a final dividend in respect of the year ended December 31, 2025 of RMB1.7 per share (tax inclusive), in an aggregate amount of approximately RMB911,670,000, was approved by the shareholders at the annual general meeting and paid in May 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This appendix is mainly intended to provide potential [**REDACTED**] with an overview of the Articles of Association. As the following data is merely a summary, it does not record all data that may be material to potential [**REDACTED**].

ISSUANCE OF SHARE

The issuance of shares by the Company shall follow the principles of openness, fairness and impartiality. Each share of the same class shall have equal rights.

For shares of the same class issued in the same offering, the issuance conditions and price per share shall be identical; and the same price shall be paid for each share subscribed by subscribers.

INCREASE/REDUCTION AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital by the following ways upon approval by way of resolutions at the shareholders' meeting:

(I) issuance of shares to unspecified parties;

(II) issuance of shares to specified parties;

(III) distribution of bonus shares to existing shareholders;

(IV) conversion of capital reserve into share capital;

(V) Other methods prescribed by laws, administrative regulations, the CSRC, and the securities regulatory rules of the place where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company shall not repurchase its own shares. However, The Company may acquire its own shares in accordance with the procedures stipulated in laws, administrative regulations, other relevant regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association:

(I) reduction of the Company's registered capital;

(II) merger with another company holding shares in the Company;

(III) using the shares for employee stock ownership plan or equity incentives;

(IV) acquisition of shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company;

(V) using shares for the conversion of corporate bonds which are convertible into shares issued by the Company;

(VI) as necessary for maintaining the value of the Company and safeguarding the rights and interests of shareholders;

(VII) Other methods prescribed by laws, administrative regulations, the CSRC, and the securities regulatory rules of the place where the Company's shares are listed.

The Company may acquire its own shares through open centralized trading methods, or other methods prescribed by laws, administrative regulations, and recognized by the CSRC and other stock exchanges and securities regulatory authorities of the places where the Company's shares are listed.

When the Company acquires its own shares under circumstances specified in items (III), (V) and (VI) above, it shall do so through open centralized trading methods.

When the Company acquires its own shares under circumstances specified in items (I) and (II) above, it shall be subject to resolution by the shareholders' meeting; when the Company acquires its own shares under circumstances specified in items (III), (V) and (VI) above, it shall, in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting, be subject to resolution by a board meeting attended by more than two-thirds of the directors.

After the Company acquires its shares in accordance with the Articles of Association, for circumstances under item (I) above, the shares shall be cancelled within ten days from the date of acquisition; for circumstances under items (II) and (IV) above, the shares shall be transferred or cancelled within six months; for circumstances under items (III), (V) and (VI) above, the total number of the Company's own shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

TRANSFER OF SHARES

The Company's shares shall be transferred in accordance with law. All transfers of H shares shall be effected by instruments of transfer in writing in the usual or common form or any other form acceptable to the board of directors (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); and such instruments of transfer may be executed by hand only or, if the transferor or transferee is a corporation, under seal. Where the transferor or transferee is a recognized clearing house as defined in relevant ordinances in force from time to time under the laws of Hong Kong (hereinafter referred to as the "Recognized Clearing House") or its nominee(s), instruments of transfer may be executed by hand or by machine imprinted signatures. All instruments of transfer shall be maintained at the legal address of the Company or other place designated by the board of directors from time to time.

The Company shall not accept its own shares as the subject matter of pledge rights.

Shares issued by the Company before the public offering of A shares shall not be transferred within one year from the date when the Company's A shares are listed and traded on a stock exchange.

Directors and senior management of the Company shall report to the Company their shareholdings in the Company and changes therein. During their term of office determined upon them taking office, the shares they transfer each year shall not exceed 25% of the total shares of the same class they hold in the Company, and the shares they held shall not be transferred within one year from the date of its listing. Furthermore, such individuals shall not transfer their shares within six months after leaving their positions.

Directors, senior management, and shareholders holding more than 5% of the Company's shares who sell their shares or other equity securities of the Company within six months after purchase, or purchase again within six months after sale, shall return the gains therefrom to the Company, and the Company's board of directors shall recover such gains. However, this excludes securities companies holding more than 5% of shares due to purchasing remaining shares after underwriting and other circumstances prescribed by applicable laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

The shares or other equity securities mentioned in the preceding paragraph held by directors, senior management, and natural person shareholders include those held by their spouses, parents, children, and through others' accounts.

Where the Company's board of directors fails to implement the above provisions, shareholders have the right to require the board of directors to implement them within 30 days. Where the Company's board of directors fails to implement them within the aforementioned period, shareholders have the right to directly file lawsuits with the people's court in their own name for the Company's benefit. Where the Company's board of directors fails to implement the above provisions, responsible directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a register of members based on certificates provided by securities registration and settlement institutions. Shareholders shall enjoy rights and bear obligations according to the class of shares they hold; shareholders holding shares of the same class shall enjoy equal rights and bear the same obligations.

The register of members is sufficient evidence proving shareholders' shareholdings in the Company. The original [**REDACTED**] shall be maintained in Hong Kong for shareholders' inspection, but the Company may suspend the registration procedures for shareholders in accordance with applicable laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed. Any shareholder registered in the register of members or any person requesting registration of their name in the register of members may apply to the Company for new share certificates if their share certificates are lost. Where a foreign shareholder of a listed foreign capital shares loses their share certificates and apply for new ones, this process may be handled in accordance with laws, securities regulatory rules, or other relevant provisions of the place where the original register of members is maintained.

The company shall sign a securities registration and service agreement with the securities registration and settlement agency, regularly inquire the information of major shareholders and the changes of their shareholding (including the pledge of equity), and keep abreast of the company's equity structure.

When the company convenes a shareholders' meeting, distributes dividends, liquidates or engages in other acts requiring the confirmation of shareholders' identity, the board of directors or the convenor of the shareholders' meeting shall determine the equity registration date, and the shareholders registered in the register after the close of the equity registration date shall be the shareholders enjoying the relevant rights and interests.

Shareholders of the Company shall enjoy the following rights:

(I) to receive dividends and other forms of benefits according to the number of shares held;

(II) to require to hold, convene, chair, attend or appoint a proxy to attend shareholders' meetings and exercise the corresponding voting rights in accordance with the laws;

(III) to supervise the operations of the Company, and to put forward suggestions or raise enquiries;

(IV) to transfer, make a gift of or pledge shares held by them according to the provisions of the laws, administrative regulations and the Articles of Association;

(V) to inspect and duplicate the Articles of Association, registers of members, the minutes of shareholders' meetings, resolutions of the Board meetings and the financial accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and certificates;

(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;

(VII) with respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;

(VIII) other rights stipulated in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Where the content of resolutions by the Company's shareholders' meeting or board of directors violates laws or administrative regulations, shareholders have the right to request the people's court to declare them invalid. Where the convening procedures or voting methods of shareholders' meetings or board meetings violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or the content of resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke them within 60 days from the date the resolutions are made. However, this excludes cases where the convening procedures or voting methods of shareholders' meetings or board meetings have only minor defects that do not substantially affect the resolutions.

Where directors other than audit committee members and senior management violate laws, administrative regulations or the Articles of Association in performing duties for the Company and cause losses to the Company, shareholders who individually or collectively hold 1% or more of the Company's shares for 180 consecutive days or more have the right to make written requests to the audit committee to file lawsuits with the people's court; where audit committee members violate laws, administrative regulations or the Articles of Association in performing duties for the Company and cause losses to the Company, the aforementioned shareholders may make written requests to the board of directors to file lawsuits with the people's court.

Where the audit committee or the board of directors refuses to file lawsuits after receiving the written requests from shareholders as specified in the preceding paragraph, or fails to file lawsuits within 30 days from the date of receiving the requests, or in urgent circumstances where failure to immediately file lawsuits would cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph have the right to directly file lawsuits with the people's court in their own name for the Company's benefit.

Where directors or senior management violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association and harm shareholders' interests, shareholders may file lawsuits with the people's court.

The shareholders of the Company shall assume the following obligations:

(I) complying with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(II) paying share payments as per the shares subscribed for and the method of subscription;

(III) not to withdraw its share capital, except for circumstances stipulated by laws and regulations;

(IV) not to abuse the shareholders' rights to impair the interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to impair the interest of creditors of the Company;

(V) other obligations required to be assumed under laws, administrative regulations and the Articles of Association.

Shareholders of the Company shall be liable for making compensation for any loss suffered by the Company or other shareholders arising from their abuse of shareholders' rights in accordance with law. Shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to evade debts and seriously impair the interest of creditors of the Company shall be jointly and severally liable for the debts of the Company.

Controlling Shareholders and De Facto Controllers

The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

(I) exercise shareholders' rights in accordance with the law, not to abuse controlling interest, or exploit connected-party relationships to harm the legitimate rights and interests of the Company or other shareholders;

(II) strictly fulfil public statements and commitments made, without unauthorised changes or waivers;

(III) strictly fulfil information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of significant events that have occurred or are planned to occur;

(IV) shall not misappropriate the Company's funds in any way;

(V) shall not coerce, instruct, or require the Company and related personnel to illegally provide guarantees;

(VI) shall not seek benefits using the Company's undisclosed significant information, shall not disclose any undisclosed significant information about the Company in any way, shall not engage in insider trading, short term trading, market manipulation, or other illegal activities;

(VII) shall not damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset reorganisation, external investments, or any other means;

(VIII) ensure the integrity of the Company's assets, personnel independence, financial independence, institutional independence, and business independence, and shall not in any way affect the Company's independence;

(IX) comply with laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and other provisions of the Articles of Association.

Where any controlling shareholder or de facto controller of the Company instructs a director or senior management officer to engage in conduct that harms the interests of the Company or shareholders, such controlling shareholder or de facto controller shall bear joint and several liabilities with that director or senior management officer.

General Provisions for Shareholders' Meetings

The shareholders' meeting of the Company shall be composed of all shareholders. The shareholders' meeting is the authority of power of the Company which shall exercise the following functions and powers in accordance with the laws:

(I) elect and replace the directors who are not representatives of the employees, and decide on matters relating to the remuneration of the directors;

(II) consider and approve the reports of the board of directors;

(III) consider and approve the Company's profit distribution plans and loss recovery plans;

(IV) resolve to increase or reduce the registered capital of the Company;

(V) resolve on the issuance of corporate bonds;

(VI) resolve on merger, division, dissolution and liquidation or change in corporate form of the Company;

(VII) amend the Articles of Association;

(VIII) resolve on the engagement or dismissal of accounting firms engaged in the audit work of the Company;

(IX) consider and approve the guarantees prescribed in Article 46 of the Articles of Association;

(X) review and approve any transaction or matter that the company should submit to the shareholders' meeting for approval in accordance with the Hong Kong Listing Rules (including but not limited to Chapter 14 and Chapter 14A).

(XI) consider matters regarding the purchase and sale of material assets by the Company within one year which reach over 30% of the latest audited total assets of the Company;

(XII) consider and approve the changes in the use of proceeds raised;

(XIII) consider the equity incentive plans and employee stock ownership plans;

(XIV) consider and approve major related transactions that are required to be approved by the shareholders' meeting as stipulated by laws, regulations and normative documents;

(XV) resolve on the Company's repurchase of its own shares under the circumstances specified in items (I) and (II) of Article 24 of the Articles of Association;

(XVI) consider other matters which shall be decided by the shareholders' meetings as stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting may authorise the board of directors to resolve on the issue of corporate bonds.

The following external guarantees of the Company shall be submitted to the shareholders' meeting for consideration after consideration and approval by the board of directors:

(I) guarantee with a single sum of guarantee that has exceeded 10% of the latest audited net assets of the Company;

(II) any guarantee after the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the latest audited net assets of the Company;

(III) any guarantee provided by the Company after the total amount of external guarantees provided by them exceeds 30% of the Company's latest audited total assets;

(IV) guarantee to be provided for a party with a gearing ratio of over 70%;

(V) within any consecutive twelve-month period, the amount of guarantees exceeds 30% of the Company's latest audited total assets;

(VI) within any consecutive twelve-month period, the amount of guarantees exceeds 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million;

(VII) guarantees provided to the shareholders, de facto controllers and their related parties;

(VIII) other guarantee circumstances prescribed by laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When the shareholders' meeting considers the guarantee mentioned in item (V) of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.

When the shareholders' meeting considers guarantee proposals for shareholders, de facto controllers, and their related parties, such shareholders or shareholders controlled by such de facto controllers shall not participate in the voting, and such voting shall be approved by more than half of the voting rights held by other shareholders attending the shareholders' meeting.

Shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings are held once every year and within 6 months from the end of the preceding financial year.

The Company shall convene an extraordinary shareholders' meeting within 2 months from the date of the occurrence of any of the following circumstances:

(I) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number prescribed in the Articles of Association;

(II) where the losses of the Company that have not been made up represent one-third of its total share capital;

(III) where such meeting is requested by shareholders individually or jointly holding more than 10% of the shares of the Company;

(IV) where such meeting is deemed necessary by the board of directors;

(V) where such meeting is proposed to be convened by the audit committee;

(VI) other circumstances specified in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' Meeting

The board of directors shall convene the shareholders' meeting on time within the stipulated period.

With the consent of more than half of all independent directors, independent directors shall be entitled to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a

written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving such a proposal from the independent directors. In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of shareholders' meeting shall be issued within 5 days after the board of directors passes the relevant resolution. In the event that the board of directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

The Audit Committee shall propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary general meeting within 10 days after receiving such proposal. In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of shareholders' meeting shall be issued within 5 days after the board of directors passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the Audit Committee. In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, the board of directors shall be deemed as unable to perform or failure to perform its duty of convening a shareholders' meeting, in which case the Audit Committee may convene and preside over a shareholders' meeting by itself.

Shareholders individually or jointly holding more than 10% of the shares (including preferred shares with restored voting rights) of the Company shall request the board of directors to convene an extraordinary general meeting, and such request shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees with the convening of the extraordinary general meeting within 10 days after receiving such request. In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of shareholders' meeting shall be issued within 5 days after the board of directors passes the relevant resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders. In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such request, shareholders individually or jointly holding more than 10% of the shares (including preferred shares with restored voting rights) of the Company shall propose to the Audit Committee to convene an extraordinary general meeting, and such proposal shall be submitted in writing to the Audit Committee. In the event that the Audit Committee agrees to convene an extraordinary general meeting, the notice of shareholders' meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall be approved by the relevant shareholders. Failure of the Audit Committee to issue the notice of shareholders' meeting within the prescribed time limit shall be deemed as failure of the Audit Committee to convene and preside over a shareholders' meeting, and shareholders individually or jointly holding more than 10% of the shares (including preferred shares with restored voting rights) of the Company for more than 90 consecutive days are entitled to convene and preside over a shareholders' meeting on their own initiatives.

Where the Audit Committee or shareholders decide(s) to convene a shareholders' meeting on their own initiative, the board of directors shall be notified in writing, and records shall be filed with the Shenzhen Stock Exchange, in accordance with the requirements of the securities regulatory rules of such place. Before the announcement of the resolution of the shareholders' meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%. The Audit Committee and the shareholders convening the meeting shall submit the relevant materials for proof to the securities regulatory authority of the place where the Company's shares are listed, in accordance with the requirements of the securities regulatory rules of such place at the time of issuance of notice of shareholders' meeting and announcement on the resolutions passed at the

shareholders' meeting. For the shareholders' meeting convened by the Audit Committee or shareholders on their own initiative, the board of directors and its secretary will cooperate. The board of directors shall provide the register of members as at the date of shareholding registration.

For the shareholders' meetings convened by the Audit Committee or the shareholders on their own initiative, the necessary expenses in relation to the meetings shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

The content of the proposals shall be within the scope of the terms of reference of the shareholders' meeting, and have clear subjects and specific resolutions, and shall comply with the relevant requirements of the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

When the Company convenes a shareholders' meeting, the board of directors, the Audit Committee, as well as shareholder(s) individually or jointly holding more than 1% of the shares of the Company, shall be entitled to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the shares (including preferred shares with restored voting rights) of the Company may raise provisional proposals and submit the same in writing to the convener 10 days prior to the date of the shareholders' meeting. The convener shall issue a supplemental notice of shareholders' meeting and submit such proposal to the shareholders' meeting for review within 2 days after receiving such proposal and announce the content of the provisional proposal. Unless the provisional proposal violates laws, administrative regulations, the securities regulatory rules of the places where shares of the Company are listed, or the Articles of Association, or falls outside the scope of the authority of the shareholders' meeting.

Other than the circumstances referred to in the preceding paragraph, after the convener issues the notice for the shareholders' meeting, no changes shall be made to the proposals set forth in the notice of shareholders' meeting and no further proposals shall be added.

The shareholders' meeting shall not vote or resolve on proposals not set forth in the notice of shareholders' meeting or not in compliance with the requirements of the Articles of Association.

The convener shall notify each shareholder in writing (including announcement) 20 days before the annual shareholders' meeting, and the extraordinary shareholders' meeting shall notify each shareholder in writing (including announcement) 15 days before the meeting. The date of the meeting shall not be included in the calculation of the commencement period.

The notice of shareholders' meeting shall include the following:

(I) time, place and duration of the meeting;

(II) the matters and proposals submitted to the meeting for consideration. All specific details of all proposals shall be fully and completely disclosed;

(III) the notice shall state clearly that all ordinary shareholders (including preferred shareholders with restored voting rights), shareholders holding shares with special voting rights, and other shareholders are entitled to attend the shareholders' meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not to be a shareholder of the Company;

(IV) the date of shareholding registration for shareholders who are entitled to attend the shareholders' meeting. The interval between the registration date and the date of the meeting shall not exceed 7 business days. Once the record date is confirmed, it shall not be changed;

(V) the names and telephone numbers of the contact person for the meeting affairs;

(VI) the timing and procedures for voting online or otherwise.

After the notice of the shareholders' meeting has been given, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals specified in the notice of the shareholders' meeting shall not be cancelled. In case of postponement or cancellation, the convener shall send a notice at least 2 trading days before the scheduled date and explain the reasons.

Conducting the Shareholders' Meeting

All shareholders in the register as at the date of shareholding registration or their proxies shall be entitled to attend the shareholders' meeting, and to exercise their voting rights at the shareholders' meeting pursuant to the relevant laws and regulations, the securities regulatory rules of the place where shares of the Company are listed and the Articles of Association.

A shareholder may attend and vote at the shareholders' meeting in person or by proxy.

Individual shareholders attending the shareholders' meeting in person shall present their identity cards or other valid identity documents or proof. In the case of attending by proxies, the proxies shall present valid identity documents and the proxy forms from the shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their identity cards and valid proof of their status as legal representatives; if the meeting is attended by proxies of such legal representatives, such proxies shall present their identity cards and the written authorization letter legally issued by the legal representative of the legal entity shareholder.

If a shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinances from time to time enacted in Hong Kong or the securities regulatory rules of the place where the Company's shares are listed, such shareholder may authorize its corporate representative or one or more persons it deems appropriate to act as its representative at any shareholders' meeting or any creditors' meeting; provided that if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. Any person so authorized may exercise rights on behalf of such shareholder (without producing share certificates, with notarized authorization and/or further evidence to prove their due authorization) and shall be entitled to the same statutory rights as other shareholders, including the right to speak and vote, as if such person were an individual shareholder of the Company.

If the shareholders' meeting requires directors and members of the senior management to be present at the meeting, the directors and members of the senior management shall be present and accept enquiries from shareholders.

A shareholders' meeting shall be presided over by the chairman of the board of directors. If the chairman is unable or unwilling to perform his/her duties, the vice chairman (if any) shall preside. If the vice chairman is unable or unwilling to perform his/her duties, a director nominated by a majority of the directors shall preside. A shareholders' meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his/her duties, a member of the Audit Committee nominated by a majority of the members of the Audit Committee shall preside. A shareholders' meeting convened by the shareholders on their own initiative shall be presided over by the convener or a representative nominated by the convener. If the chairman of the meeting is in breach of the rules of procedure such that the general meeting cannot proceed, the general meeting may, upon the consent of a majority of the shareholders present at the meeting and entitled to vote, elect a person to act as the chairman and continue to conduct the meeting.

Voting at and Resolutions of Shareholders' Meetings

Resolutions of a shareholders' meeting include ordinary resolutions and special resolutions. Ordinary resolutions of a shareholders' meeting shall be passed by votes representing more than half of the voting rights held by shareholders attending the shareholders' meeting. Special resolutions of a shareholders' meeting shall be passed by votes representing more than two-thirds of the voting rights held by shareholders attending the shareholders' meeting. In accordance with the Hong Kong Listing Rules, if any shareholder is required to waive their voting rights on a resolution, or restrict any shareholder to only vote in favor of (or against) a resolution, the votes cast by such shareholder or their representative in contravention of the relevant provisions or restrictions shall not be counted towards the total number of shares with voting rights.

The following matters shall be resolved by way of ordinary resolutions at a shareholders' meeting:

(I) work reports of the board of directors;

(II) profit distribution plan and loss make-up plan formulated by the board of directors;

(III) appointment and dismissal of directors, their remuneration and payment terms;

(IV) matters other than those to be approved by special resolutions in accordance with the laws, administrative regulations, requirements under the securities regulations and rules of the places where shares of the Company are listed or the Articles of Association.

The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

(I) increase or reduction of the registered capital of the Company;

(II) division, spin-off, merger, dissolution and liquidation of the Company;

(III) amendments to the Articles of Association;

(IV) purchase or disposal of material assets or provision of guarantees to others by the Company within one year, of which the amount exceeds 30% of the latest audited total assets of the Company;

(V) stock option incentive schemes;

(VI) other matters stipulated by laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed or the Articles of Association, and other matters which are considered to have a significant impact on the Company and therefore need to be passed by way of a special resolution as determined by the shareholders' meeting with an ordinary resolution.

Shareholders shall exercise their voting rights according to the number of voting shares held by them, and each share shall have one vote. Save for shares with special class rights.

When material issues affecting the interests of the small and medium investors are considered at shareholders' meeting, the votes of the small and medium investors shall be counted separately. The separate voting results shall be disclosed publicly in a timely manner.

The shares of the Company held by the Company itself do not have voting rights, and such shares shall not be included in the total number of voting shares present at the shareholders' meeting.

If the shareholder's purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares in excess of the prescribed proportion shall not be exercisable within 36 months after the purchase and shall not be included

in the total number of voting shares present at the shareholders' meeting. If any shareholder is required under applicable laws and regulations and the Hong Kong Listing Rules to abstain from voting on a resolution, or if any shareholder is restricted to only voting in favor of (or against) a resolution, any votes cast in violation of such requirements or restrictions by such shareholder or their representative will not be counted.

The board of directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the CSRC may publicly solicit shareholders' voting rights.

The solicitors shall make sufficient disclosure of the information such as their voting preference to the shareholders from whom the voting rights are being solicited. Solicitation of voting rights of shareholders involving compensation or disguised compensation shall be prohibited. The Company shall not impose any limitation in respect of the minimum shareholding ratio on the solicitation of voting rights except as required by law.

When a related transaction is considered at a shareholders' meeting, the related shareholders shall abstain from voting. The number of voting shares represented by such shareholder(s) shall not be included in the total number of valid votes. The resolutions of the shareholders' meeting shall fully disclose the voting results of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions for Directors

The director of the Company shall be a natural person. A person may not serve as a director of the Company if any of the following circumstances applies:

(I) persons who have no or restricted capacity for civil conduct;

(II) persons who were sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period, or who were granted probation, where less than two years have lapsed since the expiration of the probationary term;

(III) persons who served as a director, factory manager or manager of a company or an enterprise that declared insolvent and liquidated and were personally liable for the insolvency of such company or enterprise, and less than three years have lapsed since the date of completion of the insolvency and liquidation of that company or enterprise;

(IV) persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business license of that company or enterprise and was ordered to close down;

(V) persons who have a substantial amount of personal debts due and unsettled and is listed as a mala fide judgment debtor by a People's court;

(VI) persons who are penalized by CSRC to be prohibited from participating in the securities markets with a period yet to be expired;

(VII) persons who were publicly identified by a stock exchange as unsuitable for serving as a director, member of the senior management, etc., of a listed company, where the restriction period has not expired;

(VIII) other circumstances stipulated in laws, administrative regulations, departmental rules, or the securities regulatory rules of the places where the shares of the Company are listed.

If the election or appointment of a director has violated this article, such election, appointment or employment shall be invalid. If any of above circumstances occurs during the period of employment of a director, the Company shall dismiss the director from his duties and cease his performance of duties.

The directors shall comply with laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association and bear the fiduciary obligations towards the Company, and shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their position and power to seek improper benefits. The directors shall bear the following fiduciary obligations towards the Company:

(I) not to misappropriate the property of the Company and not to misappropriate the funds of the Company;

(II) not to deposit the Company's assets or funds in an account opened in his/her own name or in the name of any other individual;

(III) not accept any bribery or other illegal income by using his/her position and power;

(IV) not directly or indirectly enter into any contract or perform any transaction with the Company without reporting to the board of directors or the shareholders' meeting and obtaining approval through a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;

(V) not make use of his position to procure business opportunities that should otherwise belong to the Company for himself or others, except when having reported to the board of directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or except that the Company is unable to utilize such business opportunity according to the provisions of laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association;

(VI) not engage in the same business as the Company for his own account or for the benefits of any other persons without reporting to the board of directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting;

(VII) not accept commissions from transactions between others and the Company for their own benefit;

(VIII) not disclose confidential information of the Company without authorization;

(IX) not abuse his connected relationship to compromise the interests of the Company;

(X) other fiduciary obligations stipulated by laws, administrative regulations, departmental rules, securities regulation rules of the places where the shares of the Company are listed and the Articles of Association.

Income generated by a director in violation of the preceding provisions shall belong to the Company; where the Company suffers losses thereto, the director shall be liable for compensation.

When close relatives of directors and members of the senior management, enterprises directly or indirectly controlled by directors, members of the senior management or their close relatives, and other related parties having other affiliations with directors or members of the senior management enter into contracts or conduct transactions with the Company, the provisions of preceding paragraph shall apply.

Directors shall abide by laws, administrative regulations, securities regulation rules of the places where the shares of the Company are listed and the Articles of Association, and shall bear the duty of diligence towards the Company, and in performing their duties, shall exercise the reasonable care normally expected of a manager for the best interests of the Company. Directors shall bear the following duty of diligence towards the Company:

(I) shall exercise the rights conferred by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with the national laws, administrative regulations and the requirements of various economic policies of PRC, and the commercial activities shall not go beyond the scope of the business stipulated in the business license;

(II) to treat all shareholders fairly;

(III) to maintain a timely awareness of the operation and management of the Company;

(IV) to sign written confirmation on the regular reports of the Company and to ensure the information disclosed by the Company is true, accurate and complete;

(V) to provide relevant information and materials to the Audit Committee truthfully, and shall not obstruct the exercise of powers by the Audit Committee;

(VI) other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulation rules of the places where the shares of the Company are listed and the Articles of Association.

The Company shall establish a director departure management system to specify safeguard measures for pursuing accountability and compensation for unfulfilled public commitments and other outstanding matters. Upon the effective resignation or expiration of the term of a director, the director shall complete all handover procedures with the board of directors. The duty of loyalty owed by the director to the Company and shareholders shall not be automatically terminated upon the end of the term. A director's liabilities arising from the performance of duties during the term of office shall not be exempted or terminated due to departure.

Board of Directors

The Company shall have a board of directors composed of nine directors, including one chairman, one employee representative director, and three independent directors (one of whom shall be an accounting professional). The chairman and vice chairman shall be elected by a majority vote of all directors.

The board of directors shall exercise the following functions and powers:

(I) to convene shareholders' meetings and submit work reports to the shareholders' meetings;

(II) to implement resolutions of the shareholders' meetings;

(III) to determine the business plans and investment plans of the Company;

(IV) to formulate the Company's profit distribution plan and loss recovery plan;

(V) to formulate plans for the Company for increase or reduction of registered capital, issuance of bonds or other securities, and listing;

(VI) to formulate plans for major acquisitions of the Company, the acquisition of the Company's shares, or the merger, division, dissolution, or change of the Company's corporate form;

(VII) within the scope authorized by the shareholders' meeting, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management, related transactions and external donations;

(VIII) to decide on the establishment of the Company's internal management body;

(IX) to decide on the appointment or dismissal of the Company's president, secretary to the board of directors and other members of the senior management, and decide on the matters in relation to their remuneration, rewards and punishments; decide on the appointment or dismissal of the Company's vice president, head of finance and other members of the senior management based on the nomination of the president, and decide on matters in relation to their remuneration, reward and punishment;

(X) to formulate the Company's basic management system;

(XI) to formulate proposed amendments to the Articles of Association;

(XII) to manage the Company's information disclosure matters;

(XIII) to make proposal to the shareholders' meeting on the engagement or change of the accounting firm performing audits for the Company;

(XIV) to listen to the work reports from the president of the Company and review the work of the president;

(XV) to decide on the Company's repurchase of its own shares under the circumstances specified in items (III), (V), and (VI) of Article 24 of the Articles of Association

(XVI) other powers conferred by laws, administrative regulations, departmental rules, securities regulation rules of the places where the shares of the Company are listed and the Articles of Association.

Matters exceeding the scope of the authority of the shareholders' meeting and the Articles of Association shall be submitted to the shareholders' meeting for consideration.

The chairman of the board of directors shall exercise the following functions and powers:

(I) Preside over the shareholders' meetings and convene and preside over the board meetings;

(II) Supervise and inspect the implementation of resolutions of the board of directors;

(III) Other powers conferred by the board of directors.

The vice-chairman (if any) of the Company shall assist the chairman of the board of directors in his work. If the chairman of the board of directors is unable to perform his duties or fails to perform his duties, the vice-chairman (if any) shall perform his duties; if the vice-chairman (if any) is unable to perform his duties or fails to perform his duties, one director jointly nominated by more than half of the directors shall perform his duties.

The board of directors shall convene at least four meetings every year, approximately once per quarter, and shall notify all directors in writing 14 days prior to the meeting.

Shareholders representing more than one-tenth of the voting rights, and more than one-third of the directors or the Audit Committee may propose to convene an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over a board meeting within ten days after receiving the proposal.

A notice for an extraordinary board meeting shall be given by personal delivery, mail, facsimile or email, and shall be provided at least 5 days prior to the meeting. In case of urgency, such notice may be given by telephone, in which case the time requirement for the notice shall not apply, provided that the convener shall provide an explanation at the meeting.

The board meeting shall be held only when more than half of the directors are present. Resolutions made by the board of directors must be passed by more than half of all directors.

Resolutions of the board of directors are voted by way of poll with each director having one vote.

If any director is related to the enterprise or individual involved in the resolution at a board meeting, the said director shall promptly report to the board of directors in writing. The director with a related party relationship shall not exercise his voting rights on the said resolution for himself or on behalf of another director. Such board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of such board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the board meeting is fewer than three, the matter shall be submitted to the shareholders' meeting for consideration. Where the laws and regulations and securities regulations and rules of the places where the Company's shares are listed have any additional limitations in respect of the participation and voting by directors in board meetings, the Company shall comply with such provisions.

Directors shall attend the board meetings in person. Where a director is unable to attend a meeting for any reason, he/she may authorize another director to attend the meeting on his/her behalf in writing. The authorization letter shall set out the name of the authorized person, the matters to be authorized, scope of authorization and valid period, which shall be signed or sealed with the chop by the director who authorizes. The directors who attend the meeting on behalf of another director shall exercise the rights as directors within the scope of authorization. If a director fails to attend a board meeting and does not authorize a representative to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at such meeting.

Independent Directors

Independent directors shall, in accordance with the provisions of laws, administrative regulations, the CSRC, securities regulations and rules of the places where the Company's shares are listed, and the Articles of Association, diligently perform their duties, play roles in participating in decision-making, providing checks and balances and offering professional consultation within the board of directors, safeguard the interests of the Company as a whole, and protect the legitimate rights and interests of small and medium shareholders.

The Company shall establish a mechanism for special meetings composed entirely of independent directors. Where the board of directors deliberates related-party transactions and other matters, prior consent shall be obtained through such special meetings of independent directors.

The Company shall convene special meetings of independent directors on a regular or ad hoc basis. The matters listed in items (I) to (III) under the first paragraph of Article 129 and in Article 130 of the Articles of Association shall be reviewed at such special meetings of independent directors.

Special meetings of independent directors may also, as needed, study and discuss other matters of the Company.

A convenor and chairperson for a special meeting of independent directors shall be jointly elected by more than half of all independent directors. If the convenor fails or is unable to perform his or her duties, two or more independent directors may convene the meeting themselves and elect a representative to preside.

Minutes shall be prepared for special meetings of independent directors in accordance with the relevant requirements, and the opinions of independent directors shall be clearly recorded in the minutes. Independent directors shall sign to confirm the minutes.

The Company shall provide convenience and support for the convening of special meetings of independent directors.

Special Committees of the Board of Directors

The board of directors of the Company shall establish an Audit Committee, which shall exercise the powers and functions of a board of supervisors as prescribed by the Company Law, as well as those prescribed by the securities regulatory rules of the place where the Company's shares are listed. The Audit Committee shall consist of three directors who do not hold any senior management positions within the Company. A majority of its members shall be independent directors (including at least one independent director who is an accounting professional). The convener of the Audit Committee shall be an independent director who is an accounting professional. At least one independent director must possess appropriate professional qualifications as required by the securities regulatory rules of the place where the Company's shares are listed, or possess appropriate accounting or related financial management expertise.

The board of directors of the Company shall establish the special committees such as the Audit Committee, Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and the authorization of the board of directors. Proposals made by these special committees shall be submitted to the board of directors for consideration and decision. The terms of reference of these special committees shall be formulated by the board of directors.

Independent directors shall constitute a majority in the Nomination Committee and the Remuneration and Appraisal Committee and shall serve as conveners.

SENIOR MANAGEMENT MEMBERS

The Company shall have one president, who shall be appointed or dismissed by the board of directors. The Company shall have several vice presidents, who shall be appointed or dismissed by the board of directors.

The provisions in the Articles of Association in relation to the circumstances under which a person may not serve as a director and the resignation management system shall apply to the senior management members. The provisions in the Articles of Association regarding the fiduciary duties of directors and the duty of diligence of directors shall apply to the senior management members.

The president is responsible to the board of directors and exercises the following 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 fundamental management system of the Company;

(V) To formulate specific rules and regulations for the Company;

(VI) To propose to the board of directors on the appointment or dismissal of vice president, and other senior management members 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) Other functions and powers conferred by the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association or the board of directors.

The president shall attend the board meetings.

The Company shall be liable for damages caused to any third party by its senior management personnel in the course of performing their corporate duties. Where such senior management personnel are found to have acted with willful misconduct or gross negligence, they shall also be liable for compensation. If senior management personnel cause losses to the Company by violating laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the provisions of these Articles of Association while performing their duties, they shall be liable for compensation to the Company.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, securities regulations and rules of the places where the Company's shares are listed and the provisions stipulated by the relevant authorities of the PRC.

The Company shall submit and disclose its annual reports to the relevant branch office of the CSRC and the stock exchange of the place where the shares of the Company are listed within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the stock exchange of the place where the shares of the Company are listed within two months from the end of the first half of each fiscal year.

The above annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules and securities regulations and rules of the places where the Company's shares are listed.

The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may also draw the discretionary reserve fund from the after-tax profits.

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits so distributed in breach of regulations to the Company; if losses are caused to the Company, the shareholders and the directors and senior management members who are responsible shall bear liability for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The Company's common reserve shall be used to cover losses of the Company, expand the Company's production and operations, or be converted into additional registered capital of the Company.

When the statutory provident fund is converted into capital, the retained provident fund shall not be less than 25% of the registered capital of the Company before the conversion.

The Company's board of directors must complete the distribution of dividends (or shares) within two months after the meeting of shareholders has approved the profit distribution plan, or after the board has formulated a specific plan in accordance with the conditions and caps for interim dividends for the following year approved at the annual meeting.

The Company's profit distribution shall balance the provision of reasonable investment returns to investors with the Company's sustainable development. The profit distribution policy shall maintain continuity and stability.

Profit distribution may be made in the form of cash, shares, or a combination of cash and shares, with cash dividends being the preferred method.

Internal Audit

The Company has implemented an internal audit system, which shall specify the leadership structure, responsibilities and authorities, staffing, funding safeguards, utilization of audit results, and accountability mechanisms for internal audit work.

The internal audit system of the Company shall be implemented upon approval by the board of directors and shall be disclosed externally.

The internal audit department of the Company shall be supervised and inspected the Company's business activities, risk management, internal controls and financial information.

Appointment of Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law and securities regulations and rules of the places where the Company's shares are listed for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one year and can be re-appointed.

The appointment and removal of accounting firm by the Company shall be subject to the approval of the shareholders' meeting. The board of directors may not appoint accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit fees of an accounting firm shall be determined at the shareholders' meeting.

If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm 30 days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the shareholders' meeting.

If any accounting firm offers to resign, it shall explain to the shareholders' meeting whether the Company has engaged in any misconduct.

MERGER, SPIN-OFF, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Spin-off, Capital Increase and Reduction

Corporate merger may take the form of merger by absorption or by establishment. Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment refers to the establishment of a new company by merging two or more companies, whereby the merging parties shall be dissolved.

Where the consideration for a merger does not exceed 10% of the Company's net assets, it may be approved without a resolution of the shareholders' meeting, except as otherwise provided in the Articles of Association. If the Company proceeds with a merger without a resolution of the shareholders' meeting in accordance with the preceding paragraph, it shall be approved by a resolution of the board of directors.

In the event of any merger involving the Company, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in the newspapers designated by the Company or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange within 30 days. The creditors may request the Company to discharge its obligations or offer appropriate security within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

In the event of any merger involving the Company, the surviving company or the newly established company shall assume all claims and debts of the parties involved in such merger.

In the event of any spin-off of the Company, its assets shall be divided accordingly. In the event of any spin-off of the Company, the Company shall prepare a balance sheet and a list of assets, notify its creditors within 10 days from the date of the resolution of spin-off and publish announcements in the newspapers designated by the Company or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange within 30 days.

Unless otherwise agreed by the Company and its creditors in writing prior to such spin-off with respect to the discharge of obligations, the company spun off from the Company shall be jointly and severally liable for the obligations of the Company prior to such spin-off.

The Company shall prepare a balance sheet and a list of assets when reducing its registered capital. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution on the reduction of the registered capital at the shareholders' meeting and publish announcements in the newspapers designated by the Company or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange within 30 days. The creditors may request the Company to discharge its obligations or offer appropriate security within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

Where the Company reduces its registered capital, it shall reduce the capital contributions or shares held by shareholders proportionately according to their shareholding, except as otherwise provided by law, securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights, except as otherwise provided in the Articles of Association or if a resolution is passed at the shareholders' meeting granting shareholders such pre-emptive rights.

Where the merger or spin-off of the Company results in a change in its registered particulars, such change shall be registered with the company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law. Any increase or reduction of the registered capital of the Company shall be registered with the company registry according to law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(I) Expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;

(II) The shareholders' meeting adopts a resolution to dissolve;

(III) The Company needs to be dissolved for the purpose of merger or division;

(IV) The business license is revoked, or the Company is ordered to close or be eliminated according to applicable law;

(V) Where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of voting rights of the Company's shareholders may request the people's court to dissolve the Company.

If dissolution causes stipulated in the preceding paragraph occur, the Company shall publicize the dissolution causes through the National Enterprise Credit Information Publicity System within ten days.

Under the circumstance set out in item (I), (II) above and assets have not yet been distributed to the shareholders, the Company may continue its operation by amending the Articles of Association or resolution of the shareholders' meeting. Any amendment to the Articles of Association or resolution of the shareholders' meeting pursuant to the foregoing provision shall be subject to approval of two thirds or more of the votes held by the shareholders present at the shareholders' meeting.

Where the Company is dissolved under the circumstances set out in items (I), (II), (IV) and (V) above, it shall be liquidated. The directors shall be the liquidation obligors of the Company and the liquidation committee shall be established within 15 days from the date of the event leading to liquidation. The personnel of the liquidation committee shall consist of directors, except where otherwise provided in the Articles of Association or otherwise selected by the resolution at the shareholders' meeting. If a liquidation obligor fails to promptly perform his/her liquidation obligations, causing losses to the Company or creditors, such obligor shall be liable for compensation.

Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in the newspapers designated by the Company or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange within 60 days. The creditors shall declare their claims to the liquidation committee within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation committee shall carry out registration of the claims.

During the period for declaration of claims, the liquidation committee shall not make any repayment to the creditors.

After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a list of assets, it shall formulate a liquidation proposal and submit it to the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company after paying the costs of liquidation, the employees' salaries, social insurance contributions and legal compensation, taxes and debts of the Company shall be distributed to the shareholders in proportion to their respective shareholding.

During the period of liquidation, the Company shall not engage in any business activity except for those relating to the liquidation. Before liquidation as specified in the preceding paragraphs, the assets of the Company shall not be distributed to shareholders.

In the event the liquidation committee finds that, after taking stock of the Company's property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall apply to the people's court for bankruptcy liquidation according to the law.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(I) Following the revision of the Company Law or relevant laws and administrative regulations or securities regulations and rules of the places where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws and administrative regulations or securities regulations and rules of the places where the Company's shares are listed;

(II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;

(III) A shareholders' meeting has decided on making amendments to the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the shareholders' meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made in accordance with the law.

The board of directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the comments of the competent authorities on any amendment hereto.

Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established as a limited liability company in the PRC on December 6, 2011 and converted into a joint stock company with limited liability on June 6, 2016 under the laws of the PRC. Since August 24, 2020, our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300866).

Our registered office is located at Room 701, 7th Floor, Building 7, Phase I, Changsha Zhongdian Software Park Co., Ltd., No. 39 Jianshan Road, Changsha National Hi-Tech Industrial Development Zone, Hunan Province, PRC. Our Company has established a place of business in Hong Kong at Room 56, 8th Floor, Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong. We have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on December 5, 2025 and Ms. Ho Wing Nga (何詠雅) will be our authorized representative for the acceptance of service of process and notices on behalf of our Company in Hong Kong at the address 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

As we are 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 "Summary of the Articles of Association" in Appendix III to this Document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Regulatory Overview".

Changes in Share Capital of Our Company

On May 13, 2024, the Company's issued share capital increased from 406,427,207 Shares to 406,525,224 Shares upon the vesting of 98,017 restricted Shares granted under the restricted share incentive plan of our Company approved and adopted in July 2022 (the "**2022 Restricted Share Incentive Plan**").

On May 24, 2024, the Company implemented its 2023 dividend distribution, issuing 3 new shares for every 10 Shares held by Shareholders which resulted in the issuance of 121,957,567 A Shares. Following the distribution, the Company's issued share capital increased from 406,525,224 Shares to 528,482,791 Shares.

On August 5, 2024, the Company's issued share capital increased from 528,482,791 Shares to 530,091,270 Shares upon the vesting of 1,608,479 restricted Shares granted under the 2022 Restricted Share Incentive Plan.

On August 12, 2024, the Company's issued share capital increased from 530,091,270 Shares to 531,410,776 Shares upon the vesting of 1,319,506 restricted Shares granted under the restricted share incentive plan of our Company approved and adopted in July 2023 (the "**2023 Restricted Share Incentive Plan**").

On May 26, 2025, the Company's issued share capital increased from 531,410,776 Shares to 531,538,199 Shares upon the vesting of 127,423 restricted Shares granted under the 2022 Restricted Share Incentive Plan.

On August 1, 2025, the Company's issued share capital increased from 531,538,199 Shares to 534,975,484 Shares upon the vesting of 1,435,609 restricted Shares and 2,001,676 restricted Shares granted under the 2022 Restricted Share Incentive Plan and 2024 Restricted Share Incentive Plan, respectively.

On August 7, 2025, the Company's issued share capital increased from 534,975,484 Shares to 536,157,605 Shares upon the vesting of 1,182,121 restricted Shares granted under the 2023 Restricted Share Incentive Plan.

On May 18, 2026, the Company's issued share capital increased from 536,159,023 Shares to 536,276,360 Shares upon the vesting of 117,337 restricted Shares granted under the 2022 Restricted Share Incentive Plan.

Save as disclosed above and in the section headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in Share Capital of Our Major Subsidiaries

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within the two years immediately preceding the date of this Document. For details, see "Waivers and Exemption — Waiver in Respect of Alteration in Share Capital".

There have been no alterations in the share capital of our Major Subsidiaries within the two years preceding the date of this Document.

Resolutions of Our Shareholders

At the general meeting of our Company held on November 27, 2025, the following resolutions, among other things, were duly passed:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the enlarged share capital of our Company upon completion of the [**REDACTED**] and granting the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**]% of the above number of H Shares to be issued;

(c) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on [**REDACTED**]; and

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the issue and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

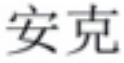
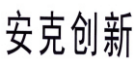
(a) the [**REDACTED**].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration, of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration number	Owner	Place of registration
1 . . .		22930931A	Anker HK	PRC
2 . . .		36925804A	the Company	PRC
3 . . .		28845461	the Company	PRC
4 . . .		19870636	the Company	PRC
5 . . .		35709767	the Company	Hong Kong
6 . . .		304132638	Anker HK	Hong Kong
7 . . .		304911606	the Company	Hong Kong
8 . . .		304911598	the Company	Hong Kong
9 . . .		5854934	Anker HK	the United States
10 . .		18215355	Anker HK	European Union
11 . .		6539354	Anker HK	Japan
12 . .		40201521121R	Anker HK	Singapore

Patents

As of the Latest Practicable Date, we had registered the ownership of and/or had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Owner	Patent category	Place of registration
1 . . .	An Integrated Magnetic Component and Switching Power Supply (一種集成磁元件及開關電源)	the Company	Utility Model	PRC
2 . . .	A Wireless Charging Device (一種無線充電裝置)	the Company	Invention	PRC
3 . . .	A power supply device (一種電源設備)	the Company	Utility Model	PRC
4 . . .	Battery Level Detection Circuit and Power Strip (電量檢測電路和排插)	the Company	Utility Model	PRC
5 . . .	Charging devices and charging systems for wireless charging (用於無線充電的充電設備以及充電系統)	the Company	Utility Model	PRC
6 . . .	Thermal management devices for battery cells, battery modules, and energy storage equipment (電芯的熱管理裝置、電池模組及儲能設備)	the Company	Utility Model	PRC
7 . . .	Energy Storage Device and Photovoltaic Energy Storage Inverter System (儲能裝置及光伏儲能逆變系統)	the Company	Utility Model	PRC
8 . . .	LLC circuits and energy storage devices (LLC電路以及儲能設備)	the Company	Utility Model	PRC
9 . . .	An Inverter Power Supply (一種逆變電源)	the Company	Invention	PRC
10 . .	Control Circuit and Electronic Device for Suppressing Zero-Crossing Common-Mode Interference (用於抑制過零共模干擾的控制電路和電子設備)	the Company	Utility Model	PRC
11 . .	Method, Apparatus, and Storage Medium for Determining Depth Information (深度信息確定方法、裝置及存儲介質)	the Company	Invention	PRC
12 . .	Methods for Determining Surface Cleaning Types, Adjusting Cleaning Patterns, and Cleaning Equipment (清掃表面類型的判斷方法、清掃模式調整方法及清掃設備)	the Company	Invention	PRC
13 . .	A cleaning system (一種清潔系統)	the Company	Utility Model	PRC

No.	Patent	Owner	Patent category	Place of registration
14 . .	Brush Assembly and Cleaning Device (滾刷組件及清潔裝置)	the Company	Utility Model	PRC
15 . .	Base Station and Robot System (基站及機器人系統)	the Company	Utility Model	PRC
16 . .	Heated Breast Pump (加熱吸奶器)	Oceanwing Smart Innovation	Utility Model	PRC
17 . .	Storage unit for breast pump (吸奶器的收納裝置)	Oceanwing Smart Innovation	Utility Model	PRC
18 . .	Printed Part Support Fixture and Printhead Printer (打印件支撐夾具及噴頭打印機)	Shenzhen Anker Intelligent Manufacturing Technology Co., Ltd. (深圳市安克智造科技有限公司) ("**Shenzhen Anker**")	Utility Model	PRC
19 . .	Ink Cartridges and Printing Equipment (墨棧及打印設備)	Shenzhen Anker	Utility Model	PRC
20 . .	Printing Platform Mechanism and Printer (打印平台機構和打印機)	Shenzhen Anker	Utility Model	PRC
21 . .	A 3D printing device (一種3D打印設備)	Shenzhen Anker	Invention	WIPO
22 . .	3D Component Printing Methods, 3D Components, and 3D Printers (3D構件的打印方法、3D構件、及3D打印機)	Shenzhen Anker	Invention	WIPO
23 . .	3D printing	Shenzhen Anker	Invention	the United States
24 . .	Method and device for controlling movement of print head, electronic device and storage medium	Shenzhen Anker	Invention	the United States
25 . .	Earphone cover and earphone assembly including said earphone cover (耳機套和包括該耳機套的耳機組件)	the Company	Utility Model	PRC
26 . .	Hybrid Dynamic-Electrostatics Speaker Assemblies and Headphones (圈鐵喇叭組件及耳機)	the Company	Utility Model	PRC
27 . .	Equalizer Parameter Settings Method, Audio Systems, Devices, and Readable Storage Media (均衡器參數設置方法、音頻系統、設備和可讀存儲介質)	the Company	Invention	Japan

No.	Patent	Owner	Patent category	Place of registration
28 . .	Active Noise Cancellation Method Based on Key Sound Recognition, Electronic Device, and Storage Medium (基於關鍵聲音識別的主動降噪方法、電子設備及存儲介質)	the Company	Invention	PRC
29 . .	Mono Speaker, Method and System for Adding Surround Effects to Mono Speakers (單聲道音箱、在單聲道音箱中增加環繞效果的方法及系統)	the Company	Invention	PRC
30 . .	Scattering Spot Optical Path Structure and Laser Projection Equipment (消散斑光路結構及激光投影設備)	Oceanwing Smart Innovation	Utility Model	PRC

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business in the PRC:

No.	Copyright	Owner
1 . . .	Anker Smart Device Client Software (iOS Version) V1.7.0 (Anker智能設備客戶端軟件(iOS版)V1.7.0)	the Company
2 . . .	EufyHome (Android Version) V1.0 (EufyHome (Android版) V1.0)	the Company
3 . . .	Mr. An Series (安Sir系列)	the Company
4 . . .	Anka IP Character (Anka IP 形象)	the Company

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain name
1	anker.com
2	anker.com.cn
3	eufy.com
4	soundcore.com

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Interests in our Company

Name	Position	Capacity/ Nature of interest	Description of Shares	Number of Shares[(1)]	Approximate percentage of shareholding in the A Shares immediately after completion of the [REDACTED][(2)]	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED][(2)]
Mr. Yang	Executive Director	Beneficial owner	A Shares	232,666,200	43.39%	[**REDACTED**]%
		Interest in controlled corporation[(3)]	A Shares	766,908	0.14%	[**REDACTED**]%
Mr. Zhao Dongping . .	Executive Director	Beneficial owner	A Shares	63,310,000	11.81%	[**REDACTED**]%
		Interest in controlled corporation[(4)]	A Shares	2,033,245	0.38%	[**REDACTED**]%
Mr. Zhu Fanghao . . .	Executive Director	Beneficial owner	A Shares	1,615,992	0.30%	[**REDACTED**]%
		Beneficial owner[(5)]	A Shares	1,445,565	0.27%	[**REDACTED**]%
		Interest in controlled corporation[(6)]	A Shares	3,921,948	0.73%	[**REDACTED**]%
Mr. Xiong Kang	Executive Director	Beneficial owner	A Shares	481,771	0.09%	[**REDACTED**]%
Mr. Zhang Shanfeng . . .	Non-executive Director	Beneficial owner	A Shares	6,790,003	1.27%	[**REDACTED**]%

Notes:

1. All interests stated are long positions in the Shares.
2. The calculation is based on the total number of 536,276,362 A Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**], assuming the [**REDACTED**] and the [**REDACTED**] are not exercised and no new Shares are issued under the Restricted Share Incentive Plans, and excluding any A Shares issuable upon conversion of the outstanding 2025 Convertible Bonds.
(3) Mr. Yang is a limited partner of each of Changsha Yuanxiu Enterprise Management Consulting Partnership (L.P.) (長沙遠修企業管理諮詢合夥企業(有限合夥)) ("**Yuanxiu Consulting**") and Changsha Yuanqing Enterprise Management Consulting Partnership (L.P.) (長沙遠清企業管理諮詢合夥企業(有限合夥)) ("**Yuanqing Consulting**"), holding 84.06% and 99.99% partnership interests therein respectively. As such, Mr. Yang is deemed to be interested in the 649,896 and 117,012 Shares held by Yuanxiu Consulting and Yuanqing Consulting respectively by virtue of the SFO. Nevertheless, the general partner of Yuanxiu Consulting and Yuanqing Consulting exercises sole discretion and control over the voting rights in the limited partnerships.

(4) Mr. Zhao is a limited partner of Tianjin Haiyi Yuanjian Management Consulting Partnership (L.P.) (天津市海翼遠見管理諮詢合夥企業(有限合夥)) ("**Haiyi Yuanjian**"), holding 82.86% partnership interests therein. As such, Mr. Zhao is deemed to be interested in the 2,033,245 Shares held by Haiyi Yuanjian by virtue of the SFO. Nevertheless, the general partner of Haiyi Yuanjian exercises sole discretion and control over the voting rights in Haiyi Yuanjian, and Mr. Zhao as a limited partner does not take part in the management or control of Haiyi Yuanjian.

(5) Mr. Zhu holds 1,445,565 outstanding restricted Shares granted under the Restricted Share Incentive Plans.

(6) Mr. Zhu is a limited partner of Tianjin Haiyi Yuanjing Management Consulting Partnership (L.P.) (天津市海翼遠景管理諮詢合夥企業(有限合夥)) ("**Haiyi Yuanjing**"), holding 63.58% partnership interests therein. As such, Mr. Zhu is deemed to be interested in the 2,493,644 Shares held by Haiyi Yuanjing by virtue of the SFO. Nevertheless, the general partner of Haiyi Yuanjing exercises sole discretion and control over the voting rights in Haiyi Yuanjing, and Mr. Zhu as a limited partner does not take part in the management or control of Haiyi Yuanjing.

Interests in our associated corporations

Name	Position	Name of associated corporation	Capacity/ nature of interest	Approximate percentage of issued share capital of the associated corporation
Mr. Zhu Fanghao . .	Executive Director	Shenzhen Anker Smart Technology Co., Ltd. (深圳市安克智造科技有限公司)	Beneficial owner	5.00%
		Shenzhen Ankezhigao Technology Co., Ltd. (深圳市安克智高科技有限公司)	Beneficial owner	5.00%
Mr. Xiong Kang . . .	Executive Director	Shenzhen Anker Solix Technology Co., Ltd. (深圳市安克旭創科技有限公司)	Beneficial owner	5.00%

Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholders", immediately following the completion of the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the [**REDACTED**], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

Save as disclosed in "History, Development and Corporate Structure", our Directors are not aware of any persons who would, immediately following the completion of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting Shares of the other members of our Group (other than our Company and any other subsidiaries of our Group).

Particulars of Directors' Service Contracts

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 8 to the Accountants' Report set out in Appendix I to this Document for the three financial years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

Disclaimers

Save as disclosed in this Document:

(a) none of our Directors nor our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**] on the Stock Exchange;

(b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [**REDACTED**] (without taking into account any H Shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**] and the [**REDACTED**]), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group for each year during the Track Record Period;

(d) none of our Directors or any of the parties listed in "— Qualifications of Experts" in this Appendix IV is:

  i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

  ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business; and

(e) save in connection with the [**REDACTED**], none of the persons listed in "— Qualifications of Experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

RESTRICTED SHARE INCENTIVE PLANS

The following is a summary of the principal terms of the 2024 Restricted Share Incentive Plan and 2025 Restricted Share Incentive Plan (collectively, the "**Restricted Share Incentive Plans**") which have been adopted by our Company. The terms of Restricted Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted Shares by our Company after our [**REDACTED**]. The terms of each of the Restricted Share Incentive Plans are substantially similar and are summarized below.

Purpose

The purpose of the Restricted Share Incentive Plans is to establish and enhance the long-term incentive mechanism of the Company, attract and retain talents, and incentivize the Directors, senior management and other key employees to achieve a sustained and healthy development of our Group in order to realize our Group's long-term objectives. The Restricted Share Incentive Plans are implemented to protect the interests of Shareholders according to contribution and align the interests of the Shareholders with the interests of the Group and employees which will benefit the sustained development of our Group.

Administration

The Restricted Share Incentive Plans are subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the Supervisory Committee and the independent non-executive Directors of the Company.

Participants

The participants of the Restricted Share Incentive Plans include Directors, senior management and other key personnels of our Group who have significant contributions to the business operation and development of the Group. The scope of participants excludes independent directors, supervisors and shareholders or actual controller who individually or collectively hold 5% or more of the shares of our Company and their spouse, parents and children.

Source and maximum number of Shares

The underlying Shares for the Restricted Share Incentive Plans are new A Shares to be issued by our Company. Each restricted Share granted represents the right to purchase one A Share within the agreed period at the grant price. The restricted Shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The maximum number of restricted Shares that can be granted according to the terms of each of the Restricted Share Incentive Plans are as follows:

Restricted Share Incentive Plan	Maximum total number of restricted Shares to be granted under the Restricted Share Incentive Plan	Number of grantees at the first grant
2024 Restricted Share Incentive Plan	5,252,378	305
2025 Restricted Share Incentive Plan	5,246,226	608

Date of grant and term of the Restricted Share Incentive Plans

The date on which the restricted Shares are granted shall be determined by the Board within 60 days after the date of approval of the Restricted Share Incentive Plans by the Shareholders' meeting. The grant of restricted Shares shall be registered and announced within 60 days after the approval of the Restricted Share Incentive Plans by the Shareholders' meeting. The Restricted Share Incentive Plans shall be effective from the date of completion of the grant of restricted Shares under

the Restricted Share Incentive Plans up to the date when the restricted Shares granted under the Restricted Share Incentive Plans have been vested, provided that the term of the Restricted Share Incentive Plans shall not each exceed 36 months.

Lock-up for Directors and the senior management team

If the grantee is a Director or a senior management of our Company, the Shares to be transferred by him or her each year shall not exceed 25% of the total Shares he or she holds, and no Share held by such Director or senior management shall be transferred within six months after termination of his or her employment with the Company. If the grantee is a Director or senior management of our Company, income gained through (i) sale of Shares within six months of the purchase of Shares or (ii) purchase of Shares within six months of the sale of Shares, shall belong to our Company and will be forfeited by the Board. If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the revised laws and regulations.

Conditions to the grant of restricted Shares

The restricted Shares under the Restricted Share Incentive Plans will only be granted to selected participants when the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred:

  (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the auditors with respect to our Company's financial statements for the most recent fiscal year;

  (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the auditors with respect to the internal control report contained in financial statements for the most recent fiscal year;

  (3) the Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or the public commitment within the last 36 months after its [**REDACTED**];

  (4) applicable laws and regulations prohibit the implementation of any share incentive plan; or

  (5) any other circumstances determined by the CSRC.

(b) with respect to the grantee, none of the following circumstances having occurred:

  (1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

  (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;

  (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months;

  (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

  (5) the grantee is prohibited from participating in any share incentive plan of listed companies according to applicable laws and regulations; or

  (6) any other circumstances determined by the CSRC.

Dividend and voting rights

Upon transfer of the A Shares by our Company, the grantees of restricted Shares will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and voting rights. Before the vesting of the restricted Shares, the restricted Shares (including the right to receive dividends) shall be locked and such restricted Shares shall not be transferred or used to guarantee or repay debts.

Outstanding restricted Shares

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the Restricted Share Incentive Plans was 5,522,242, representing approximately [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**] (assuming no changes to our issued and outstanding shares between the Latest Practicable Date and the [**REDACTED**]).

The following table sets forth the number of outstanding restricted Shares granted to Directors, senior management and connected persons of our Company under the Restricted Share Incentive Plans as of the Latest Practicable Date:

Name of grantee	Position	Date of grant	Number of outstanding restricted Shares	Grant Price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Mr. Zhu Fanghao . . .	Executive Director	July 16, 2024	477,144	RMB37.82	1 year	[**REDACTED**]%
		August 19, 2025	968,421	RMB126.20	2 years	[**REDACTED**]%
Mr. Yang Fan	Head of Finance	August 19, 2025	21,581	RMB126.20	2 years	[**REDACTED**]%
Ms. Huang Simin . . .	Connected person	August 19, 2025	19,686	RMB126.20	2 years	[**REDACTED**]%

Notes:

(1) The calculation is based on the assumption that the [**REDACTED**] and the [**REDACTED**] are not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding Directors, senior management and connected persons of our Company) under the Restricted Share Incentive Plans as of the Latest Practicable Date:

Restricted Share Incentive Plan	Number of Grantees	Date of grant	Number of outstanding restricted Shares	Grant Price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
2024 Restricted Share Incentive Plan	242	July 16, 2024	1,263,247	RMB37.82	1 year	[**REDACTED**]%
2025 Restricted Share Incentive Plan	540	August 19, 2025	2,721,010	RMB126.20	2 years	[**REDACTED**]%
	2	October 28, 2025	50,893	RMB124.00	2 years	[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that the [**REDACTED**] and the [**REDACTED**] are not exercised no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

OTHER INFORMATION

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 laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in 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 any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Compliance Adviser

Our Company has appointed Rainbow Capital (HK) Limited as the Compliance Adviser in compliance with Rule 3A.19 of the Listing Rules.

Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to each of the Joint Sponsors in respect of their services as sponsors in connection with the [**REDACTED**] on the Stock Exchange is US$200,000.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the five then shareholders of our Company as of June 6, 2016 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [**REDACTED**] and the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2025 (being the date to which the latest consolidated financial statements of our Group were prepared).

Restriction on Share Repurchase

For details of the restrictions on share repurchases by our Company, please refer to "Summary of the Articles of Association" in Appendix III.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Goldman Sachs (Asia) L.L.C.	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
J.P. Morgan Securities (Far East) Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Haiwen & Partners	Legal adviser as to PRC laws
Haiwen & Partners	Legal adviser as to PRC data compliance laws
Winson Partners and Legal Consultants	Legal adviser as to UAE laws
Shanze Partners PLLC	Legal adviser as to applicable state and federal laws of the United States in relation to legal due diligence on two U.S. subsidiaries' business operations in the United States
Addleshaw Goddard LLP	Legal adviser as to UK laws
TMI Associates	Legal adviser as to Japan laws

Name	Qualification
Li & Partners	Legal adviser as to Hong Kong regulatory matters
Jacobson Burton Kelley PLLC	Legal adviser as to U.S. sanctions, U.S. export controls and U.S. customs duties and tariffs
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

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.

Consents of Experts

Each of the experts as referred to "— Qualifications of Experts" in this Appendix IV has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) save for the A Shares of our Company that are listed on the ChiNext Market of the Shenzhen Stock Exchange, and save for the H Shares to be issued in connection with the [**REDACTED**], none of the equity and debt securities of our Company, if any, is [**REDACTED**] or dealt with in any other stock exchange nor is any [**REDACTED**] or permission to deal being or proposed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contract"; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.anker.com** for a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025;

(c) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this Document;

(d) the report on review of the unaudited interim financial information of our Group for the three months ended March 31, 2026 from KPMG, the text of which is set out in Appendix IA to this Document;

(e) the report from KPMG on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this Document;

(f) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts";

(g) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts";

(h) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Particulars of Directors' Service Contracts";

(i) the legal opinions issued by Haiwen & Partners, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

(j) the legal opinion issued by Haiwen & Partners, our PRC Data Compliance Adviser;

(k) the legal opinions issued by Winson Partners and Legal Consultants, our UAE legal adviser, in respect of certain aspects of UAE laws;

(l) the legal opinions issued by Shanze Partners PLLC, our United States legal adviser as to applicable state and federal laws of the United States in relation to legal due diligence on two U.S. subsidiaries' business operations in the United States;

(m) the legal opinions issued by Addleshaw Goddard LLP, our UK legal adviser, in respect of certain aspects of UK laws;

(n) the legal opinions issued by TMI Associates, our Japan legal adviser, in respect of certain aspects of Japan laws;

(o) the legal opinions issued by Li & Partners, our Hong Kong legal adviser, in respect of Hong Kong regulatory matters;

(p) the legal memorandum issued by Jacobson Burton Kelley PLLC, our legal adviser as to U.S. sanctions, U.S. export controls and U.S. customs duties and tariffs;

(q) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in "Industry Overview";

(r) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Shenzhen Stock Exchange Listing Rules, together with unofficial English translations thereof; and

(s) the terms of the Restricted Share Incentive Plans.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the grantees under the Restricted Share Incentive Plans will be made available for public inspection at our Company's Hong Kong legal adviser's office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Document.