OVERVIEW

Who We Are

We are a world-leading innovative technology company specializing in precision intelligent manufacturing. We provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients across consumer electronics, automotive electronics, communication and data centers, and other end markets.

Driven by a pursuit of breadth, depth and precision, we have built an all-round development and intelligent manufacturing platform. By engaging deeply across every stage of our clients' product lifecycle, from design, R&D, manufacturing, to after-sales support, we have become a trusted partner empowering top brands in each of our main markets around the world, including over 100 Fortune Global 500 companies. Measured by sales volume in 2024, our products are used in one out of every two smartphones, one out of every three smart wearables, and one out of every five intelligent vehicles in the world.

Our key achievements are highlighted as follows:

Breadth

Most Comprehensive
500+ product categories[1][2]

Most Diversified
260+ types of manufacturing processes[1]

Global Footprint
105 production bases across 5 continents[1]

Depth

Vertically Integrated PIMS for All
major categories of consumer electronics[3]

World's First
vertically integrated PIMS provider for TWS earphone, mixed reality headset and full panoramic drone[4]

70%+
self-sufficiency rate for smartphone components and modules[1]

Precision

98%+
first-pass yield for main products, highest 99.7%[1]

1 micrometer
ultra-precision in-house developed mold[1], equivalent to 1/60 the diameter of a human hair

400+
dimensional parameters designed and controlled within a peanut-sized component (1.15 cm^3)

Industry Leadership

No.1 in Chinese Mainland PIMS market and three segments[4][5][6]

No.2 in global consumer electronics components and modules PIMS market[4][5]

No.4 in global automotive wiring harness PIMS market[4][5][7] and communication and data center copper connectivity PIMS market[4][5]

Top Client Coverage

6,000+
global clients

300+
global brand owners[8]

100%
coverage of top 10 consumer electronics brands / top 5 automotive electronics brands / top 5 communication and data center brands globally[8]

Financial Performance

Highest ROE
among top 5 global PIMS providers[5], 24% average ROE from 2019–2024[4]

Fastest Revenue Growth
among top 10 global PIMS providers[5], 44% revenue CAGR from 2015–2024[4]

Fortune Global 500
for three consecutive years from 2023 to 2025

Notes:

(1) As of the Latest Practicable Date

(2) Categorized under the Harmonized System Codes

(3) Including smartphones, laptops, tablets, smart wearables, intelligent acoustic terminals, smart home devices and outdoor electronics

(4) According to Frost & Sullivan

(5) In terms of revenue in 2024

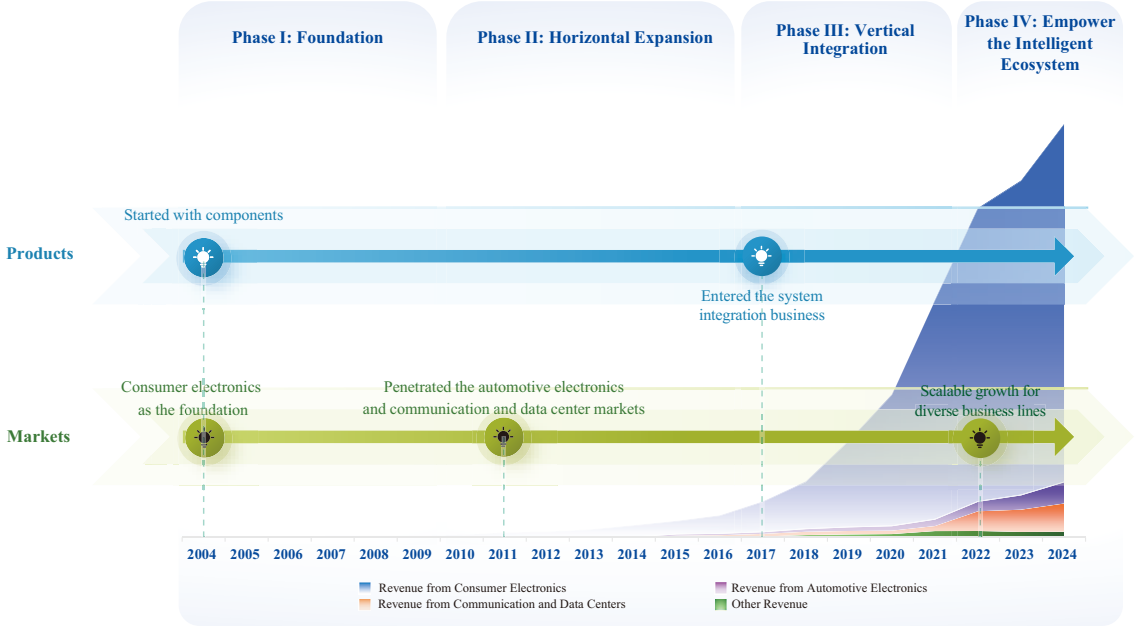
(6) The "three segments" refer to the PIMS markets for consumer electronics components and modules, automotive wiring harness, and communication and data center copper connectivity

(7) Combined with the Leoni Business

(8) As of September 30, 2025

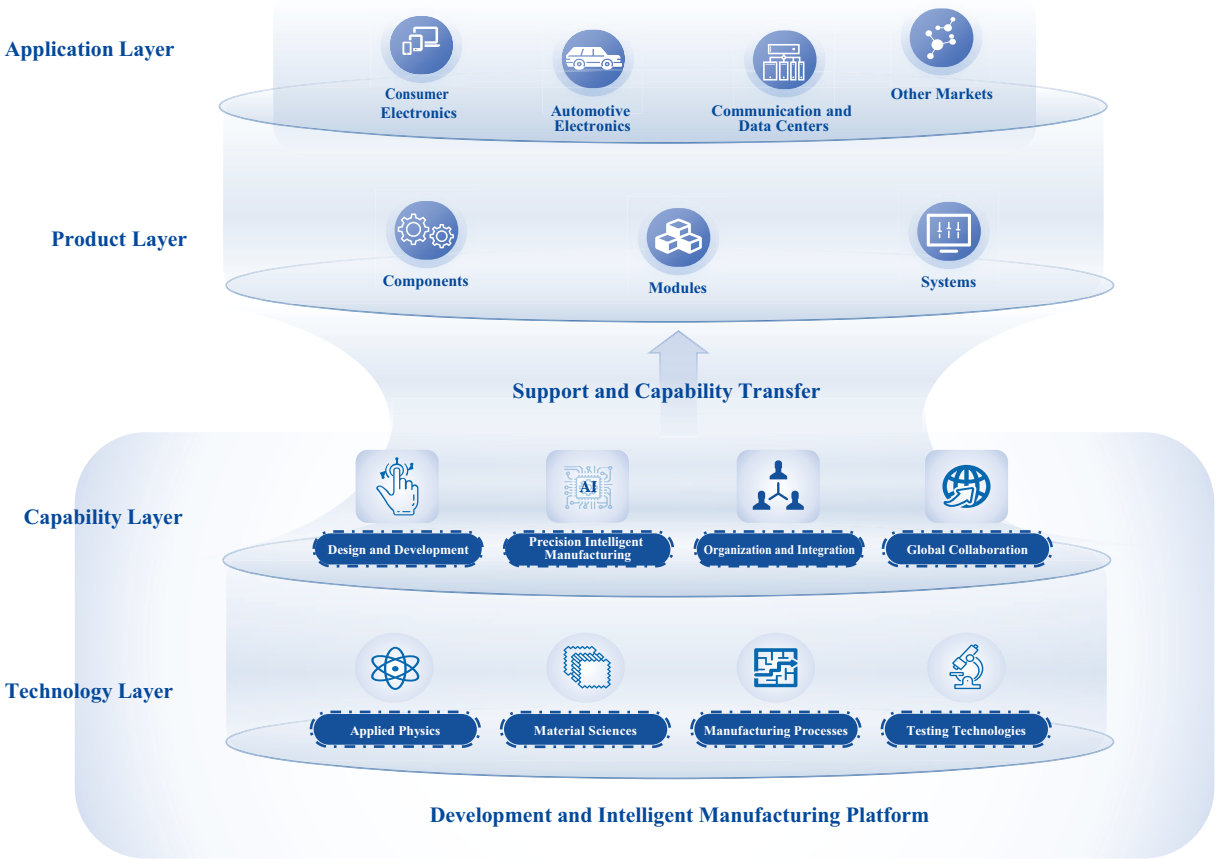
Our journey began with precision components for consumer electronics. Through organic growth, acquisitions and strategic cooperation, we expanded our product portfolio and application scenarios, and evolved into a multidisciplinary PIMS powerhouse. While solidifying our leadership in consumer electronics, we have successfully replicated our proven model into automotive electronics, and communication and data centers, and positioned ourselves to capture market opportunities in other frontier industries such as AI intelligent terminals, 3D printing, the low-altitude economy and robotics.

The following chart visualizes our development history:



What We Do

Through years of R&D, innovation and industry experience, we have established an all-round development and intelligent manufacturing platform. This platform is anchored in proprietary foundational technologies, enabling highly adaptable modular capabilities that seamlessly extend across diverse product lines and application scenarios.



Our Development and Intelligent Manufacturing Platform

As technology advances and user demands evolve, downstream industries now demand near-perfect product precision, making successful mass production a critical industry challenge. Leveraging the foundational technologies and modular capabilities of our all-round platform, we transform this pain point into market opportunity by bridging product conception and reality. This capability has significantly enhanced client retention and made us the world's first vertically integrated PIMS provider for multiple groundbreaking products.

Technologies

The foundation of our all-round platform is our four cornerstones, namely applied physics, material sciences, manufacturing processes, and testing technologies. Through dynamic and seamless integration of various applied physics technologies, such as acoustic, optical, electrical, thermal, magnetic, RF, and structural technologies, we achieve rapid response to customer demands and cross-product application of technologies. Our industry-leading material application innovation capabilities deliver tailored materials, yielding both performance and cost advantages. With a comprehensive mastery of manufacturing processes and through continuous innovation, we have significantly improved our production efficiency and first-pass yield. Our omni-dimensional testing system ensures full product lifecycle validation and compatibility across diverse applications, fulfilling stringent quality and reliability standards across industries.

Capabilities

Building upon the robust technological foundation, our platform crystallizes into four synergistic modular capabilities, namely design and development, precision intelligent manufacturing, organization and integration, and global collaboration. Adopting a commercialization-driven approach, we deliver premium mass production solutions for our clients leveraging our capabilities in product design, process innovation, and intelligent automation. Our integration capabilities stem from a mature operational management model, an efficient intelligent workflow system, and transferable foundational technologies and know-how. Meanwhile, our globally distributed yet tightly synchronized operations deliver localized, fast responses to client demands and shorten product delivery cycles, establishing us as a go-to supplier for global clients.

Our Products and Their Applications

Products

On top of our technological bedrock and modular capabilities, we have achieved vertical integration across components, modules and systems. As of the Latest Practicable Date, we offered over 500 categories of products. Vertical integration not only yields advantages in quality, cost and efficiency, but also enables us to deliver one-stop precision development and intelligent manufacturing solutions.

Applications

Through our experience in consumer electronics, we honed replicable technologies and modular capabilities. With such technologies and capabilities, we have successfully tapped into automotive electronics and communication and data centers.

Our precision manufacturing capabilities honed in consumer electronics have translated into technological advantage and client base in automotive electronics, and communication and data centers. Our technological expertise in these sectors, in turn, inspires us to push technological boundaries and redefine possibilities in consumer electronics. We believe these competencies will propel our expansion into broader markets.

Our Market Opportunity

According to Frost & Sullivan, the global PIMS market has expanded steadily, and is projected to grow from RMB9,469.1 billion in 2025 to RMB12,182.7 billion in 2029, representing a CAGR of 6.5%. On the demand side, surging needs for high-precision components in end markets, such as automotive electronics, and communication and data centers, coupled with escalating requirements for functional integration, have spurred demand for PIMS. In addition, rapid advancements in cutting-edge technologies, including copper and optical interconnect, thermal management, power solutions, AI terminals, 3D printing, the low-altitude economy and robotics, are creating new growth trajectories for the global PIMS market. On the supply side, favorable policies worldwide are propelling the development of precision manufacturing, while technological progress in AI, computing infrastructure, and industrial automation is accelerating the implementation of intelligent manufacturing. PIMS providers are racing to build "factories of the future," and this intelligent upgrading has infused powerful impetus to the global PIMS market.

OUR STRENGTHS

We attribute our success to the following strengths:

Global Leader Driving Industry Development through Innovation

We are a world-leading innovative technology company specializing in precision intelligent manufacturing. According to Frost & Sullivan, we are a global leader in the PIMS industry, holding top positions in the PIMS markets of consumer electronics, automotive electronics, and communication and data centers in terms of revenue in 2024. Beyond market share, we proactively contribute to standard-setting initiatives by serving as the vice chairman of the China Electronic Components Association (中國電子元件行業協會) and member of more than 70 industry associations, driving industry development.

With our technical expertise and market leadership, we consistently deliver industry-first solutions.

Material Applications

Leveraging advanced metallic, non-metallic and composite materials, we have developed a portfolio of products offering features outperforming industry benchmarks. For instance, in the field of consumer electronics, our titanium alloy demonstrates superior strength with lighter weight compared to alternatives widely adopted in the industry, and our proprietary anodizable high-strength aluminum powder for 3D printing achieves a yield strength of over 500MPa. In the field of communication and data centers, by utilizing die-cast aluminum alloy with thermal conductivity exceeding 200W/mK, we have developed products with significantly enhanced thermal dissipation, and the UV adhesive we use for solder joint shielding, featuring a low dielectric constant, delivers remarkable improvements in signal integrity.

Manufacturing Processes

We improve and redefine manufacturing processes, making possible product designs once deemed unproducible. For instance, our non-physical foaming solution addresses the critical challenge in high-speed interconnect technology of the communication and data center industry, and multiple of our proprietary processes, such as our surface laser texturing technique that enhances surface energy and interfacial adhesion for optimized bonding, coating and welding performance, are now recognized as industry's gold standards.

Intelligent Manufacturing System

We spearhead the industry in intelligent manufacturing with a suite of industry-first workflows that combine high precision, high yield, high operational efficiency, and low cost. We have implemented an "Intelligent 1.0" manufacturing powered by MES and classical algorithms, and are now advancing toward an AI agent-based "Intelligent 2.0" manufacturing. Our intelligent manufacturing technologies, such as new-generation intelligent AOI inspection system and automated laser soldering process, redefine industry benchmarks.

Convergent Innovation and Integrated R&D Capabilities

We believe integrated R&D and convergent innovation are our core competencies, which enables us to empower our clients through transformative solutions.

Our integrated R&D approach spans the entire lifecycle of our clients' products.

- **Product Design**: Our R&D covers the entire vertical chain of components, modules and systems, which enables us to design products with a holistic perspective, harmonizing interactions among components and modules to ultimately deliver high-reliability, high-yield system solutions; and

- **Mass Production**: We have strong equipment engineering capabilities oriented to translating product designs to reality. Based on our expertise in products, materials, machinery and processes, we synchronize product R&D and the development of manufacturing processes. This approach resolves mass production challenges with highly implementable solutions and shortens time to market for clients in a cost-effective way.

Meanwhile, we are an expert of convergent innovation, a type of innovation that combines existing technologies and ideas. Our convergent innovation capability is built upon our expertise in foundational technologies. Over the years, we have mastered various applied physics technologies, namely acoustic, optical, electrical, thermal, magnetic, RF, and structural technologies. Combined with systematic research on materials, processes and testing technologies, we have built a readily deployable innovation platform that drives breakthroughs across diverse markets and along the entire industry value chain.

These capabilities position us well in emerging markets. For example, in the market of AI terminals with increasing human-machine interactions, as one of the few vertically integrated solution providers with comprehensive expertise in both acoustic and optical technologies, we have become the partner of choice when bringing clients' product designs to market.

Our leadership in R&D and innovation is underpinned by sustained investment. In 2022, 2023 and 2024, we invested RMB25.2 billion in aggregate in R&D. As of September 30, 2025, we had more than 20,000 dedicated R&D professionals, and we owned 9,185 patents, including 2,241 invention patents. In 2024 alone, we successfully registered over 400 invention patents.

Intelligent Development and Manufacturing System

We have world-leading intelligent development and manufacturing capabilities. Designed to be standardized, modularized, generalized and streamlined, we have established an intelligent system spanning R&D, validation, manufacturing, testing, logistics and after-sale services. This not only helps us reduce labor costs and improve efficiency and traceability, but also enables us to lead the industry in terms of positioning accuracy, precision engineering and quality control. Through our intelligent system, we develop and manufacture products of superior quality with the application of AI technology, delivering exceptional end-user experience. Beyond this, our rich experience in the field of intelligent manufacturing has endowed us with strong equipment design capabilities and a wealth of operational data. This in turn allows rapid scalability and continuous iteration of our intelligent development and manufacturing system, which we believe creates a competitive edge that is difficult to replicate or surpass.

Digital Application

We have implemented an enterprise resource planning (ERP) digital management system encompassing all aspects of our operations. This ERP system integrates several sub-systems, such as product lifecycle management (PLM), manufacturing execution systems (MES), and warehouse

management systems (WMS), which embed our standards and protocols to ensure a precise production workflow. We accumulate data throughout the entire process and consolidate them into a standardized knowledge repository to facilitate rapid redeployment and continuous optimization.

We utilize digital twin modeling to deconstruct products into functional modules, and validate module compatibility with simulation tools to reduce physical prototyping costs. We dynamically adjust our production lines through our advanced planning and scheduling system (APS) to achieve flexible mixed-line production and continuously optimize production parameters. These digital solutions can shorten time-to-market by up to 15% and time-to-capacity by up to 20%. Moreover, by replacing manual inspection with AI-powered machine vision systems, we have achieved a 99.8% defect detection rate and substantially improved yield rates and production efficiency.

Automated Production

Our automation initiatives have delivered enhancements in production efficiency, improvements in product consistency, increases in yield rates and reductions in production costs.

We are implementing our "Intelligent 2.0" initiative across our production sites. We integrate IoT technologies with our data infrastructure and algorithms to create a closed-loop intelligent operational system capable of auto-collection, auto-analysis, auto-decision-making and auto-execution. We operate a flagship "lights-out" factory in Kunshan, Suzhou, where automated robotic arms perform complex operations on the production line with accuracy, intelligent autonomous mobile robots efficiently shuttle around with materials, and various kinds of advanced intelligent equipment operate in synchronization without human intervention, realizing unmanned and high-efficiency production. A notable example of yield improvement through automation is the stress-free welding process for ground plates. By implementing dual-head hybrid bonding welding technology to replace manual operations, we significantly improved yield rate to approximately 99%.

Flexible Production

Our modular manufacturing architecture enables rapid, cost-effective production line reconfiguration to achieve flexible delivery and accommodate seasonal demand fluctuations. This optimizes our overall equipment utilization rate and ensures timely response to market opportunities.

We have developed modular robotic work units for small-to-medium volume orders, which increase equipment redeployment rates by approximately 60% and shorten investment payback periods to almost one-third of the level for traditional solutions. This innovation overcomes the capital-intensive, highly customized constraints of conventional automated production lines and allows us to capture diverse business opportunities.

Exceptional Acquisition and Integration Capabilities

We believe our ability to successfully grow our business through acquisitions and smoothly integrate targets into our overall business set us apart in the industry. Business integration often presents challenges, as it requires reconciling differences in business models, competitive landscapes, and developmental logic between new and existing operations. For integration through acquisitions, these challenges are further compounded by disparities in organizational structures, corporate cultures, and operational mechanisms between the acquiring and acquired entities. We have a proven track record of successful business integrations. This stems from the following distinctive capabilities:

- **Prudent Target Selection Strategy**: We rigorously evaluate our acquisition targets selecting only those whose resources and capabilities align with our own core capabilities and offer tangible synergies;

- **Precise Issue-spotting and Problem-solving Capabilities**: Leveraging our extensive industry experience, we swiftly diagnose operational gaps of acquisition targets and implement tailor-made remediation, unlocking their potentials;

- **Highly Transferable Foundational Technologies**: Our technologies honed in existing businesses are highly transferable. This ensures that single R&D investments yield benefits across multiple product lines and businesses, significantly reducing marginal costs for our future business integrations and laying a foundation for success in new businesses;

- **Adaptive Management Systems**: New businesses can gain immediate access to our mature operational management systems and supporting infrastructure; and

- **Inclusive and Open Corporate Culture**: After the acquisition of a business, we quickly embrace its employees through our "Luxshare Culture," a culture of inclusiveness and excellence.

Business integration enables us to quickly expand our product portfolio and supplement our capabilities. Through a combination of organic growth and external expansion, we continuously enrich and optimize our product portfolio. This allows us to penetrate into clients' supply chains with specific products, and ultimately provide one-stop solutions by leveraging our comprehensive product portfolio and cross-selling capability. Our deep understanding of components and modules informs superior system designs and reduces our clients' supply chain management costs, and our understanding of systems, in turn, refines our component and module engineering. This interplay enhances our product quality, yield rates and cost efficiency, creating a self-reinforcing cycle of excellence.

Deeply Rooted Global Presence

We have a strategic global footprint and one of the world's largest distributed production capacities in the PIMS industry according to Frost & Sullivan. We have built a global business support system covering R&D, production, sales, after-sales and logistics, with 105 production bases, 28 in-house R&D centers, 94 testing laboratories, and 66 local offices in 29 countries as of September 30, 2025, providing one-stop services to global clients through efficient cross-border synergies.

We adopt a "local innovation, global fulfillment" approach. This approach enables us to dynamically allocate resources and craft bespoke solutions tailored to diverse market demands and client needs, making us a highly trusted partner of our clients on a global scale.

- **Local Innovation**: We had a total of 28 in-house R&D centers worldwide as of September 30, 2025 that are proximate to our customers, where we fuse local talent with cutting-edge advancements to develop market-tailored technologies; and

- **Global Fulfillment**: We had 105 production bases worldwide as of September 30, 2025. Our globally distributed production capacity helps us to be closer to local and neighboring markets, quickly respond to client needs, shorten product delivery cycles, and further expand international market share and optimize the global market layout.

Relying on our years of international operational experience, we provide local brands with all-round support from manufacturing to supply chain management, helping them succeed in the global market. In turn, through the support of our diverse global clientele and robust order pipeline, we have orchestrated a deeply rooted global network. This enhances our risk resistance in an ever-evolving business landscape, enables us to deeply penetrate into the global industrial chain, and improves our resource allocation efficiency.

PIMS companies with overseas operations often grapple with various challenges, such as unfamiliarity with local markets, difficulties in technology transfer, difficulties in personnel management, costly overseas build-out, differences in legal systems and regulatory regimes, cultural conflict, and imperfections in overseas operation support systems. We tackle these challenges through our cross-sector service capability, flexible production, profound glocalization expertise and strategic global resources. Our globalization strategy transcends mere production base relocation and optimizes the efficiency of all production assets. This capability, forged through sustained investment and operations, has cemented our position as one of the few transnational solutions providers capable of delivering precision worldwide.

Mutually Beneficial Relationship with Clients

Through collaborations with global industry leaders, we have sharpened our intelligent development and manufacturing capabilities. With these competencies, we are able to empower a broader client base, and together we drive the transformation of the entire industry.

We strive to grow with our clients. We had served more than 6,000 clients as of September 30, 2025, from globally recognized consumer electronics brands to emerging start-ups. Our clients are from different sectors and at different stages of development, providing us with diversified business opportunities with high growth potential.

Our high-quality, excellence-committed client base is a testament to our precision manufacturing capabilities, which enable us to consistently meet our clients' rigorous requirements for product quality, responsiveness, service capability and manufacturing processes. As of September 30, 2025, we had served over 300 brand owners globally, covering all top 10 global consumer electronics brands, all top five global automotive electronics brands and all top five global communication and data center brands.

The depth and breadth of our cooperation with clients reflect our value and development potential. We provide our clients with tailor-made one-stop solutions covering the whole process of product design, development, mass production, testing, quality control, cost control, supply chain management and logistics and warehousing. This has not only broadened the client base of our traditional business, but also brought us richer incremental business opportunities, which has solidified our leading position in the industry.

Visionary Leadership, Experienced and Stable Management Team, and a Unique Corporate Culture

We possess the tenacious entrepreneurship of a start-up, the systematic rigor and professionalism of a multinational corporation, and the craftsmanship of a precision manufacturing company.

Ms. Wang Laichun, our founder, chairlady and general manager, is an outstanding entrepreneur whose strategic foresight and innovative mindset have steered our excellence in the global PIMS industry. With her extensive industry insights accumulated through over 30 years of intensive practice, Ms. Wang has made key strategic directions for our globalization and business development, and played a pivotal role in our success.

Our management team has been in the PIMS industry for years. With rich management experience, keen market insight and "mud-on-boots" management style, our management team plays a key role in the formulation of business strategies, tactical implementation and team building, driving us to achieve stable and sustainable growth. With strong cultural alignment, our management team has stood united throughout the years. This has been instrumental in maintaining the stability of our management and operational structure, laying a concrete foundation for our sustained business prosperity.

We adopt a flat, non-hierarchical organizational structure that allows leaders at all levels to act with autonomy and agility. This structure unleashes execution capabilities, streamlining internal decision-making, enabling seamless cross-functional collaboration, and delivering rapid, client-centric solutions.

We uphold the core values of "Customer Success, Relentless Mission, Continuous Innovation, United Journey and Self-driven Growth." These core values help us attract, retain and upskill talent, which not only consolidates our advantages in traditional fields, but also lays the foundation for our development in emerging sectors.

OUR STRATEGIES

Increase R&D and Innovation Efforts to Consolidate our Leading Position in the PIMS Industry

We are guided by cutting-edge technologies. We will make visionary investment in R&D, continue to refine the manufacturing process, explore the application of cutting-edge technology, and drive the growth of the industry and the sustainable development of society. We will continue to innovate in the areas of materials, processes and intelligent manufacturing systems to consolidate and strengthen our leading position in the PIMS industry, and to further improve our efficiency and productivity.

In addition, we will continue to explore and invest in emerging fields such as copper connectivity, optical connectivity, thermal management, power solutions, AI terminals, 3D printing, robotics, 6G technology, high-performance silicon carbide optical waveguide and terahertz band communication.

Meanwhile, talent are the foundation of our R&D capabilities. We plan to continue to introduce, retain and cultivate talent in order to enhance our R&D capabilities.

Continue to Go Global and Enhance Our Glocalized Service and Delivery Capabilities

We have established global R&D, manufacturing and service networks in many countries and regions. In the future, we will expand our overseas production capacity through a combination of organic growth and acquisitions, continue to optimize the footprint of our global manufacturing bases and R&D centers, and build a more agile and flexible production capacity supporting system to meet the glocalized service needs of overseas clients. We are committed to furthering our globalization in the following ways:

- Increasing investment in overseas R&D centers, developing products that meet local customers' preferences, and strengthening localized design capabilities;

- With established and planned overseas manufacturing bases, further optimizing capacity allocation and promoting supply chain localization and flexible arrangement;

- Further building a globalized team, cultivating local talent, and offering long-term career development opportunities for overseas employees; and

- Through the Listing, further improving our global brand recognition and employee incentive mechanism, providing talent and capital support for our international operations.

Upgrade Our Development and Intelligent Manufacturing Platform to Enhance Production Efficiency and Realize Green Manufacturing

In the future, we will further upgrade and expand our development and intelligent manufacturing platform, continue to innovate our production methods, enhance our digital, automated, flexible and green production lines, to improve our production efficiency and product yields:

- **Improve Automated Manufacturing Capabilities**: We will enhance our ability to build pre-adaptive manufacturing capabilities, including intelligent scheduling, resource allocation, and predictive maintenance capabilities. We plan to utilize AI engine to optimize equipment efficiency and reduce product changeover costs;

- **Enhance Digital Twin Technology**: By deploying digital twin solutions, we plan to enhance remote production line operations to deliver unified, lean management across the entire manufacturing lifecycle;

- **Strengthen Testing Capability**: We will enhance our testing capability, and further improve real-time data acquisition and analysis, quality control and defect detection capabilities; and

- **Implement Green Manufacturing**: We will realize green manufacturing of core products for our customers through energy data sharing and process optimization.

Continue with Vertical Integration and Industry Expansion

Vertical product integration and horizontal industry expansion have been the key to our success in maintaining sustainable business development over the years, and we will continue to adopt this strategy to expand our client base, products and solutions, and broaden and deepen our client cooperation.

We will leverage our deep grasp of underlying technologies and strong digital management capabilities to further realize the organic combination of different technological elements, and continue to migrate mature technological solutions to emerging fields, including expanding upstream and downstream along the industry chain in existing application fields, as well as expanding into new application fields.

We plan to selectively seek strategic investments and make investments and acquisitions that can enhance our capabilities in the industrial value chain and in the various markets that we are currently serving or may be involved in. We will also continue to fully leverage our business integration capabilities and experience, empowering targets to achieve fast growth in their scale of operation and profitability after completion of our strategic investments or acquisitions.

OUR PRODUCTS AND SOLUTIONS

We provide cross-sector, vertically integrated development and intelligent manufacturing solutions—from components and modules to systems—for global clients in consumer electronics, automotive electronics, communication and data centers, and beyond.

The following diagram shows our vertically integrated product portfolio, including core components, modules and systems, for each of our business lines:

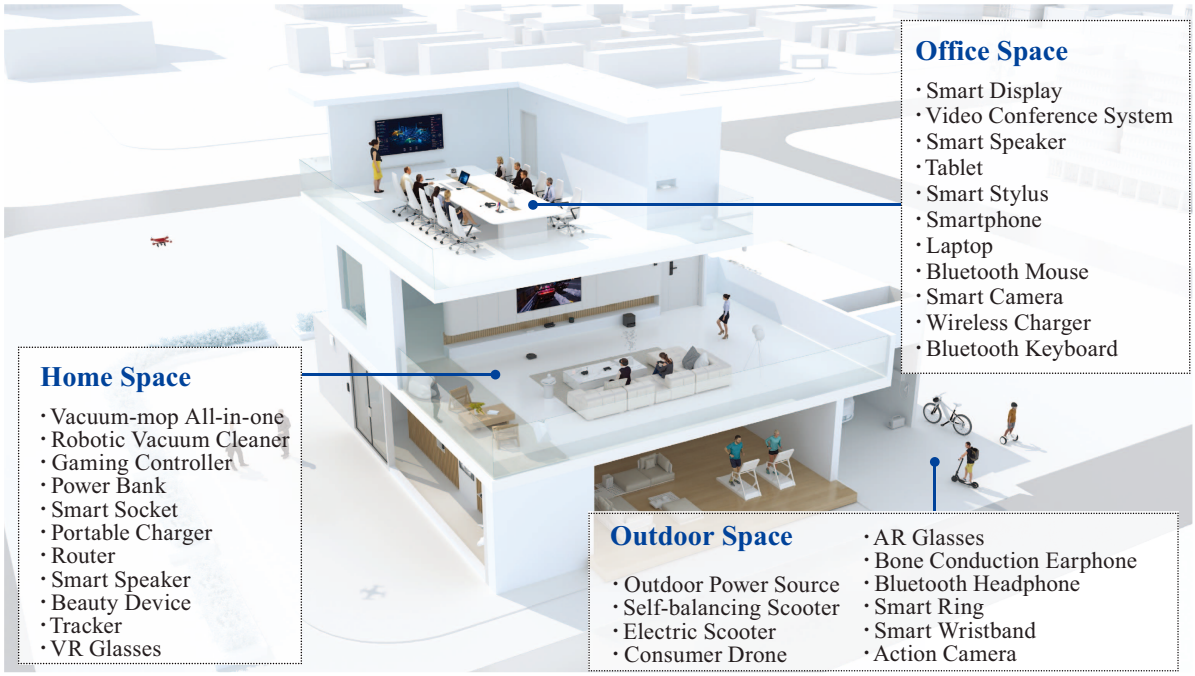
	Consumer Electronics	Automotive Electronics	Communication and Data Centers	Other Markets
Components	Audio and video data transmission harnesses and connectors, charging harnesses and connectors, speakers and receivers, microphones, motors, variable apertures, antennas, power supply components, magnetic components, plastic molding components, metal structure components and soft goods	Vehicle wiring harnesses and connectors, special wiring harnesses, and busbars	High-frequency computing power transmission harnesses, high thermal conductivity components, and radiators	Components, modules and systems for various medical devices and industrial equipments, among others
Modules	Wi-Fi modules, bluetooth modules, screen modules, mini-LED, and System-in-Package (SiP)	Automotive USB modules, wireless charging modules, ultra-wideband digital keys, airbag control units, smart junction boxes, camera monitoring stems/electronic rear view mirrors, hidden door handles, battery management system, on-board charger, DC to-DC, power distribution unit, vehicle control unit, microcontroller unit, and active rear-wheel steering systems	Heat dissipation module, optical module, power module, liquid cooling module, and fan	
Systems	Devices used in the office space (such as laptops and conference system speakers), home space (such as smart speakers and beauty devices), and outdoor space (such as earphones, AR glasses, and smartwatches)	Automotive vascular and nervous system, smart domain control system, smart chassis system, vehicle entry system, and powertrain system	Base station antenna, tower amplifier/combiner, remote radio unit, repeater, active antenna unit, remote radio unit, distributed antenna, customer premise equipment (CPE), power supply system, wave filter, and temperature control system	

Consumer Electronics

Our foundational strength lies in consumer electronics. According to Frost & Sullivan, we are the world's second largest and Chinese Mainland's largest consumer electronics components and modules PIMS provider, measured by revenue in 2024, with a global market share of 11.3%. With the convergence of AI computing and IoT technologies, consumer electronic devices are rapidly evolving to embrace slimmer form factors, enhanced functional integration, and context-aware AI capabilities. These trends are driving surging demand for ultra-compact and high-reliability precision components and functional modules, with downstream industries now demanding near-perfect product precision. We believe our industry leadership, combined with our vertically integrated product offering, globally distributed manufacturing network and R&D capability, position us well to capture the growth opportunity in the consumer electronics industry.

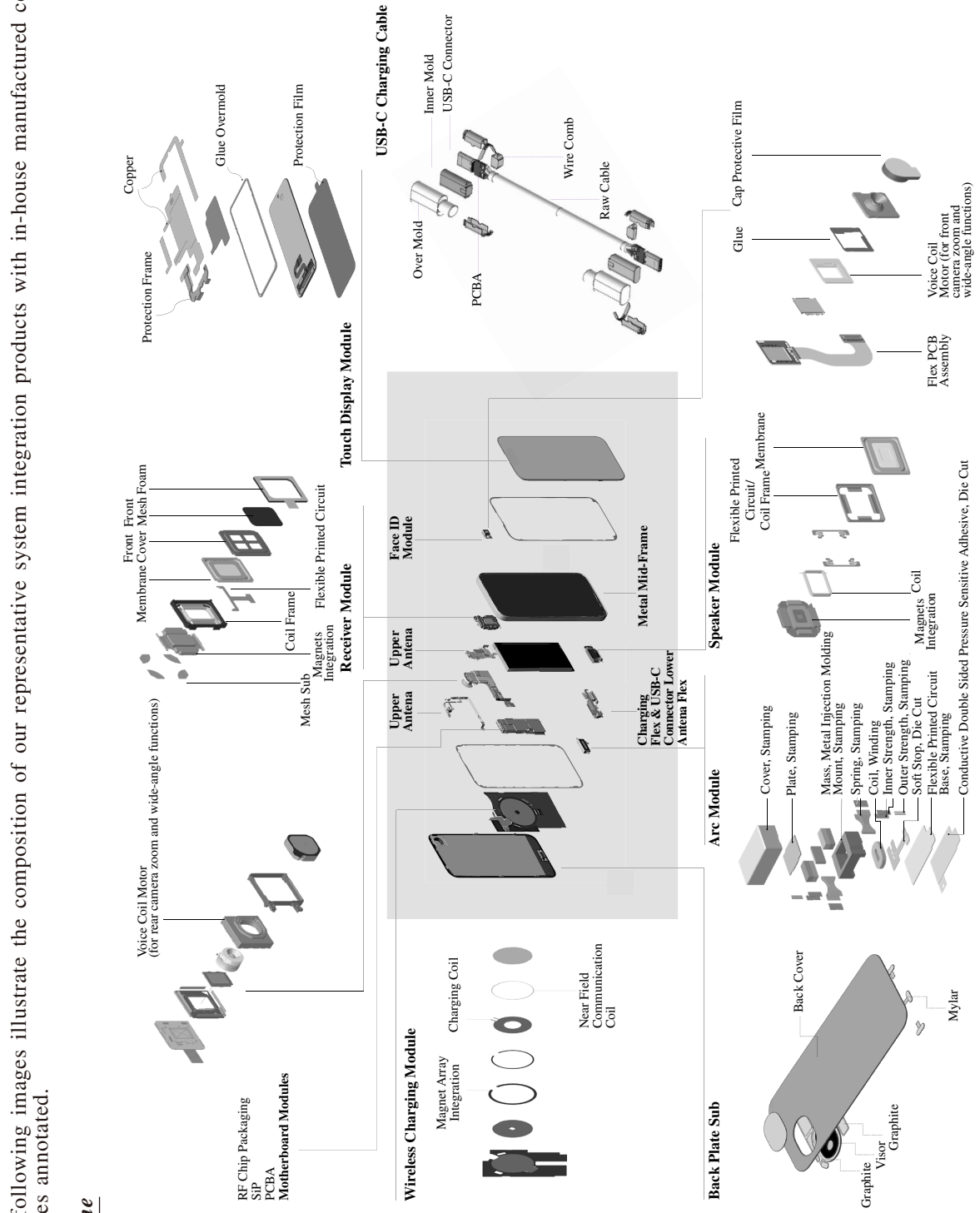
We provide integrated development and manufacturing solutions to elevate consumer experience across three major application scenarios, namely (i) productivity in office spaces; (ii) convenience and entertainment in home spaces; and (iii) intelligent, safe, convenient, and entertaining experiences in outdoor spaces.

The following image illustrates the application scenarios for major consumer electronics containing our products and solutions:

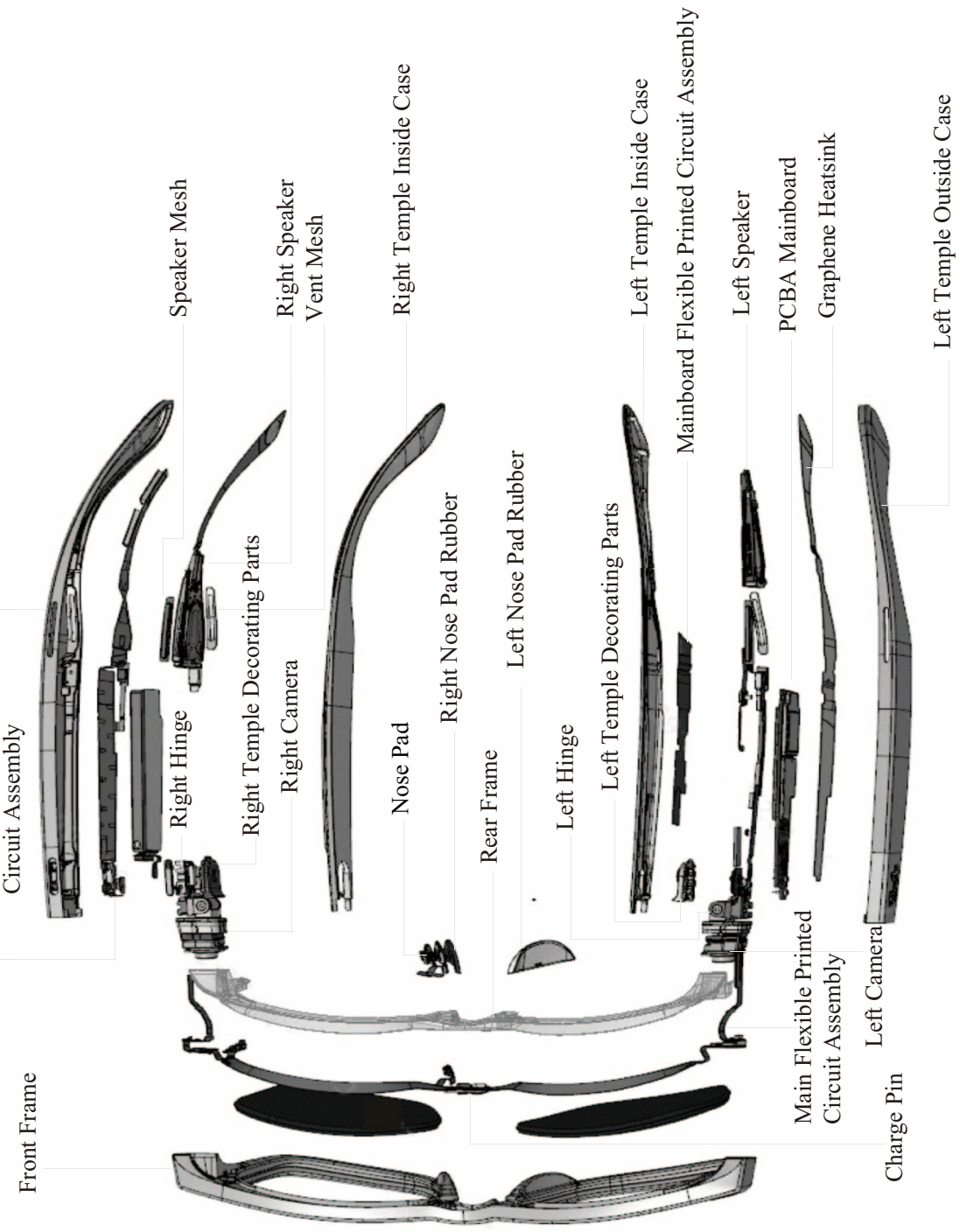


The following images illustrate the composition of our representative system integration products with in-house manufactured components and modules annotated.

Smartphone



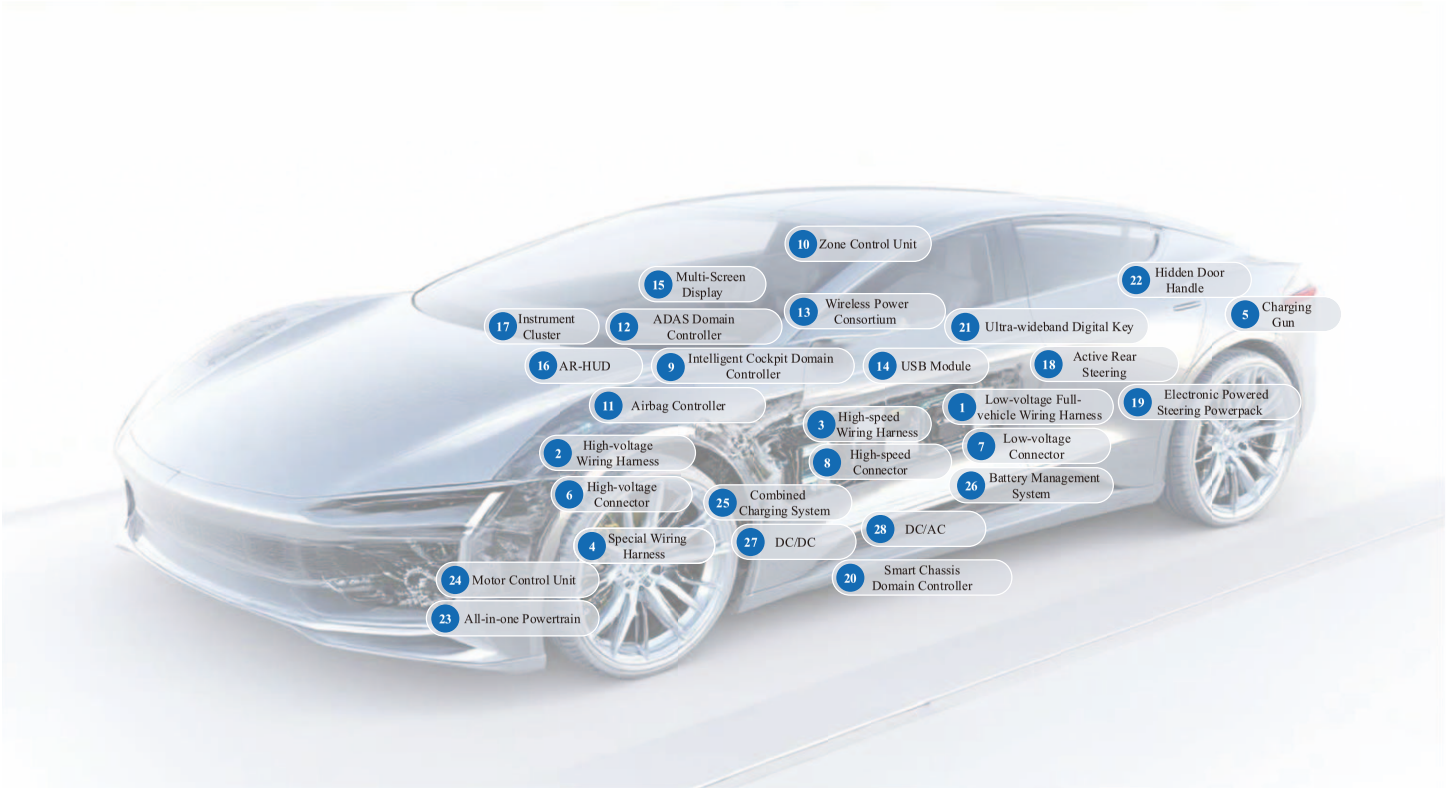
AR Glasses


Right Temple Outside Case
Battery Flexible Printed Circuit Assembly
Speaker Mesh
Right Hinge
Right Temple Decorating Parts
Right Speaker Vent Mesh
Right Camera
Right Temple Inside Case
Nose Pad
Right Nose Pad Rubber
Rear Frame
Left Nose Pad Rubber
Left Hinge
Left Temple Decorating Parts
Left Temple Inside Case
Mainboard Flexible Printed Circuit Assembly
Left Speaker
PCBA Mainboard
Graphene Heatsink
Left Temple Outside Case
Front Frame
Main Flexible Printed Circuit Assembly
Left Camera
Charge Pin

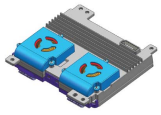
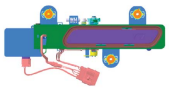
Automotive Electronics

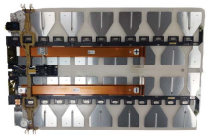
Building upon our proven expertise in consumer electronics for the office, home and outdoor spaces, we have strategically expanded into the automobile space. The automotive industry is undergoing significant transformation, driven by the convergence of electrification and intelligence. Vehicles today transcend mere transportation—they deliver more intelligent driving experiences while harnessing advanced data collection, analytics, and processing to offer personalized mobility solutions. In this transformative era, automotive electronics-related components are playing an increasingly critical role. Taking wiring harnesses and connectors as examples—as the vascular network and nervous system of vehicles, demand for wiring harnesses and connectors has surged exponentially, along with more stringent and sophisticated technical requirements. According to Frost & Sullivan, in terms of revenue in 2024 (combined with the Leoni Business), we are the fourth largest worldwide, and the largest in Chinese Mainland, PIMS provider for automotive wiring harnesses, with a global market share of 12.2%.

The following image illustrates our main products and solutions for automotive electronics:



BUSINESS

Product Category	Main Products
Automotive vascular and nervous system: Connects various components in vehicle and transmits power and electrical signals	1  **Low-voltage full-vehicle wiring harness** 2  **High-voltage wiring harness** 3  **High-speed wiring harness** 4  **Special wiring harness** 5  **Charging gun** 6  **High-voltage connector** 7  **Low-voltage connector** 8  **High-speed connector**
Intelligent cockpit and ADAS: Controls all cockpit functions, provides content ecosystem, facilitates human-computer interaction, provides driving assistance and decision-making	9  **Intelligent cockpit domain controller** 10  **Zone control unit** 11  **Airbag controller** 12  **ADAS domain controller** 13  **Wireless power consortium** 14  **USB module** 15  **Multi-screen display** 16  **AR-HUD** 17  **Instrument cluster**
Smart chassis system: Controls vehicle driving, steering and braking to improve handling	18  **Active rear steering** 19  **Electronic powered steering powerpack** 20  **Smart chassis domain controller**
Vehicle entry system: Enables seamless interaction and scenario-based collaboration.	21  **Ultra-wideband digital key** 22  **Hidden door handle**

Product Category	Main Products
Powertrain system: Full-scenario energy efficient power system	23  **All-in-one powertrain** 24  **Motor control unit** 25  **Combined charging system** 26  **Battery management system** 27  **DC-to-DC** 28  **DC-to-AC**

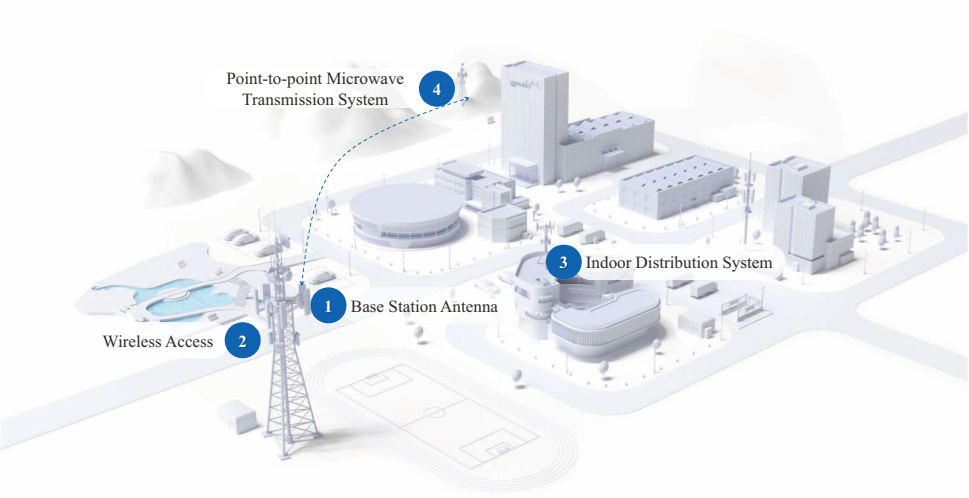
Communication and Data Centers

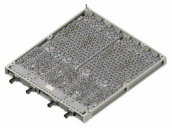
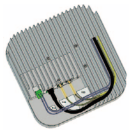
With the acceleration of digital transformation, global data volumes have grown explosively, leading to a surge in demand for high-performance communication equipment. With the widespread adoption of AI applications globally, data centers are simultaneously seeing exponential growth in demand for computing power, data transmission speed, thermal management, and energy efficiency.

Our PIMS for communication and data centers are engineered to meet the exacting demands of modern communication and data center infrastructure, delivering precision, reliability and efficiency for communication base stations and data centers. By seamlessly integrating next-generation technologies like IoT, AI, and edge computing with advanced manufacturing processes, we enable high-precision fabrication and intelligent management for communication and data centers. According to Frost & Sullivan, we are one of the most comprehensive PIMS providers for communication and data center components and modules, covering copper interconnect, optical interconnect, thermal management and power management, among other areas. According to the same source, we are the world's ninth largest PIMS provider for communication and data center components and modules, with a global market share of 3.1%; we are also the fourth largest worldwide, and largest in Chinese Mainland, PIMS provider for communication and data center copper connectivity, measured by revenue in 2024, with a global market share of 4.4%.

Communication

Our communication products and solutions span the entire wireless communication industry value chain. We specialize in the R&D and manufacturing of wireless coverage equipment, providing high-performance, coverage-optimized products leveraging our cutting-edge technologies and precision manufacturing processes. In addition, we manufacture network application terminal products, delivering integrated support from infrastructure to end applications through our intelligent manufacturing system and stringent quality control. In response to escalating market demands for high-speed, low-latency, and high-capacity wireless networks, we remain dedicated to the innovative R&D and building of seamless, reliable and ubiquitous wireless communication networks, empowering smart cities and diverse scenarios with efficient, intelligent connectivity, driving industry transformation in the digital era.

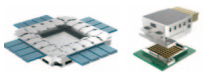
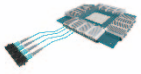
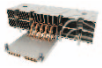


Product Category	Main Products
1 Base station antenna	 key device for transmitting, receiving and directing wireless signals between base stations and mobile terminals, used to establish wireless connection links for mobile communications.
2 Wireless access	 RF remote unit: processes and amplifies the RF signals from the base station before sending them to the antenna. It also receives signals from the antenna, processes and returns them, achieving remote transmission and conversion of RF signals.  Base station filter: a key component of the wireless communication system, which can accurately filter specific frequency band signals, effectively suppressing interference, spurious signals and harmonics, among other signals. This ensures stable and accurate signal transmission, and reliable communication for base stations.
3 Indoor distribution system	 Distributed antenna system: an indoor signal coverage network. Through distributed antennas, it evenly distributes base station signals throughout various indoor areas, eliminating signal blind spots and improving the quality of indoor wireless communication to meet the needs of multiple users, such as voice calls and data transmission.  Small cells: used to enhance mobile communication signal coverage in localized areas, increasing network capacity, and meet the high bandwidth and multi-connection demands in hotspots or indoors.
4 Point-to-point microwave transmission system	 Outdoor unit: responsible for the transmission, reception, frequency conversion and amplification of microwave signals. It works in conjunction with the indoor unit to achieve high-speed wireless data transmission between two points  Indoor unit: converts user data into intermediate frequency (IF) signals or to demodulate and restore the IF signals back into user data

Data Center

If we envision a data center as a city, we are its infrastructure provider, building the highways and climate control systems within. The main data center products and solutions we provide include copper connectivity, optical connectivity, thermal management and power solutions.

The following image illustrates our main products and solutions for data center application scenario:

Product Category	Main Products		
Copper connectivity . .	1  External high-speed copper cables (DAC/ACC/AEC): high-speed interconnect copper cables for short distances, for use inside AI cabinets and between cabinets	2  Internal high-speed signal connector input/output (SSIO): input and output high-speed signals	3  Connector cable module (CPC/NPC): copper cable transmission solution that replaces traditional PCB wiring
	4  External high-speed signal connector input/output (HSIO): transmits high-speed data	5  Cable module (riser cable): used to connect various device modules	6  Backplane cable module: used to protect cables and transmit high-speed signals
Optical connectivity . .	7  Active optical cable (AOC): fiber-embedded high-speed optical component	8  Optical transceiver module: transmits and receives data	9  Fiber-optic patch cord: used to connect different fiber optic devices
Thermal management . .	10  Heat sink: external air-water heat exchanger preventing switches from overheating		11  Fans: circulates air to regulate temperature
	12  Water-cooled plate: circulates coolant for chip heat dissipation	13  Coolant distribution unit: circulates coolant and controls the liquid cooling system	14  Temperature control solution: a immersion liquid cooling system for regulating the temperature of computing equipment
Power solutions	15  Server power supply and power supply rack: centralized power supply		16  Busbar and clip: serves as a connection point for multiple electrical circuits for electrical power distribution

Other Products

In addition to consumer electronics, automotive electronics, and communication and data centers, we leverage our cross-disciplinary technical expertise and vertical integration capabilities to disrupt adjacent industries, providing products and solutions for medical devices, robotics and other industrial equipment, among others, continuously broadening our technical and commercial horizons.

Sales of products and solutions for medical devices accounted for a large portion of other products we provided during the Track Record Period. We collaborated with globally leading medical device brands and have earned their trust and recognition. We primarily provide cables and components for the transmission of images, signal and power in medical devices such as preventive medical devices, diagnostic devices and healthcare wearables.

In addition, our products and solutions can also be used in the field of robotics. In particular, we can provide one-stop PIMS involving key components such as actuators and sensors, as well as system integration.

OUR BUSINESS PROCESS

We maintain a flexible business model and ensure agile response to customer needs. Through cross-departmental collaboration (primarily sales, technology, production and after-sales), full process visualization and risk pre-management, we address client needs in a cost-efficient manner while maintaining high quality standards. We collaborate with our clients at each stage of the business process, providing technical expertise and valuable industry insight throughout their journey with us.

- **Market Insight and Demand Definition**: Leveraging our extensive experience and technological expertise, we proactively identify the pain points and challenges within our clients' industries. By analyzing technological development trends and market dynamics, and combining this with our clients' technical foundations and growth strategies, we provide professional advice on market demand and product direction;

- **Providing Innovative/Optimized Solutions**: To address the identified industry pain points and product demands, we propose innovative solutions—whether through development of new products or optimization of existing ones. Leveraging our extensive experience in shaping various industry standards, our R&D team collaborates closely with clients to define products and finalize technical specifications. At times, we leverage our technological expertise to proactively recommend to our clients on the application of cutting-edge technologies, helping clients refine product designs while ensuring manufacturability. We offer clients multiple cost simulation scenarios, balancing price and performance;

- **R&D and Design Verification**: Utilizing digital twin technology and multi-dimensional simulations, we minimize trial-and-error costs. We rapidly produce prototypes and conduct rigorous reliability testing and certification validation in our testing laboratory to further refine our products. Through these efforts, we have developed products that are reliable, cost-effective, and easy to mass produce;

- **Manufacturing and Delivery**: Our intelligent production system enables rapid response and flexible delivery to customized demands. Real-time process optimization via MES ensures seamless transitions from prototyping to new product introduction (NPI) and mass production, progressively enhancing throughput. Production dashboards provide transparency, enabling on-time delivery while meeting efficiency targets. Each unit's

customized production process is meticulously tracked, with live portal updates ensuring end-to-end visibility, enabling us to fulfill our customers' manufacturing and delivery expectations; and

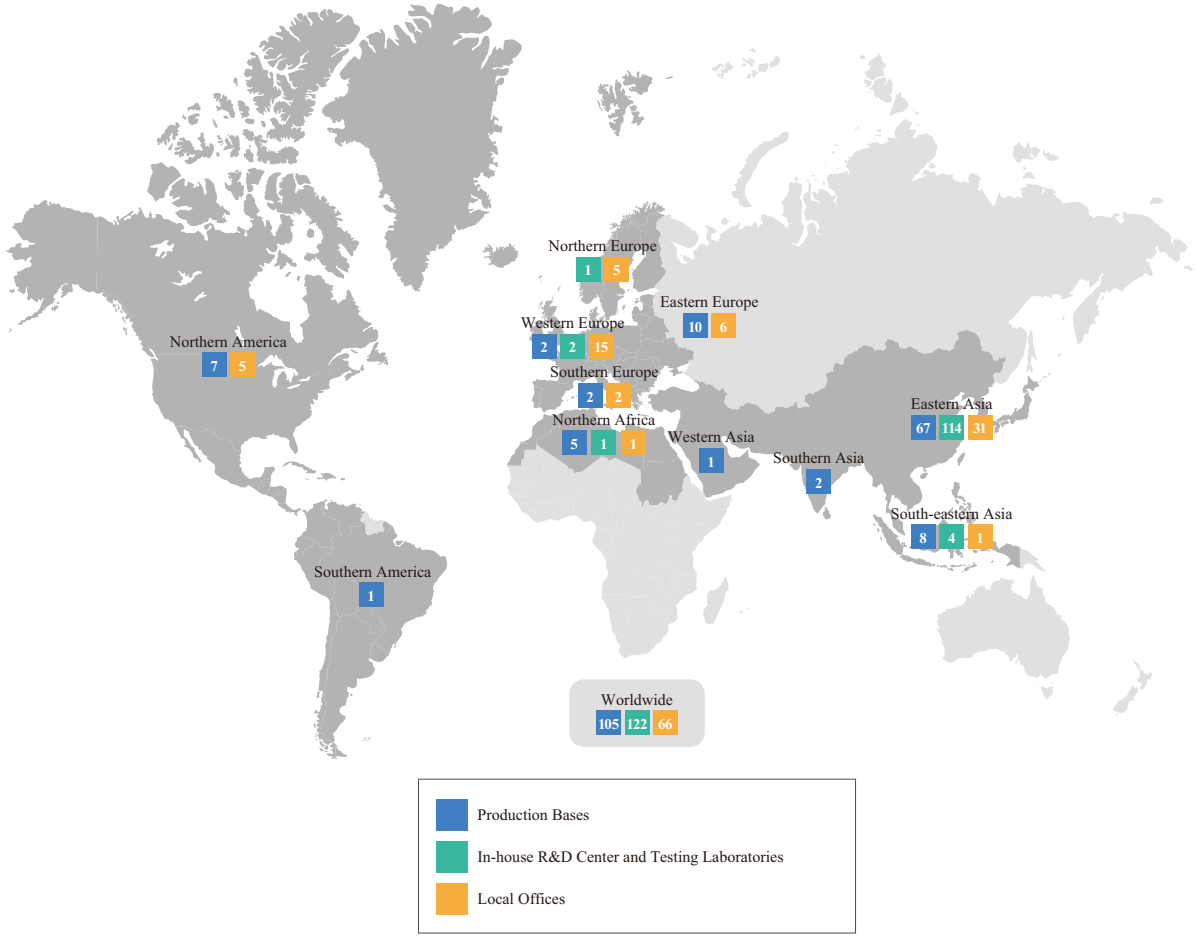
- **After-sales Service:** Beyond mass production, we provide dedicated after-sales service and a holistic support framework, ensuring exceptional customer experiences and lasting satisfaction.

OUR GLOBAL PRESENCE

Our business spans multiple continents, delivering value to customers worldwide. To support this expansive network, we have strategically established 105 production bases, 28 in-house R&D centers, 94 testing laboratories, and 66 local offices in 29 countries worldwide as of September 30, 2025. The total revenue from our sales to customers incorporated outside of Chinese Mainland for 2022, 2023 and 2024 and for the nine months ended September 30, 2025 was RMB178.6 billion, RMB196.0 billion, RMB225.8 billion and RMB179.7 billion, respectively. This represented 83.4%, 84.5%, 84.0% and 81.4% of our total revenue during the same periods, respectively, representing the successful implementation of our strategy to continuously develop and maintain relationships with customers on a global scale.

We uphold a "local innovation, global fulfillment" strategy. This strategy transcends mere notions of globalization. It is a strategy that has enabled us to establish a fully globalized value chain in R&D, production, supply chain, and sales. This global footprint enables us to gain a deeper understanding of technological advancements, leverage local talent, and provide close support to our customers. It also enables us to dynamically allocate our R&D and production resources and craft bespoke solutions tailored to diverse market demands and customer needs. By blending localized expertise with global scalability, we gain sustainable growth and resilience in an ever-evolving business landscape.

The following map illustrates our worldwide footprint as of September 30, 2025:



Note:

(1) Geographical subregions with reference to the United Nations Statistics Division

TECHNOLOGIES AND R&D

We are an innovation-powered enterprise where R&D transcends mere product design to encompass holistic manufacturing solutions and the seamless realization of product concepts. We believe our true value lies in our capabilities in automation, bespoke equipment engineering, and production line optimization. This empowers us to accelerate client innovation, transforming early-stage prototypes into scalable, market-ready solutions.

Moreover, we engage deeply in the early design phase of clients' products, offering expert guidance across materials, structures and processes. By co-developing products with clients, and sometimes even taking the initiative to propose advanced technologies to them, we assist clients in optimizing their product design. This early-stage, proactive approach enhances client trust and loyalty and fortifies our market position.

Our Key Technologies

We have innovatively applied new materials, developed numerous leading foundational technologies and manufacturing processes, creating significant competitive advantages.

The following are some of our representative innovations:

Material Innovation

Advanced Metallic Materials

- **200+W/mK High-Thermal-Conductivity Aluminum Alloy**: The high-thermal-conductivity die-cast aluminum alloy currently used in data centers has a thermal conductivity of 155–175 W/mK. As device power consumption increases, demand for materials with higher thermal conductivity grows. Accordingly, we have replaced the conventional material with a die-cast aluminum alloy with high-thermal-conductivity of over 200 W/mK. According to Frost & Sullivan, this is the highest-thermal-conductivity die-cast aluminum alloy material used in commercial application;

- **Anodizable High-Strength Aluminum Powder for 3D Printing**: We have successfully developed anodizable high-strength aluminum powder for 3D printing. By optimizing the design of the reinforcing and flow phases in the powder formulation, we have resolved the conflicts between printability (low tendency for thermal cracking and high flowability) and surface treatment compatibility (low impurities and homogeneous microstructure). At the same time, we have significantly enhanced the material's strength (yield strength >500 MPa), providing customers with a new solution for additive manufacturing high-strength anodizable aluminum alloys;

Advanced Non-metallic Materials

- **Low-Dielectric Solder Joint Protection UV Adhesive**: Solder joint protection UV adhesives enhance product reliability by encapsulating solder points. Conventional UV adhesives used for data centers have a Dk value of around 3.0, which significantly reduces solder joint impedance in high-frequency applications. Our innovative UV adhesive, with a Dk value of below 2.1, effectively improves solder joint impedance and signal integrity of products; and

Advanced Composite Materials

- **Diamond-copper/aluminum Material**: Among metallic materials, silver exhibits the highest thermal conductivity (429 W/mK), followed by copper (400 W/mK). Carbon-based metal composites represent the most effective pathway to surpass the thermal conductivity limits of pure metals. Diamond-copper/aluminum materials significantly enhance thermal conductivity while maintaining excellent overall performance, with adjustable thermal conductivity ranging from 500–950 W/mK. We have innovatively introduced high-thermal-conductivity diamond-copper/aluminum materials with thermal conductivity of more than double that of copper. According to Frost & Sullivan, it is the highest-thermal-conductivity material in commercial application; and

Manufacturing Process

We master over 260 manufacturing processes. We continuously break through process bottlenecks, address persistent industry challenges, and consistently bring new technologies and product designs to mass production. The following are some of our representative innovative manufacturing processes:

3D Printing SLM Technology

3D printing additive manufacturing technology has gained increasing popularity in recent years due to its rapid prototyping, diverse material options, high material utilization, and the ability to produce complex geometric structures with internal cavities or hollow features which traditional processes cannot achieve. We have successfully developed high-performance localized equipment suitable for consumer electronics in collaboration with a well-known domestic laser manufacturer. This equipment integrates four laser heads within a single machine, with a working area of 260mm x 260mm, featuring highly integrated and fully automated production line. This includes multiple 3D printing machines, automatic loading and unloading mechanism, automatic powder recovery system, and automatic powder cleaning equipment. The entire system occupies only half the space of traditional designs, reduces labor by 80%, and lowers costs by over 30%.

Automated Solder-Feeding Laser Welding Process

We developed an automated solder-feeding laser welding process. Our laser welding system employs high-precision machine vision positioning technology, utilizing a multispectral imaging system to capture product reference features in real time, achieving sub-pixel-level positioning accuracy. The system integrates a servo-controlled automated solder-feeding mechanism with a kilowatt-class fiber laser system, enabled by an industrial-grade intelligent control platform. It can achieve intelligent solder feeding control, precise energy modulation and non-contact welding. According to Frost & Sullivan, we are one of the world's first to industrialize fully automated solder-feeding laser welding, placing us significantly ahead of most industry peers.

High-Speed, Ultra-Thin, Waterproof USB-C Modular Automated Process

Our automated process for high-speed, ultra-thin, waterproof USB-C modules delivers one of the industry's slimmest and most compact products with high corrosion resistance, high-current capacity and high-speed data transmission, according to Frost & Sullivan. The mold stage incorporates a four-step inset-molding process, utilizing metal terminals of varying thicknesses for injection molding to ensure minimal profile while meeting IPX8 waterproofing and 10A high-current requirements. Our fully modularized, customized automation process introduces a novel "plasma treatment technology," resolving long-standing challenges such as low secondary adhesive-dispensing yield and unstable waterproof sealing. This elevates dispensing yield to over 99%. We further developed an AI-powered charge-coupled device (CCD) automated inspection process, enabling autonomous detection of cosmetic defects and full replacement of manual visual inspection. According to Frost & Sullivan, this process yields one of the thinnest and lightest USB-C connectors in the industry, demonstrating our industry-leading capabilities in product design, mold development, and manufacturing process.

Testing Technology

Deep Learning Industrial Quality Automated Optical Inspection (AOI)

Traditional machine vision quality AOI relies on preset rules and fixed thresholds. When faced with complex and variable product appearance defects, such as scratches, stains and assembly flaws, this approach suffers from high miss rates, high false positives and complicated debugging, with difficulty adapting to new products or defects. These issues severely constrain production efficiency and yield improvement.

We have integrated deep learning technology to create a new generation of intelligent industrial quality AOI system. Based on a vast defect sample library and our proprietary small sample learning and semi-supervised learning algorithms, we have trained highly precise and robust visual inspection models. Coupled with high-performance edge computing hardware and intelligent scheduling algorithms, we achieve millisecond-level real-time online detection.

In addition, we have developed a graphical model iteration platform that enables production line engineers to quickly update models to meet new requirements. This system can increase the detection rate of complex appearance defects to over 95%, reduce the miss rate to less than 2%, and decrease false positives to less than 15%. The time required to configure the logic for testing new product introductions is shortened by over 80%, and the demand for quality inspection personnel has been reduced by 70%, significantly improving the level of intelligent production and customers' competitive edge in quality.

Our R&D Investments

We have invested substantially in our R&D technology. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our R&D expenses amounted to RMB8,447.0 million, RMB8,118.8 million, RMB8,556.0 million and RMB8,170.4 million, respectively. A significant portion of our R&D spending is dedicated to pioneering foundational materials, processes, and other cutting-edge technologies. As of September 30, 2025, we owned 9,185 patents, including 2,241 invention patents.

R&D Centers and Laboratories

Our In-house R&D Centers and Testing Laboratories

As of September 30, 2025, we had 28 in-house R&D centers globally, 16 of which were located in Chinese Mainland. Our in-house R&D centers possesses the technology and equipment for the entire product lifecycle from design, development and prototype testing to mass production and delivery. Supported by our professional R&D team, advanced testing equipment, and extensive industry experience, we provide comprehensive, professional, and reliable testing and certification support, empowering product quality improvement and commercial success.

As of September 30, 2025, we had 94 testing laboratories, including eight that are accredited by China National Accreditation Service for Conformity Assessment (CNAS) and certified by ISO/IEC 17025:2017. We leverage our laboratories' capabilities to deeply simulate real world environments and comprehensively assess product hardware and software compatibility, ensuring an exceptional user experience from the outset. In the product design phase, we offer one-stop performance and safety validation services, which reinforce product quality and safety defense. For high-speed transmission applications like HDMI, USB, and DP, we possess professional signal integrity testing capabilities. Collaborating with authoritative testing institutions, we streamline industry compliance processes, shortening certification timelines and accelerating market readiness for our clients.

These testing laboratories possess a comprehensive range of testing equipment to ensure the products and solutions we provide to customers are impeccable in terms of quality. Our specialties include chemical and material reliability testing, environmental testing, mechanical testing, electrical testing and lifetime testing.

Our Collaborative R&D and Testing Laboratories

We collaborate with a number of well-established industry partners and academic institutions, and participate in provincial and municipal R&D initiatives, focusing on the R&D of next generation technologies. The ownership of intellectual properties for the joint R&D results is determined on a case-by-case basis. For joint R&D projects with our customers, the intellectual properties for the R&D results usually belong to such customers. For collaborative R&D with academic institutions, we usually own the intellectual properties for the R&D results.

We have established strategic partnerships with several top domestic and international laboratories. By integrating global quality testing resources, we provide internationally recognized testing and certification services, ensuring product compliance and market competitiveness. Together with industry leaders, we achieve breakthroughs in new materials and processes, accelerating technological advancements and commercialization.

R&D Process

Our simplified R&D process is as follows:

- **Feasibility:** In this critical first phase, we engage in brainstorming sessions to explore innovative concepts, conduct in-depth market research, and formulate strategic approaches. We evaluate market demands, establish high-level timelines, and align our capabilities with project objectives. We may also develop a comprehensive feasibility charter, incorporating preliminary return on investment projections, budgetary frameworks, key milestone targets, and proactive risk assessment to ensure a solid foundation for success;

- **Planning:** With a clear roadmap in place, we transition to meticulous planning, crafting detailed program blueprints, engineering prototypes, and refining precise product specifications. Rigorous design verification and reliability testing commence at this stage, including initial functional and durability assessments, ensuring seamless progression to development;

- **Development**: We finalize the design, and execution begins with comprehensive validation and testing. Every component undergoes stringent evaluation to meet performance, quality and reliability benchmarks before advancing to production readiness;

- **Ramp-up**: Full-scale product validation begins, including design verification testing, selective engineering validation testing, and targeted production trials to ensure manufacturability and consistency before mass production; and

- **Mass Production**: New product introduction transitions into stabilized manufacturing, supported by stringent process controls and ongoing reliability testing to maintain uncompromising quality throughout the production lifecycle.

MANUFACTURING

Intelligent Manufacturing

Based on our understanding of precision manufacturing and continued investment in innovation, we have developed a digital manufacturing ecosystem featuring deep human-machine collaboration, supported by our self-developed automated factory system. We integrate industrial robots, data collection and analytics, AI algorithms, and digital twin technology across R&D, manufacturing, supply chain management, and quality control, achieving a highly intelligent production model.

The following images illustrate our intelligent production facilities:

Development History of Intelligent Manufacturing

Our intelligent manufacturing capabilities have evolved through four stages.

First Stage: Basic Automation (2012–2020)

We established basic automation at an early stage to reduce manual labor and improve production efficiency laying the foundation for our intelligent manufacturing.

Second Stage: Digital Automation (2020–2022)

We deployed digital systems such as ERP, PLM, and MES to connect and deeply mine data related to personnel, resources, manufacturing and operations, and built fully automated production lines supported by autonomous mobile robots ("**AMR**"). This stage focused on cost reduction and efficiency enhancement through system integration.

Third Stage: Intelligent Automation (2022–Present)

We established an intelligent closed-loop system for data auto-collection, auto-analysis, auto-decision-making, auto-execution, and auto-repair, enabling automated production adjustments and process optimization.

Fourth Stage: Systemic Automation (2024–Present)

We developed factory-level automation systems tailored to specific production sites and established a lights-out factory at our Kunshan production base, achieving end-to-end automated operations.

Self-developed Automation and Equipment Engineering Capabilities

Unlike traditional manufacturing companies that rely on third-party equipment suppliers for procurement solutions, we embrace in-house R&D throughout the entire chain of core automation systems. We have a team of over 1,000 automation engineers covering various professional fields, including structure, control systems, algorithm development, visual technology, software and hardware development, and automation equipment manufacturing. This enables us to have complete self-developing and equipment engineering capabilities.

We have developed proprietary platforms covering AI-based inspection, intelligent scheduling, predictive maintenance and quality monitoring, enabling integrated intelligent manufacturing across the full production cycle.

Generalized Intelligent Manufacturing Database Based on Diverse Processes

Our expertise extends across consumer electronics, automotive electronics, communication and data centers, and other end markets. With extensive experience in mass-producing components and modules, we have built a vast and growing database of product technologies and manufacturing processes. This enables us to rapidly adapt and replicate existing models for new projects, significantly shortening development cycles while integrating cross-disciplinary innovations. This capability not only accelerates customer prototyping and mass production for existing products, but also empowers them to break through technical and process bottlenecks in product iterations and cutting-edge applications. It positions us as an indispensable partner in supporting diverse product portfolios, responding swiftly to customized demands, and addressing industry pain points.

Application of Intelligent Tools

We utilize various intelligent tools in our intelligent manufacturing process, including the following:

- **Digital Twin**: We leverage digital twin technology for bidirectional mapping between physical production lines and virtual models. By simulating and validating the design of new products and the planning of manufacturing processes in a virtual environment, we can preemptively identify and resolve potential issues, shortening product development cycles and ramp-up periods. In addition, the digital twin technology enables the monitoring of physical production lines, paving the way for a future where "local innovation, global fulfillment" becomes a streamlined reality; and

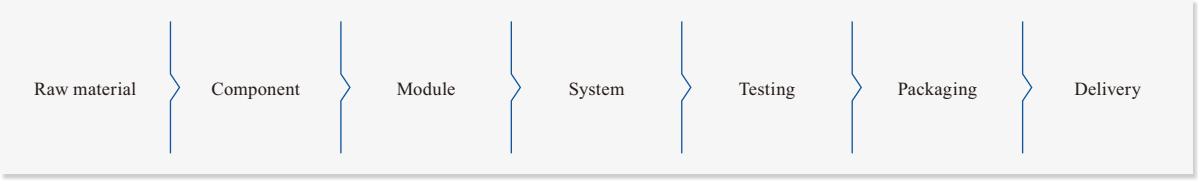
- **Precision Manufacturing Operations Management (MOM) Platform**: Designed based on a modular architecture, our MOM platform integrates intelligent manufacturing execution systems, quality management tools, and intelligent asset management systems. It comprehensively optimizes production operations, workforce coordination, and safety protocols, driving the evolution of intelligent manufacturing.

Manufacturing Process and Capabilities

Our manufacturing process forms a closed-loop system comprising seven major stages, from manufacturing components and modules, system integration, to testing, packaging and delivery. By selecting quality materials, utilizing high-precision machining, ensuring reliable manufacturing processes, and implementing comprehensive automated testing technologies, we achieve stable product

yield in high-power and high-frequency environments. With this end-to-end processing capability, we can produce core components that meet the stringent requirements of our customers, establishing a competitive advantage in technology and quality in the global PIMS industry.

The main stages of our manufacturing process are as follows:



Production Capacity and Utilization

Production Base

As of September 30, 2025, we had 105 production base around the globe, comprising 69 in China (including Chinese Mainland, Hong Kong and Taiwan), nine in Mexico, four in Vietnam, three in Romania, two each in Poland and Slovakia, and one each in Malaysia, the Philippines, Thailand, Japan, India, Singapore, Germany, Czechia, Portugal, Serbia, Türkiye, Ukraine, Hungary, Paraguay, Egypt and Tunisia.

In China, we have established manufacturing bases in Guangdong, Jiangxi, Fujian, Hubei, Jiangsu, Zhejiang, Anhui, Hebei, Shaanxi, Sichuan and Yunnan, among others, effectively integrating the local complete industrial chain supporting resources and high-quality talent reserves, forming a high-tech base for precision manufacturing. Across Southeast and South Asia, our Vietnam, Philippines, Thailand, Malaysia and India operations capitalize on competitive labor advantages and favorable policies, delivering cost-efficient production without compromising quality. This strategic positioning enables us to offer exceptional value while maintaining rigorous quality standards. Our European, the Americas and North African manufacturing bases create a responsive regional manufacturing network. This proximity to key markets ensures rapid customer response times, shortened delivery cycles, and enhanced market agility.

Our interconnected global production network represents more than just geographic coverage. It is a strategic advantage that delivers reliability and responsiveness to partners worldwide. The "local innovation, global fulfillment" approach enables us to flexibly allocate resources and provide customized solutions tailored to different markets and customer characteristics. It also significantly reduces risks associated with current international geopolitical uncertainties, positioning us as a comprehensive and capable partner for top-tiered customers globally.

Production Capacity, Volume and Utilization Rate

The following table illustrates the maximum production capacity, production volume and utilization rate of our production bases by business line for the periods indicated:

		Year Ended December 31,									Nine Months Ended September 30, 2025		
		2022			2023			2024					
	Unit	*Production Volume (000')*	*Production Capacity[1] (000')*	*Utilization Rate[2]*	*Production Volume (000')*	*Production Capacity[1] (000')*	*Utilization Rate[2]*	*Production Volume (000')*	*Production Capacity[1] (000')*	*Utilization Rate[2]*	*Production Volume (000')*	*Production Capacity[1] (000')*	*Utilization Rate[2]*
Consumer electronics	piece	4,925,321	5,878,437	83.8%	4,718,756	5,653,984	83.5%	7,900,088	9,501,439	83.2%	5,965,016	7,063,178	84.5%
Automotive electronics	set	352,333	467,041	75.4%	315,470	395,049	79.9%	329,753	374,669	88.0%	369,116	421,509	87.6%
Communication and data center	piece	522,561	549,900	95.0%	287,729	353,379	81.4%	468,716	532,265	88.1%	375,835	421,784	89.1%
Others	piece	416,004	533,436	78.0%	386,291	456,640	84.6%	423,508	431,903	98.1%	298,966	304,446	98.2%
Total/Overall	**piece/set**	**6,216,219**	**7,428,813**	**84.0%**	**5,708,246**	**6,859,051**	**83.2%**	**9,122,065**	**10,840,276**	**83.8%**	**7,008,933**	**8,210,917**	**85.3%**

Notes:

(1) Production capacity is calculated by multiplying the hourly production rate by the number of working hours per day and the total number of working days for each period. Production capacity is calculated based on the assumptions that all our production lines and equipment operate (i) eight hours a day, and (ii) for the number of actualwork days for the relevant year/period, which is 281 days, 283 days, 287 days and 200 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

(2) Utilization rate is calculated as dividing production volume by the production capacity for the same periods

During the Track Record Period, our production capacity utilization rate for automotive electronics business increased from 75.4% in 2022 to 79.9% in 2023, and further to 88.0% in 2024, primarily due to the steady growth of our automotive electronics business and increasing customer orders. Our production capacity utilization rate for communication and data center business decreased from 95.0% in 2022 to 81.4% in 2023, primarily due to our strategic expansion of production capacity in anticipation of increasing market demand for communication and data center products and solutions.

We plan to further increase our production capacity and upgrade our production bases, expanding our distributed manufacturing network, enhancing our global service capabilities, and increase the automation level of our production lines. For details, see "Future Plans and Use of **[REDACTED]**."

AWARDS AND RECOGNITION

The following table sets out a summary of the major awards and recognition we have received as of the Latest Practicable Date.

Award or Recognition	Year	Issuing Authority
Technologically Advanced Little Giant (專精特新小巨人)	2023	State Ministry of Industry and Information Technology (國家工信部)

Award or Recognition	Year	Issuing Authority
National Enterprise Technology Center (國家級企業技術中心)	2023	National Development and Reform Commission (中華人民共和國國家發展和改革委員會), Ministry of Science and Technology (中華人民共和國科學技術部), Ministry of Finance (中華人民共和國財政部), General Administration of Customs (中華人民共和國海關總署), and State Administration of Taxation (國家税務總局)
National Intellectual Property Advantageous Enterprises (國家知識產權優勢企業)	2023	State Intellectual Property Office (國家知識產權局)
Advanced-level Intelligent Factory (先進級智能工廠)	2025	Industry and Information Technology Department of Jiangsu (江蘇省工業和信息化廳)
Guangdong Engineering Technology Research Center (廣東省工程技術研究中心)	2022	Guangdong Province Department of Science and Technology (廣東省科技廳)
Anhui Province Intelligent Factory (安徽省智能工廠)	2022	Economy and Information Department of Jiangsu (安徽省經濟和信息化廳)

OUR CUSTOMERS

Our customers are located worldwide, and we have maintained cooperation with leading customers for many years. We serve the most valuable customers in the market through our advanced technological capabilities, mutually selecting and achieving success with diverse top-tier clients. We are the supplier with the most comprehensive product categories for our core clients and engage deeply in the product development process from the design stage, efficiently and proactively addressing customer needs.

In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, revenue generated from our five largest customers was RMB177.9 billion, RMB191.2 billion, RMB211.0 billion and RMB143.5 billion, respectively, accounting for 83.1%, 82.4%, 78.5% and 65.0%, respectively, of our total revenue in the same periods. In addition, revenue generated from our largest customer in the same periods was RMB156.8 billion, RMB174.5 billion, RMB190.1 billion and RMB124.4 billion, respectively, accounting for 73.3%, 75.2%, 70.7% and 56.3%, respectively, of our total revenue in the same periods. We generally provided to our customers credit terms of 30 to 60 days.

To the best knowledge of our Directors, none of our Directors and their respective close associates or any of the Shareholders holding more than 5% of our Company's share capital as of the Latest Practicable Date has any interest in any of our five largest customers during the Track Record Period.

The following tables set forth the details of our five largest customers for each period during the Track Record Period:

For the Year Ended December 31, 2022

Customer	Products/solutions sold to customer	Revenue	% of our total revenue	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	Consumer electronics products and solutions	156,832,833	73.3	2011
Customer B	Consumer electronics and communication products and solutions	6,508,408	3.0	2004
Customer C/ Supplier B	Consumer electronics and communication products and solutions	5,767,146	2.7	2011
Customer D	Consumer electronics products and solutions	5,553,794	2.6	2012
Customer E	Consumer electronics products and solutions	3,198,254	1.5	2016
Total		**177,860,435**	**83.1**	

For the Year Ended December 31, 2023

Customer	Products/solutions sold to customer	Revenue	% of our total revenue	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	Consumer electronics products and solutions	174,489,982	75.2	2011
Customer C/ Supplier B	Consumer electronics and communications products and solutions	6,031,671	2.6	2011
Customer B	Consumer electronics and communication products and solutions	4,877,559	2.1	2004
Customer E	Consumer electronics products and solutions	3,219,652	1.4	2016
Customer D	Consumer electronics products and solutions	2,584,840	1.1	2012
Total		**191,203,704**	**82.4**	

For the Year Ended December 31, 2024

Customer	Products/solutions sold to customer	Revenue	% of our total revenue	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	Consumer electronics and communication products and solutions	190,138,937	70.7	2011
Customer C/ Supplier B	Consumer electronics and communication products and solutions	6,130,651	2.3	2011
Customer F/ Supplier G	Consumer electronics products and solutions	5,704,571	2.1	2024
Customer B	Consumer electronics and communication products and solutions	5,493,571	2.0	2004
Customer E	Consumer electronics products and solutions	3,555,806	1.3	2016
Total		**211,023,536**	**78.5**	

For the Nine Months Ended September 30, 2025

Customer	Products/solutions sold to customer	Revenue	% of our total revenue	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	Consumer electronics and communication products and solutions	124,379,314	56.3	2011
Customer F/ Supplier G	Consumer electronics products and solutions	7,530,739	3.4	2024
Customer C/ Supplier B	Consumer electronics and communication products and solutions	4,116,195	1.9	2011
Customer B	Consumer electronics and communication products and solutions	4,061,987	1.8	2004
Customer G	Consumer electronics and automotive electronics products and solutions	3,403,595	1.5	2018
Total		**143,491,830**	**65.0**	

Notes:

(1) Customer A/Supplier A is a leading global consumer electronics brand company, headquartered in the US with multinational operations, listed on the NASDAQ.

(2) Customer B is a company engaged in the manufacture of electronic hardware related to consumer electronics, headquartered in Taiwan China with massive global operations, listed on the Taiwan Stock Exchange.

(3) Customer C/Supplier B is a company engaged in the development and sale of information and communication technology infrastructure and personal smart terminals, headquartered in the Chinese Mainland with multinational operations, privately held.

(4) Customer D is a company engaged in the manufacture of consumer electronics terminals and data center hardware, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.

(5) Customer E is a company engaged in acoustic components and electroacoustic products, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.

(6) Customer F/Supplier G is a company engaged in radio frequency solutions and semiconductor devices, headquartered in the US with multinational operations, listed on the NASDAQ.

Key Terms of Contracts with Our Customers

We generally enter into framework agreements with our key customers. Actual sales are confirmed through sales agreements or purchase orders entered into with customers from time to time. We do not have any exclusivity arrangement with our customers. The salient terms of the framework sales agreement are as follows:

Duration	:	Generally ranges between one year to three years. Some of these framework agreements do not have fixed terms. These agreements are typically automatically renewed.
Pricing	:	Pricing of the products is generally specified in purchase orders.
Transfer of risks	:	Risks are transferred to our customers when the products are accepted by them.
Payment and credit terms	:	We generally deliver products to our customers before payment and grant our customers credit periods of 30 to 60 days.
Minimum purchase requirements	:	Our framework agreements with our customers usually do not contain minimum purchase requirements.
Logistics	:	We are generally responsible for delivering products to locations specified by our customers.
Returns/exchanges	:	Our customers will inspect the products upon delivery and are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications. We generally do not otherwise accept product returns or exchanges once the products have been accepted by our customers.
Confidentiality	:	These framework agreements usually have strict confidentiality provisions that restrict us from disclosing confidential information of our customer.
Termination	:	These framework agreements can be terminated with mutual agreement of parties and under certain circumstances such as force majeure or bankruptcy of a party.

Relationship with Customer A / Supplier A

We have established long-term and stable relationship with Customer A / Supplier A. During the Track Record Period, we primarily provided Customer A / Supplier A with products and solutions for its consumer electronic products. Our revenue generated from sales to Customer A / Supplier A was RMB156.8 billion, RMB174.5 billion, RMB190.1 billion and RMB124.4 billion in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, accounting for 73.3%, 75.2%, 70.7% and 56.3%, of our total revenue for the corresponding periods, respectively. According to Frost & Sullivan, the consumer electronics market is highly concentrated, particularly among top-tier brands that command a large share of global shipments. As such, it is common for providers of consumer electronics products and solutions, such as us, to have a concentrated customer base.

Our Directors are of the view, that the likelihood of any material adverse change in our business relationship with Customer A / Supplier A is low, because our cooperation is a mutual choice, and such relationship is long-term and mutually beneficial.

Having considered the Directors' view on the business relationship with Customer A / Supplier A above and based on the due diligence work performed by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would reasonably cause it to cast doubt on the Directors' view on the business relationship with Customer A / Supplier A in any material respect. For us, Customer A / Supplier A is a prestigious customer, a significant source of revenue and an important driver for our technological advancements and improvements in our process capability. For Customer A / Supplier A, we provide the following values that cement our position as an indispensable partner:

- Advanced R&D and Technical Expertise: we have dedicated engineering teams focused on Customer A / Supplier A's products. We co-develop products with Customer A / Supplier A leveraging our expertise on components, modules, system integration and manufacturing processes;

- Our Quick Response Capabilities: our technical support teams are on standby 24/7 to address any *ad hoc* needs and critical situations. We consistently address Customer A / Supplier A's *ad hoc* requests and needs in a timely fashion, which is a testament of our acute sensitivity and responsiveness to its pressing concerns and our capability and experience in tackling technological and practical challenges. We also offer agile prototyping and NPI processes that can effectively reduce the time-to-market;

- Global Manufacturing Network with Flexible Capacity Allocation: we have production facilities strategically distributed across three continents. Through our global manufacturing network and local-for-local strategy, we are able to dynamically shift our capacity between regions to ensure timely delivery and mitigate geopolitical risks;

- Comprehensive Product Portfolio: we provide vertically integrated solutions covering components, modules and system integration. Our vertical integration effectively reduces total system cost; and

- Uncompromising Quality Assurance: we are able to meet the strict requirements that Customer A / Supplier A, including lengthy and rigorous supplier approval procedures, stringent quality requirements, and strict requirements on various aspects of the supplier's business operations such as ESG compliance and corporate governance.

Our transactions with Customer A / Supplier A are based on reasonable commercial terms resulting from arm's length negotiations. For over a decade of our cooperation with Customer A / Supplier A, there had been no incidents of failure to renew or early termination of our contracts with Customer A / Supplier A, no reduction, delay or cancellation of orders by Customer A / Supplier A, and no disputes or conflicts.

During the Track Record Period, revenue from Customer A / Supplier A as a percentage of our revenue decreased significantly, from 73.3% in 2022 to 56.3% in the nine months ended September 30, 2025. This is primarily due to our efforts in (i) expanding our customer base, (ii) diversifying our product and solution portfolio and (iii) enhancing our vertical integration. In particular, our automotive electronics, and communication and data center business lines grew fast during the Track Record Period. From 2022 to 2024, revenue from our automotive electronics, and communication and data center business lines increased at a CAGR of 49.6% and 19.6%, respectively, faster than our overall revenue growth. For the nine months ended September 30, 2025, revenue from our automotive electronics business line and communication and data center business line increased by 155.3% and 38.4% from the same period in 2024, respectively. While we expect Customer A / Supplier A to remain as our largest customer in the year ending December 31, 2025 and as a large customer in the future, we expect the revenue from Customer A / Supplier A as a percentage of our total revenue to continue to decrease.

In addition, during the Track Record Period, we procured certain components used in consumer electronic products from Customer A / Supplier A. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, the purchases from Customer A / Supplier A for the same periods amounted to RMB107.4 billion, RMB109.5 billion, RMB117.9 billion and RMB77.3 billion, respectively, representing 58.1%, 61.9%, 56.0% and 44.2% of our total purchases for the corresponding periods, respectively. This is commonly referred to in the industry as the buy-and-sell model, where certain of our major customers require their suppliers, including us, to purchase raw materials and components manufactured or procured from themselves to exert overall control over the procurement process. According to Frost & Sullivan, the buy-and-sell model is a common practice in the consumer electronics industry. This model stems not only from the demand for vertical integration of the industrial chain but is also driven by technological collaboration and market competition. For details, see "— Our Suppliers — Overlapping Customers and Suppliers."

PRICING POLICY

We generally adopt a technology premium-oriented pricing strategy. Our pricing strategy generally considers four core elements: (i) the base cost of the product, including materials, labor, and manufacturing costs; (ii) value added technology, including number of proprietary patents applied in the product and its performance advantages against its peers; (iii) market factors, including strategic value to customers and the competitive landscape, for example regional differences in customer demand; and (iv) utilize AI and big data to monitor market dynamics real-time, establishing an agile pricing adjustment mechanism to ensure our pricing strategies in sync with industry trends and market reality.

We review our pricing strategy on a quarterly basis, with adjustments made by inter-departmental committee to ensure timely responses to fluctuations in raw material costs and market competition. We usually apply a high premium strategy during the new product introduction phase. All pricing decisions retain complete cost accounting records, in compliance with our internal policy requirements.

Our increased customer loyalty since our inception has enhanced our overall capabilities, including product precision, range of products we provide, and responsiveness to our customers. This has positioned us as an important supplier. We are able to provide significant value in innovation during

the early stages of development, which gives us strong bargaining and pricing power. By implementing the pricing strategies, we maximize the value of our products and achieve sustainable profitability amidst technological evolution and intensified market competition.

CREDIT CONTROL POLICY

We adopt a stringent credit control policy on our trade receivables. We have a dedicated credit management team to ensure reasonable credit limits based on customers' financial condition, and conduct continuous analysis and monitoring, and issue early warnings internally as soon as potential risks are detected, so as to take risk control measures in a timely manner and safeguard the sound operation of the business.

We also grant credit periods to certain customers. Factors to be taken into account for granting such credit terms include, among others, the business scale, credit worthiness, the length of business relationship as well as potential business opportunities with our customers. During the Track Record Period, we have generally granted credit terms of 30 to 60 days. Our trade and note receivables turnover days are 50 days, 40 days, 38 days and 52 days in 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively.

For the purpose of risk management, we maintain export credit insurance policies to lower our credit risk. The export credit insurance purchased by us is mainly used to cover the credit risk associated with our customers' payment.

PRODUCT RETURN AND WARRANTY

We work closely with our customers to address any quality concerns related to our products, ensuring a fast and satisfactory response to any issues that may arise.

Currently, our products are primarily sold to businesses. We provide warranty for the quality and functionality of our products to our customers, typically for a period of 18 to 36 months. In our daily operations, we encounter sporadic returns. In the event that our customers request a product return, we promptly assess the issue, determine whether we are responsible for the issue, and address the issue based on the specific needs of our customer. If the issue is due to a manufacturing defect on our part, we will repair the product or provide a replacement to the customer, along with a comprehensive analysis report for review to prevent similar issues in the future. For issues we are not responsible for, we make a separate quotation to our customers to resolve the issue. All re-packaging and testing will be conducted according to the same standards as for new product shipments.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return and nor had we received any material complaints regarding our products. Our Directors consider that the quality of our products are generally stable and no provision for product return had been made during the Track Record Period.

SEASONALITY

We typically experience higher sales in the second half of the year. Specifically, demand for and sales of our consumer electronics products and solutions is affected by holiday seasons and consumer consumption habits. During peak seasons, such as the 618 and double 11 shopping festivals in China and Thanksgiving and Christmas in international markets, there is generally an increase in consumer consumption, which drives the demand for our products and solutions.

We implement measures to address seasonal fluctuations, such as focusing on technology research and customer certification during the off-peak season, establishing a flexible supply chain and can increase production capacity to ensure we meet customer demand during the peak seasons, implementing a strategic inventory management policy which ensures we maintain sufficient stock for critical materials. Through precise operational management, we have successfully achieved stable business growth throughout the year.

SALES AND MARKETING

During the Track Record Period, we derived all our revenue from direct sales to customers. We believe direct sales is crucial to addressing customers' needs to deliver the best experience. We have established an extensive global sales network to maintain close contact with customers in consumer electronics, automotive electronics, communication and data centers and other industries, as well as to explore business opportunities with potential customers in these industries. Our marketing revolves around two key approaches:

- We continuously introduce new products to existing markets and customers. We enhance our presence in existing markets by uncovering demand for new product offerings for our established clientele; and

- We expand into new markets and fresh territories with our high-quality and proven products and solutions to diversify our customer base.

We adopt a diversified sales and marketing strategy, focusing on technology-based brand building and precise opportunity acquisition. We conduct market research, customer analysis, and market forecasting to understand customer needs, identify market opportunities, and adjust our marketing strategies to continuously expand into new markets. We believe by understanding potential customers' needs and addressing their challenges, we are able to formulate more targeted marketing strategies and improve marketing effectiveness.

RAW MATERIALS AND SUPPLY CHAIN

We procure materials for the multiple business lines we operate, including (i) raw materials and components, and (ii) precision instruments and equipment. We employ a stringent selection criteria and regular evaluation for our suppliers, rating them based on business scale, product quality, production capacity, pricing, and both pre-sales and after-sales service capabilities. We also conduct on-site inspections of suppliers' production base and require them to provide product samples for our internal testing. If we identify any issues during the evaluation process, we communicate the issue with the supplier and require them to rectify the issue according to our standards. If a supplier fails to meet these standards, we may terminate our relationship with them.

We place purchase orders based on our production plan, sales plan based on customer sales forecasts and orders and inventory level. Pricing is negotiated fairly with suppliers each time an order is placed. Our strategy is to build long-term partnerships with suppliers to enhance our bargaining power, to ensure priority access to their latest products, and maintain our inventory levels during times of market shortages. We have a sound inventory management system and procedures, conducting regular stock checks to ensure consistency between accounts and physical inventory. For details on our inventory management, see "—Inventory Management."

To cope with supplier price fluctuations, we sign framework agreements with long-term suppliers to lock in prices and reduce costs by bulk purchasing. We also reduce our reliance on high-priced materials through the R&D of new materials and new processes.

OUR SUPPLIERS

In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, purchases from our five largest suppliers amounted to RMB116.4 billion, RMB115.3 billion, RMB131.2 billion and RMB90.6 billion, respectively, representing 63.0%, 65.2%, 62.3% and 51.8% of our total purchases, respectively. In addition, the purchases from our largest supplier for the same periods amounted to RMB107.4 billion, RMB109.5 billion, RMB117.9 billion and RMB77.3 billion, respectively, representing 58.1%, 61.9%, 56.0% and 44.2% of our total purchases for the corresponding periods, respectively. To the best information and knowledge of our Directors, none of our Directors and their respective close associates or any of the Shareholders holding more than 5% of our Company's share capital as of the Latest Practicable Date has any interest in any of our five largest suppliers during the Track Record Period. The credit terms for our trade payables are agreed upon with each supplier, which is up to 180 days.

The following tables set forth details of our five largest suppliers for each period during the Track Record Period:

For the Year Ended December 31, 2022

Supplier	Main materials purchased	Purchase costs	% of our total purchases	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	PCBs, screens and chips	107,417,124	58.1	2011
Customer C/ Supplier B	fan components, server rack accessories, conductors and circuit breakers	3,469,446	1.9	2011
Supplier C	Metal structural components, such as metal casing tubes and concentric shafts	1,947,273	1.1	2018
Supplier D	Hard drives for servers	1,872,418	1.0	2021
Supplier E	Integrated circuits, micro-controllers, diodes and memories	1,688,955	0.9	2017
Total		**116,395,216**	**63.0**	

For the Year Ended December 31, 2023

Supplier	Main materials purchased	Purchase costs	% of our total purchases	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	PCBs, screens and chips	109,487,265	61.9	2011
Customer C/ Supplier B	fan components, server rack accessories, conductors and circuit breakers	1,506,824	0.9	2011
Supplier E	Integrated circuits, micro-controllers, diodes and memories	1,463,571	0.8	2017
Supplier F	Acoustic components, such as speakers	1,438,334	0.8	2019
Supplier C	Metal structural components, such as metal casing tubes and concentric shafts	1,379,788	0.8	2018
Total		**115,275,782**	**65.2**	

For the Year Ended December 31, 2024

Supplier	Main materials purchased	Purchase costs	% of our total purchases	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	PCBs, screens and chips	117,903,199	56.0	2011
Customer F/ Supplier G	RF devices, such as RF integrated circuits and analog chips	7,252,151	3.4	2024
Supplier C	Metal structural components, such as metal casing tubes and concentric shafts	2,621,683	1.2	2018
Supplier H	Integrated circuits, micro-controllers, diodes and memories	2,051,313	1.0	2017
Supplier I	Passive electronic components, such as capacitors, inductors and filters	1,415,342	0.7	2018
Total		**131,243,688**	**62.3**	

For the Nine Months Ended September 30, 2025

Supplier	Main materials purchased	Purchase costs	% of our total purchases	Commencement year of business relationship
		(RMB'000)		
Customer A/ Supplier A	PCBs, screens and chips	77,316,626	44.2	2011
Customer F/ Supplier G	RF devices, such as RF integrated circuits and analog chips	7,254,753	4.1	2024
Supplier J	Data center server chips and interconnects	3,016,454	1.7	2014
Supplier C	Metal structural components, such as metal casing tubes and concentric shafts	1,553,531	0.9	2018
Supplier H	Integrated circuits, micro-controllers, diodes and memories	1,455,201	0.8	2017
Total		**90,596,563**	**51.8**	

(1) Supplier C is a company engaged in the manufacture of precision structural parts and molds, headquartered in Hong Kong China with multinational operations, privately held.

(2) Supplier D is a company engaged in data storage solutions and hard disk drives, headquartered in the US with multinational operations, listed on the NASDAQ.

(3) Supplier E is a company engaged in electronic component distribution and technical services, headquartered in Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.

(4) Supplier F is a company engaged in the R&D and manufacture of acoustic, optical, precision components, and smart hardware, headquartered in the Chinese Mainland with multinational operations, listed on the Shenzhen Stock Exchange.

(5) Supplier H is a company engaged in electronic component distribution and technical services, headquartered in the Taiwan China with multinational operations, listed on the Taiwan Stock Exchange.

(6) Supplier I is a company engaged in electronic component R&D and manufacturing, headquartered in the Japan with multinational operations, listed on the Tokyo Stock Exchange.

(7) Supplier J is a company engaged in e-commerce, financial technology, cloud computing and logistics, headquartered in the US with multinational operations, listed on the NASDAQ.

Key Terms with Our Suppliers

We enter into procurement framework agreements with certain of our suppliers. We do not have exclusivity arrangements with our suppliers. The terms of the agreements vary depending on the result of our negotiation with each supplier, but these agreements typically include the following terms:

Duration	:	Our framework agreements generally do not have a fixed term.
Pricing	:	The supplier guarantees the transaction price is not higher than the lowest price the supplier offers to any third party, and is not higher than the reasonable market price of the subject matter.
Payment and credit terms	:	Payment terms are generally set out in specific purchase orders rather than the framework agreement. We will make payments once all the payment conditions have been satisfied.

Logistics	:	Location of delivery is subject to the purchase order. Transportation and other related costs will be borne by the supplier. The risk is transferred to us after delivery and acceptance.
Warranty period	:	The warranty period is two years from the day after our acceptance of delivery.
Confidentiality	:	The supplier is obliged to keep confidential any documents and electronic files provided by us, including projects, structures, data, software, plans, price, product specifications, R&D, and customer information.
Changes and termination	:	Any amendment, change, addition, deletion, or termination of the framework agreement must be agreed by both parties through written confirmation.

Overlapping Customers and Suppliers

During the Track Record Period, certain of our five largest customers were also our suppliers, and certain of our five largest suppliers were also our customers (the "**Overlapping Customers and Suppliers**").

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, four, five, five and five of our five largest customers during the Track Record Period were also our suppliers, generating revenue of RMB172.3 billion, RMB191.2 billion, RMB211.0 billion and RMB143.5 billion, which represented 80.5%, 82.4%, 78.5% and 65.0% of our total revenue, respectively. For the same periods, the purchases from such overlapping customers and suppliers amounted to RMB112.7 billion, RMB111.8 billion, RMB127.3 billion and RMB86.1 billion, which represented 61.0%, 63.2%, 60.4% and 49.2% of our total purchases, respectively.

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, two, three, four and four of our five largest suppliers during the Track Record Period were also our customers, generating revenue of RMB162.6 billion, RMB181.6 billion, RMB195.8 billion and RMB134.8 billion, which represented 76.0%, 78.3%, 72.9% and 61.0% of our total revenue, respectively. For the same periods, the purchases from such overlapping customers and suppliers amounted to RMB110.9 billion, RMB112.4 billion, RMB129.2 billion and RMB87.6 billion, which represented 60.0%, 63.6%, 61.3% and 50.0% of our total purchases, respectively.

The reason we had purchases from and sales to the Overlapping Customers and Suppliers during the Track Record Period was primarily due to the following:

Buy-and-sell Model

Certain of our Overlapping Customers and Suppliers, namely Customer A/Supplier A, Customer C/Supplier B and Supplier J, require their suppliers, including us, to purchase certain raw materials and components manufactured or procured from themselves to exert overall control over the procurement process, and to better control the cost and quality of raw materials. This is commonly referred to in the industry as the buy-and-sell model. Raw materials and components purchased under the buy-and-sell model are limited to use in the products of the same customer/supplier certified for particular products.

Customer A/Supplier A, our largest customer in each of 2022, 2023 and 2024 and in the nine months ended September 30, 2025, was also our largest supplier in the same periods. In 2022, 2023 and 2024 and in the nine months ended September 30, 2025, revenue generated from Customer A/Supplier A amounted to RMB156.8 billion, RMB174.5 billion, RMB190.1 billion and RMB124.4 billion,

respectively. During the same periods, purchase costs from Customer A/Supplier A amounted to RMB107.4 billion, RMB109.5 billion, RMB117.9 billion and RMB77.3 billion, respectively. We primarily sold consumer electronics products and solutions to Customer A/Supplier A and primarily purchased PCBs, screens and chips from Customer A/Supplier A.

Customer C/Supplier B, one of our five largest customers in each of 2022, 2023 and 2024 and in the nine months ended September 30, 2025, was one of our five largest suppliers in each of 2022 and 2023, and maintained our supplier in each of 2024 and in the nine months ended September 30, 2025. In 2022, 2023 and 2024 and in the nine months ended September 30, 2025, revenue generated from Customer C/Supplier B amounted to RMB5,767.1 million, RMB6,031.7 million, RMB6,130.7 million and RMB4,116.2 million, respectively. During the same periods, purchase costs from Customer C/Supplier B amounted to RMB3,469.4 million, RMB1,506.8 million, RMB1,223.3 million and RMB987.1 million, respectively. We primarily sold consumer electronics and communication products and solutions to Customer C/Supplier B and primarily purchased fan components, server rack accessories, conductors and circuit breakers from Customer C/Supplier B.

Supplier J, one of our largest suppliers in the nine months ended September 30, 2025, was also our customer in the same period. In the nine months ended September 30, 2025, revenue generated from Supplier J amounted to RMB2.9 billion. During the same period, purchase costs from Supplier J amounted to RMB3.0 billion. We primarily sold communication and data center products and solutions to Supplier J and primarily purchased data center server chips and interconnects from Supplier J.

According to Frost & Sullivan, it is in line with industry practice for a company to have both sales to and purchases from the same customer/supplier and to adopt a buy-and-sell model. Sales and purchases from Customer A/Supplier A and Customer C/Supplier B were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis. For details of payment arrangements with Customer A/Supplier A and Customer C/Supplier B, see "—Our Customers—Key Terms of Contracts with Our Customers" and "—Our Suppliers—Key Terms with Our Suppliers."

Conglomerate Customers or Suppliers

Certain of our Overlapping Customers and Suppliers, namely Customer F/Supplier G, Customer B, Customer D, Customer E, Customer G, Supplier C, Supplier F and Supplier J, are large enterprises in the consumer electronics industry and has diverse product offerings. The consumer electronics industry has a relatively complex supply chain with multiple stages and diverse material requirements. Each company along this supply chain has its unique advantages in certain areas. We collaborate with other participants in the industry value chain to produce a variety of products to meet our customers' rigorous requirements. Our purchases from and sales to such Overlapping Customers and Suppliers were separate processes and took place at different stages of the industry value chain, and were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis.

Customer F/Supplier G, one of our five largest customers in each of 2024 and in the nine months ended September 30, 2025, was one of our five largest suppliers in each of the same periods. We maintain an upstream and downstream supply chain relationship with Customer F/Supplier G. In 2024 and in the nine months ended September 30, 2025, revenue generated from Customer F/Supplier G amounted to RMB5,704.6 million and RMB7,530.7 million, respectively. During the same periods, purchase costs from Customer F/Supplier G amounted to RMB7,252.2 million and RMB7,254.8 million, respectively.

Customer B, one of our five largest customers in each of 2022, 2023 and 2024 and in the nine months ended September 30, 2025, was also our supplier in each of the same periods. We maintain an upstream and downstream supply chain relationship with Customer B. In 2022, 2023 and 2024 and in the nine months ended September 30, 2025, revenue generated from Customer B amounted to RMB6,508.4 million, RMB4,877.6 million, RMB5,493.6 million and RMB4,062.0 million, respectively. Our purchases from Customer B represented an insignificant percentage of our total cost of sales in the respective periods.

Customer D, one of our five largest customers in each of 2022 and 2023, was also our supplier in 2023. We maintain an upstream and downstream supply chain relationship with Customer D. In 2023, revenue generated from Customer D amounted to RMB2,584.8 million. Our purchases from Customer D represented an insignificant percentage of our total cost of sales in 2023.

Customer E, one of our five largest customers in each of 2022, 2023 and 2024, was also our supplier during the same periods. We maintain an upstream and downstream supply chain relationship with Customer E. In 2022, 2023 and 2024, revenue generated from Customer E amounted to RMB3,198.3 million, RMB3,219.7 million and RMB3,555.8 million, respectively. Our purchases from Customer E represented an insignificant percentage of our total cost of sales in the respective periods.

Customer G, one of our five largest customers in the nine months ended September 30, 2025, was also our supplier during the same period. Our sales to Customer G in the nine months ended September 30, 2025 were not related to or conditional upon our purchases from it during the same period. In the nine months ended September 30, 2025, revenue generated from Customer G amounted to RMB3,403.6 million. Our purchases from Customer G represented an insignificant percentage of our total cost of sales in the respective periods.

Supplier C, one of our five largest suppliers in each of 2022, 2023 and 2024 and in the nine months ended September 30, 2025, was also our customer during each of 2024 and in the nine months ended September 30, 2025. Our sales to Supplier C in 2024 and in the nine months ended September 30, 2025 were not related to or conditional upon our purchases from it during the same periods. In 2022, 2023 and 2024 and in the nine months ended September 30, 2025, purchase costs from Supplier C amounted to RMB1,947.3 million, RMB1,379.8 million, RMB2,621.7 million and RMB1,553.5 million, respectively. Our sales to Supplier C represented an insignificant percentage of our total revenue in the respective periods.

Supplier F, one of our five largest suppliers in 2023, was also our customer during the same period. We maintain an upstream and downstream supply chain relationship with Supplier F. In 2023, purchase costs from Supplier F amounted to RMB1,438.3 million. Our sales to Supplier F represented an insignificant percentage of our total revenue in 2023.

According to Frost & Sullivan, Overlapping Customers and Suppliers are common in the PIMS industry due to the need for deep technical collaboration and supply chain security considerations, and the vast majority of players in the industry have overlapping customers and suppliers. According to the same source, the consumer electronics market is highly concentrated, particularly among top-tier brands that command a large share of global shipments. As such, it is common for suppliers of premium consumer electronics brands to have a concentrated customer base. We have maintained good and long business relationship with our Overlapping Customers and Suppliers and did not have any disputes with them during the Track Record Period. For risks associated with our largest five customers and suppliers, see "Risk Factors—Risks Relating to Our Business and Industry—We had customer concentration during the Track Record Period and the loss of our largest customer could have a material adverse effect on our business, financial condition, and results of operations" and "Risk Factors—Risks

Relating to Our Business and Industry—Our reliance on suppliers could adversely affect our ability to manage our business effectively." As we strategically expand our product mix and enter into other markets, the percentage of total revenue and purchase from Overlapping Customers and Suppliers is expected to decrease in the future.

INVENTORY MANAGEMENT

Our inventories comprised (i) finished goods; (ii) raw materials; (iii) work in progress; (iv) consumable supplies; (v) goods in transit; (vi) outsourced processing materials; and (vii) materials in transit. We believe the key in inventory control is balancing the risk of stock obsolescence and possible supply shortage of raw materials. We generally adjust the production and procurement plans based on customer orders or scheduling requirements. Our procurement is based on the material's lead time for releasing orders. Materials with longer lead times are prioritized for release, while those with shorter lead times are released later, ensuring alignment in material availability time. Our procurement plans are reviewed on a weekly basis, which are adjusted based on the production department's weekly production plans, and is subject to inputs provided by the logistics department. If the materials purchased based on procurement plans are insufficient to meet production demand, we then procure materials based on production needs, and such procurement requests are approved by the responsible director and supervisor. We review our inventory levels periodically.

Our ERP digital management system is seamlessly integrated with the WMS. The WMS tracks inventory status in real-time, including storage locations, inventory levels, and logistics status such as incoming and outgoing goods. The WMS effectively controls and tracks inventory. We further deploy our employees to conduct manual inventory checks. Our employees scan barcodes on the inventory, where the system automatically verifies the accuracy of the inventory status, and triggers alerts upon errors. Moreover, the system automatically plans inventory status and movement routes based on intelligent analysis of data in our ERP system. Our WMS automatically prompts a re-inspection procedure when obsolete stock are identified to ensure the inventory is in good condition. Our ERP system enables us to control our inventory levels effectively, by managing key metrics such as inventory turnover rate, idle rate, and inventory accuracy.

QUALITY CONTROL

We adopt stringent production control system to maintain the effectiveness of our business operation and the quality of our products. We have established a comprehensive quality management system, covering all aspects of our business process which meet internationally recognized standards. This includes ISO 9001 for our quality management systems, ISO 14001 for our environmental management systems, ISO 28000 for our supply chain security management system, ISO/IEC 17025 for the competence of our testing and calibration laboratories, ISO 13485 for quality management system for medical devices, IATF 16949 for our quality management system for the automotive industry, ANSI/ESD S20.20 for electrostatic discharge control measures, QC 080000 for our hazardous substances process management, ISO 45001 for occupational health and safety, ISO 14064 for greenhouse gas, and ISO/IEC 27001 for our information security management systems. We are also certified by the Responsible Business Alliance, demonstrating our compliance with labor, health, safety and environmental standards, and business ethics.

In addition, we have the China Compulsory Certificate and the Underwriters Laboratories and Conformite Europeenne product certifications, and implemented MES to monitor product process quality. Our Directors believe that an effective control system is essential for us to produce products in high quality and sustain our relationship with customers for the long-term. We had no material product recalls during the Track Record Period.

Quality Control on The Incoming Raw Materials

We conduct initial specification reviews and drawing comparisons, identify key dimensions, and translate common issues into new cases to ensure standards are quantifiable and executable. We regularly oversee the manufacturing processes of suppliers sorted by raw material categories, providing technical support and quality guidance to promote continuous improvement in manufacturing processes and prevent quality issues. We established tiered and categorized inspection standard inspection procedure, enhance testing equipment, and improve intake testing capabilities and coverage. To ensure continuous improvement, we operated an 8D mechanism for material anomalies, conduct special reviews for top defects, and maintain a "zero tolerance" policy for environmental and safety regulation issues.

Quality Control on The Integration Process

We have implemented full-process system traceability and quality management, controlling key testing and inspection points through the MES. We conduct audits and suggest improvements on completeness, compliance, and adherence rates in the manufacturing process. We introduced automated testing for critical processes such as AOI, and implement statistical process control systems for real-time monitoring of process fluctuations and stability. We ensure our quality meets customer standards, industry standards and environmental and safety regulations.

Quality Control on Finished Products

We align with customer product standards and shipping requirements, standardizing optimization and operations. We implement precise sampling plans for final quality control and ongoing reliability testing (ORT) management, to ensure products continue to meet specified quality standards after production commences, to enhance defect detection rates. We have effective customer complaint management systems, with IT systems automatically tracking complaints within a 2485-response time frame—to provide initial response within two hours, take emergency measures within 24 hours, complete cause analysis and countermeasures within 48 hours, and implement countermeasures and submit closure reports within five days. We hold monthly quality control review meetings to ensure optimization of the Plan-Do-Check-Act cycle.

INFORMATION TECHNOLOGY ("IT") SYSTEM AND SUPPORT

IT plays a crucial role in our growth and sustainable operations, simultaneously monitoring our compliance requirements, operational efficiency, risk management, and technological upgrades. Our IT system focuses on four key areas, including data compliance and auditability, system stability and security, internal controls and access management, and business-IT collaboration. The development and application of digital intelligent tools enables us to quickly align resources while achieving synergies in comprehensive management across multiple fields and processes. Our IT system also integrates with our self-developed engineering knowledge base large model technology. Digital intelligent tools enables us to share our data and resources internally quickly and effectively, achieving synergies across multiple areas and processes. We also integrate our IT systems with our precision MOM platform to fully empower our intelligent manufacturing process and production base. For details, see "—Manufacturing—Intelligent Manufacturing—Application of Intelligent Tools."

COMPETITION

We compete in the large and highly competitive global PIMS industry. Our competitors include PIMS providers focusing on industries such as consumer electronics, automotive electronics, and communication and data centers. Key competitive factors in such industries include technical expertise and innovative R&D capabilities, product development capabilities such as the ability to meet technological iteration demands of miniaturization for consumer electronics, and provide high-performance support. For details, see "Industry Overview."

DATA SECURITY AND PRIVACY

During the ordinary course of our business operations, we collect business, management, and transaction data, such as product information, supplier and customer contacts, logistical details and transactional records, which are stored on our domestic and overseas servers. Such data may be shared with our overseas subsidiaries as required for business operation, which, however, does not involve transfer of personal information abroad.

We have established a comprehensive data security and information management system to ensure the integrity of our systems and the privacy of data, which has been designed according to and certified under ISO 27001. Data is classified and managed based on its sensitivity and importance, with differentiated protection strategies implemented accordingly. We have implemented various security measures, including firewalls, intrusion detection systems, regular penetration testing, vulnerability scanning, and disaster recovery plans. We also encrypt data and use email security protection systems. Sensitive data is stored using rigorous encryption algorithms, and strict data access and transfer protocols are enforced to ensure the confidentiality of user data.

We have developed stringent internal control and data access mechanisms that outline specific approval and operational processes related to data storage and processing. We have established internal data security protocols that impose detailed and stringent requirements for the use, disclosure, and protection of confidential information as well as a cybersecurity incident emergency response plan for any incident that may jeopardize cybersecurity. Our data backup system ensures that data is encrypted and stored on servers in different locations to minimize the risk of data loss. We also conduct regular data recovery tests to check the status of the backup system.

In addition, we mandate data protection agreements with partners and provide employee data security training to minimize operational risks.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalty in relation to data privacy and cybersecurity.

INTELLECTUAL PROPERTY

As an innovation-driven technology company, we designed and registered various patents and other intellectual property from time to time. As of September 30, 2025, we owned 9,185 patents, including 2,241 invention patents. For details of a list of intellectual property that we believe are material to our business operations, see "Appendix IV—Statutory and General Information—B. Further Information About Our Business—2. Our Intellectual Property Rights."

We place great importance on the protection of our intellectual property and the data security of technical and commercial information. We have entered into confidentiality agreements with all core technical personnel, senior executives, and employees with access to sensitive commercial information. Such employees are required to maintain confidentiality during employment and after termination of employment for a specified period, which is generally two years. They are prohibited from disclosing, using, or permitting others to use our confidential information, including technical secrets, customer data, financial details and strategic plans, among others.

We enter into post-employment non-compete agreements with certain key personnel who possess critical technologies or customer resources, prevent such employees from working for or engaging in companies that directly compete with us for a period of one to two years after their departure. We provide monthly economic compensation to employees who have signed non-compete agreements during the duration of the agreement to ensure the legality and validity of the non-compete agreements.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringements (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us. As of the Latest Practicable Date, we were also not aware of any pending or threatened claims against us or against any members of our Group in relation to any material infringement of intellectual property rights of third parties.

For products developed in collaboration with customers, we clearly outline the ownership of the intellectual property resulting from the R&D efforts in the cooperation agreements.

PROPERTIES

As of September 30, 2025, we owned and leased certain properties, primarily for production bases, office premises, R&D facilities, staff dormitories, and warehouses, among others.

The following details the main properties we owned and leased as of September 30, 2025:

Property Rights	Number of Properties	Approximate GFA
		(sq.m.)
Owned Properties	614	6,964,595
Land Use Rights	173	6,906,556
Leased Properties	541	6,071,452

As of September 30, 2025, 530 of our lease agreements had not been registered and filed with relevant government authorities. As of the same date, we had not obtained the property ownership certificates for 10 owned properties. For details, see "Risk Factors—Risks Relating to Our Business and Industry—We are subject to extensive regulatory permits, filings, certificates and approvals for our leased and owned properties."

We had no single property with a carrying amount of 15% or more, and no single property interest that forms part of property activities has a carrying amount of 1% and the total carrying amount of such property interests does not exceed 10%, of our total assets as of the Latest Practicable Date and, therefore, we did not need to prepare a valuation report with respect to our property interests according to Chapter 5 of the Listing Rules and in reliance upon the exemption provided by section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

COMPLIANCE AND LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As of September 30, 2025, there were no litigation, arbitration or administrative proceedings pending or threatened against us or any of the Directors which could have a material and adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

We regard sustainable development as an integral part of our long-term growth strategy and are committed to building an efficient, clean and low-carbon manufacturing system. By leveraging digitalization, automation technologies and intelligent management systems, we seek to improve resource utilization efficiency, invest in clean technologies and integrate green concepts throughout the product lifecycle. We have incorporated ESG-related matters into our corporate management framework and, having regard to our business strategy, industry trends and capital market expectations, identified ESG issues closely related to our operations, including innovative R&D, carbon responsibility, supply chain management and employee development, for which relevant policies and management processes have been established.

ESG Governance Structure

We established a Sustainable Development Center, led by the Board, to drive ESG-related matters. Our human resources, supply chain management, and other functional departments and ESG working groups of our subsidiaries participate in and implement ESG initiatives. The framework ensures that sustainability impacts, risks, and opportunities are integrated into our strategic execution, key decision-making processes, risk management practices, and daily operations.

ESG Risk Identification, Assessment, and Response Summary

In accordance with the requirements of Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), and ESG topics and relevant requirements of ESG Ratings of capital markets including the Morgan Stanley Capital International's ESG rating (MSCI ESG Rating), we conducted a comprehensive double materiality assessment. This evaluation considers the financial impact due to ESG-related matters and the extensive economic, social, and environmental consequences of our operations on ESG.

Our ESG material issues span environmental, social and governance dimensions, under which we identify key risks and opportunities and implement corresponding measures:

- Environmentally, climate-related physical and transition risks may lead to production disruptions, higher costs and increased insurance or raw material expenses, while opportunities arise from improved resource efficiency, clean technology deployment and low-emission energy transition, which we address through carbon accounting, phased emission-reduction targets, energy-efficiency management, participation in government programs and investment in renewable energy;

- Socially, risks relating to employee training, occupational health and safety, employee rights protection, R&D investment, supply chain management, product responsibility and customer relationships may affect productivity, costs, reputation and profitability, while opportunities include enhanced operational efficiency, innovation capability, supply chain stability, product quality and customer satisfaction, supported by employee training programs, health and safety systems, labor risk management, forward-looking R&D investment, lifecycle supplier management, quality audits and active customer engagement; and

- From a governance perspective, deficiencies in corporate governance, risk control or business ethics may result in regulatory penalties, financial loss or reputational damage, while robust governance enhances organizational resilience, investor confidence and stakeholder trust, which we support through improved governance structures, strengthened risk and internal control systems, and the implementation and enforcement of codes of conduct for employees and suppliers.

Environmental Indicators and Management

We integrate environmental management into our operations and comply in all material respects with applicable environmental protection laws and regulations. We have established internal procedures, including the Group-wide Environmental Protection Management Procedure and the Control Procedure of Environmental Factor Identification and Assessment. During the Track Record Period, we were not subject to any material administrative penalties for environmental non-compliance.

Emissions

Our key emissions mainly include solid waste, and industrial wastewater, and exhaust gases:

- **Solid waste:** We generate hazardous, non-hazardous and domestic waste, maintain a solid waste ledger and engage qualified third parties for disposal in accordance with regulatory requirements.

- **Wastewater:** We generate domestic sewage and industrial wastewater. We conduct real-time discharge monitoring, annual third-party testing and continuously upgrade wastewater treatment and recycling systems.

- **Exhaust gases:** We generate emissions including NOx, SOx, VOCs, particulate matter and tin-related compounds. Third-party testing confirms compliance with applicable emission standards.

In 2022, 2023 and 2024, the emission data for exhaust gases, water and waste generated by us are as follows:

		Year Ended December 31,		
Classification	**Unit**	**2022**	**2023**	**2024**
Exhaust gas				
NOx emissions	t	6	40	35
SOx emissions	t	1	10	6
POP emissions	t	—	1	1
VOCs emissions (including non-methane hydrocarbon)	t	95	71	68
Particulate matter emissions	t	118	163	150
Tin and its compound emissions	t	38	14	12
Wastewater				
Total industrial wastewater	ML	6,112	6,328	8,906
Solid waste				
Hazardous waste generated	t	39,101	24,082	48,769
Non-hazardous waste generated	t	100,820	114,618	123,007
Domestic waste generated	t	14,448	14,309	15,568
Amount of hazardous waste recovered for reuse or recycling	t	13,320	22,686	45,920
Amount of non-hazardous waste recovered for reuse or recycling	t	86,182	93,797	97,951
Amount of domestic waste recovered for reuse or recycling	t	4,506	4,837	6,445

Resource Consumption

Our main resource consumptions are energy and water. The following details our resource consumption in 2022, 2023 and 2024:

		For the Years Ended December 31,		
Resource classification	**Unit**	**2022**	**2023**	**2024**
Total energy consumption	MWh	3,133,474	2,821,165	3,713,674
Total water consumption	ML	1,985	2,194	2,086

We implement energy-saving and low-carbon production strategies through internal energy management policies and intelligent energy management platforms. Our total energy consumption increased from 2,821,165 MWh in 2023 to 3,713,674 MWh in 2024, primarily as we expanded our business scale and geographical footprint through both organic growth and mergers and acquisitions across multiple business segments and established several new factories. We also promote water conservation and wastewater reuse in compliance with applicable laws, with certain production bases deploying intelligent water management systems.

Climate Change

We assess climate-related risks and opportunities in accordance with the TCFD framework across governance, strategy, risk management, and metrics and targets.

Governance

Climate-related matters are overseen by the Board, coordinated by the Sustainable Development Center and implemented by production bases, with at least one annual review.

Strategy

To address climate change more effectively, we have identified the following potential risks and opportunities, which are categorized as physical risks and transition risks.

We have identified two categories of high impact climate-related risks:

- **Transition risks:** We identify climate-related transition risks across market, technology, reputation, policy and regulatory dimensions, including increased production, procurement and capital costs arising from low-carbon supply chain transformation, adoption of energy-saving equipment and processes, changing customer preferences for green products, heightened stakeholder expectations, carbon pricing mechanisms and tighter regulatory requirements, which may increase raw material, energy and compliance costs or affect product quality and market competitiveness. To address these risks, we implement measures such as screening and guiding suppliers on energy conservation and emission reduction, establishing low-carbon monitoring mechanisms for upstream raw materials, accelerating green transformation through new technologies and materials, increasing the proportion of low-energy and clean-technology products, promoting the use of clean energy, enhancing stakeholder communication and climate-related disclosure through dedicated sustainability governance, monitoring policy developments and adjusting operations accordingly, and strengthening energy management systems and green manufacturing capabilities.

- **Physical risks:** We also manage climate-related physical risks, primarily acute risks such as heavy precipitation, which may lead to production downtime or delays, asset damage, higher insurance expenses, safety risks and potential contractual or legal liabilities. We mitigate these risks through preventive and emergency measures including site selection, drainage infrastructure, facility reinforcement, emergency response planning, regular drills, weather monitoring and insurance coverage.

Risk Management

Climate-related risks are integrated into our overall risk management framework and reviewed regularly.

Metrics and Targets

We measure scope 1, 2 and 3 GHG emissions in accordance with ISO 14064-1 and subject them to third-party verification. The following details our scope 1, 2 (location-based and market-based), and 3 GHG emissions in 2022, 2023 and 2024.

		Year Ended December 31,		
Metrics	**Unit**	**2022**	**2023**	**2024**
GHG emissions				
Scope 1 GHG emissions	tCO2e	93,646	64,857	81,370

Metrics	Unit	Year Ended December 31, 2022	2023	2024
Scope 2 GHG emissions (location-based)	tCO2e	1,755,407	1,571,531	2,086,738
Scope 2 GHG emissions (market-based)	tCO2e	1,385,530	610,143	649,158
Scope 3 GHG emissions	tCO2e	6,609,752	5,902,548	5,552,266
GHG emission intensity				
Scope 1 GHG emission intensity per unit of business revenue	tCO2e/RMB in millions	0.4	0.3	0.3
Scope 2 GHG emission intensity per unit of business revenue (location-based)	tCO2e/RMB in millions	8.2	6.8	7.8
Scope 2 GHG emission intensity per unit of business revenue (market-based)	tCO2e/RMB in millions	6.5	2.6	2.4

Note:

(1) Greenhouse gas emissions calculations are based on the General Principles for Calculating Comprehensive Energy Consumption (GB/T2589-2020) standard issued by the State Administration for Market Regulation and the National Standardization Administration, the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, the IPCC 2006 National Greenhouse Gas Inventory Guidelines, the Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial Version) issued by the Ministry of Ecology and Environment, and regional electricity emission factors

As a part of our ESG initiatives, we are committed to the continuous reduction of emissions. By 2032, we aim to reduce absolute scope 1 and 2 GHG emissions by 50.4% compared with 2023, and reduce scope 3 GHG emission by 58.1% per RMB of value added compared with 2023.

In 2024, we implemented energy-efficiency retrofit projects, installed photovoltaic capacity, increased clean energy usage, enhanced supply-chain carbon management and promoted low-carbon employee practices.

Social Indicators and Management

We are committed to corporate social responsibility by fostering positive social impact through promoting occupational safety, employee development, sustainable supply chain management, consumer rights protection, and social welfare initiatives.

Employment Management Governance

We adhere to principles of compliance, fairness and equal opportunity in recruitment and employment. We have established comprehensive employment-related policies covering labor protection, non-discrimination, freedom of association and diversity. During the Track Record Period, we recorded no incidents involving forced labor, child labor or unlawful discrimination.

In 2022, 2023 and 2024, the distribution of our employees by gender, age and geographical region are as follows:

		Year Ended December 31,		
Metrics	**Employee type (person)**	**2022**	**2023**	**2024**
Total number of employees	—	236,932	232,585	278,103
By gender	Male	134,768	132,253	163,436
	Female	102,164	100,332	114,667
By age group	29 and below	114,915	112,074	135,693
	30–49	120,244	118,379	139,560
	50 and above	1,773	2,132	2,850
By geographical region	Chinese Mainland	187,784	183,649	215,861
	Outside of Chinese Mainland	49,148	48,936	62,242

We have implemented a labor risk management framework covering identification, prevention, monitoring and remediation, including internal audits, third-party audits and complaint handling mechanisms.

Occupational Health and Safety

We have established a Group-wide EHS management system covering all employees and workplaces, supported by unified manuals and procedures. The EHS Management Committee oversees implementation across subsidiaries with the objective of preventing fatal accidents and occupational diseases.

Supply Chain Management

We promote responsible supply chain practices through supplier selection, evaluation and audits. All suppliers are required to comply with our Supplier Code of Conduct and applicable laws. We conduct CSR risk assessments and audits and utilize digital systems to support green procurement and quality assurance.

Product Responsibility

See "— Quality Control" and "— Product Return and Warranty."

Public Welfare and Charity

We participate in community and charitable activities, including disaster relief, blood donation and support for vulnerable groups, while focusing on sustainable business development.

Anti-corruption and Whistleblowing Measures

Anti-corruption

We implement anti-corruption policies, provide regular training to employees and suppliers and maintain a zero-tolerance approach to misconduct.

Whistleblowing Measures

We encourage employees and stakeholders to report any misconduct. We provide multiple reporting channels and establish rewards for reporting including through electronic communication and social media such as phone, email, WeChat and QQ, and contact us directly at our headquarters in the PRC. Upon receiving a report, a specialized investigation team is assembled based on the case's size and nature, while safeguarding the legitimate rights and interests of all parties involved. We have adopted a strict "zero tolerance" policy toward discrimination or retaliation of any kind against whistleblowers. We also provide legal assistance to whistleblowers.

EMPLOYEES

As of December 31, 2024, we had 278,103 full-time employees worldwide. The following table sets forth the number of our employees categorized by function as of December 31, 2024.

Employees Categorized by Function	Number of Employees	% of total
Production	235,233	84.6
Sales and marketing	4,273	1.5
R&D	20,877	7.5
Management, administrative and finance	17,720	6.4
Total	**278,103**	**100.0**

Recruitment

We believe our long-term growth depends on the expertise, experience, and development of our employees. Our recruitment plan is devised based on our overall strategic direction, including our annual business objectives, production capacity and expansion plans, budget and predicted staff turnover rate. Our human resources department combines our overall strategic direction and staffing information collected from communication with each of our departments to formulate a recruitment plan based on key indicators, such as the number of positions to recruit, the time required to fill the positions, and the job requirements. We generally sign labor contracts with our employees.

We adopt a diverse combination strategy through multiple recruitment channels, including campus recruitment, online recruitment, headhunting, internal referrals and internal recruitment. We focus our campus recruitment efforts at universities specializing in the electronics, mechanical engineering, and materials science fields, with recruitment presentations, participation in job fairs, and summer internship programs to attract outstanding recent graduates. We utilize online recruitment platforms, to recruit talent and enables us to precisely target candidates with industry experience. For senior technical and management positions, we have established long-term partnerships with professional headhunting firms and leverage their networks to identify scarce talent in the market. In addition, our internal employee referrals and internal recruitment are highly effective recruitment methods, as candidates

recommended by our employees generally have a high onboarding rate and demonstrate strong job stability. We have established corresponding referral reward mechanisms to incentivize internal employee referrals and internal recruitment.

Remuneration

We have established a salary management system for wages, performance, and year-end bonuses, providing competitive compensation in a scientific and reasonable manner. We ensure timely payment of wages to our employees. We employ a dual-track approach that integrates both organizational and individual performance. Our overall appraisal is primarily based on key performance indicators (KPIs), supplemented by special incentives, and encompasses performance evaluations for our employees. We differentiate incentive models and appraisal metrics based on varying performance levels, emphasizing effective and accurate incentives. We provide compensation to outstanding achievers, including year-end bonuses, project awards, equity incentives for key personnel, and outstanding employee awards. This approach helps attract and retain top talent required for our continuous growth.

Training

We place great emphasis on career planning and talent development for our employees. We established a comprehensive training system to attract and motivate outstanding talent while promoting mutual growth for us and our employees. We have established a comprehensive tiered training system that encompasses the entire career development cycle for both new and existing employees. For newcomers, we offer orientation training that covers essential topics such as corporate culture, rules and regulations, safety standards, and basic skills. We assign mentors to new hires from campus recruitment each year, providing one-on-one coaching to help them master the professional knowledge and skills necessary for their roles. For existing employees, we create tailored training plans based on job functions and career paths. Technical staff regularly engage in industry-leading seminars, internal technical sharing sessions, and job-specific improvement courses. Management personnel and high-potential talent participate in specialized programs, including management simulations, leadership training, and benchmarking visits, to enhance their management skills and strategic thinking.

Moreover, we have launched school-enterprise cooperation projects to encourage employees to obtain internal and external professional qualifications to elevate overall productivity and social recognition. We have established learning and knowledge exchange platforms, such as the "Momentum Series" and the "Star Classroom," setting a stage for employee self-expression, to foster a positive learning atmosphere and promote integration and communication among employees.

As of September 30, 2025, we had a labor union representing our employees. We believe that we have maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

INSURANCE

As of the Latest Practicable Date, we maintained property insurance for our production base and inventory, product liability insurance for the manufacturing and sales of our products, marine cargo insurance for the transportation of goods, and export credit insurance for receivables from overseas customers. Our Directors are of the view that our insurance coverage is sufficient and adequate and is in line with customary industry practices. As of the Latest Practicable Date, we have not made or suffered any significant insurance claims, and there had been no material product liability claims against us.

Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. For details, see "Risk Factors—Risks Relating to Our Business and Industry—We may not have adequate insurance to cover all losses and claims associated with our operations."

LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals for our business operations, such as pollutant discharge permits, permits for wastewater discharge to the urban sewerage network, stationary source discharge registrations, exporter and importer for customs declaration purposes, and radiation safety permits. We believe we have all material licenses, permits and approvals necessary in order to operate our business.

During the Track Record Period and as of the Latest Practicable Date, we had not experienced any material difficulty in renewing our material licenses, permits or approvals. We do not expect any material difficulties in renewing our licenses, permits and approvals upon expiry. We will continuously monitor our compliance with these requirements to ensure we have all such licenses, permits and approvals necessary for our business operations.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors and our senior management are responsible for establishing and maintaining adequate risk management and internal control systems. Risk management is the process designed to identify potential events that may affect us and to manage risks to be within our risk appetite. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Risk Management and Internal Control Policies

We have implemented or will adopt upon **[REDACTED]** a number of policies and measures to manage our risks and set up proper internal controls. These policies cover areas such as (i) the duties and roles of the Directors, the Board and our senior management; (ii) social and environmental matters, including policies on diversity; (iii) anti-money laundering; and (iv) compliance with the Hong Kong Listing Rules.

Under our risk management and internal control policies, the Board oversees risk management and internal control systems on an ongoing basis and reviews the effectiveness of these systems. In July 2025, we engaged an independent internal control consultant to perform certain agreed-upon reviews in connection with our internal control. The key areas of review include: (i) internal control at the entity level; (ii) sales, accounts receivable, and collection management; (iii) purchases, accounts payable, and payment management; (iv) R&D management; production, inventory, and costing management; (v) fixed assets and construction in progress management; (vi) intangible asset management; (vii) cash, treasury, and investment management; (viii) tax management; human resources management; (ix) financial reporting and disclosure; and (x) information system management.

IMPACT OF COVID-19 PANDEMIC

Our business operations and financial condition were not materially and adversely impacted by the COVID-19 pandemic. Our revenue and net profit increased continuously during the Track Record Period. We observed a healthy supply and demand chain with no material shift in the industries we operate in that can be directly attributed to the COVID-19 pandemic. During the Track Record Period, we did not encounter material product recalls. During the same periods, our inventory levels remained stable and have fluctuated only in the ordinary course of business.