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Application Proof of



Luxshare Precision Industry Co., Ltd.

立訊精密工業股份有限公司

(the “Company”)

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

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Luxshare Precision Industry Co., Ltd.

立訊精密工業股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars)
Nominal Value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]



CITIC SECURITIES

Goldman Sachs 高盛



CICC 中金公司

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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]), and the Company on the [REDACTED], which is expected to be on or before [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED], unless otherwise announced. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company, the [REDACTED] will not proceed and will lapse. Investors applying for the [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of HK\$[REDACTED] per [REDACTED], together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% upon application. The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] being offered under the [REDACTED] and/or the maximum [REDACTED] stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. See “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” for further details. In such a case, notices of the reduction in the number of the [REDACTED] and/or the maximum [REDACTED] will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.luxshare-ict.com as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day for lodging applications under the [REDACTED]. For details, see “Structure of the [REDACTED]” and “How to Apply for [REDACTED].”

Prior to making an [REDACTED] decision, [REDACTED] should carefully consider all of the information set out in this document, including but not limited to the risk factors set out in the section headed “Risk Factors” in this document.

The obligations of the [REDACTED] under the [REDACTED] to subscribe for, and to procure applicants for the subscription for, the [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. For details, see “[REDACTED].”

The [REDACTED] have not been and will not be registered under the [REDACTED] or any state securities laws of the United States and may not be offered or sold within the United States, except in transactions exempt from, or not subject to, the registration requirements of the [REDACTED]. The [REDACTED] are being offered and sold (i) in the United States solely to [REDACTED] pursuant to [REDACTED] or another available exemption from registration under the [REDACTED] and (ii) outside the United States in offshore transactions in reliance on [REDACTED].

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO INVESTORS

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You should rely only on the information contained in this document to make your [REDACTED] decision. The [REDACTED] is made solely on the basis of the information contained and the representations made in this document. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not contained nor made in this document must not be relied on by you as having been authorized by our Company, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], any of the [REDACTED], any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the [REDACTED].

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document carefully before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to invest in the [REDACTED].

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.

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.

According to Frost & Sullivan, we rank fourth globally, and first in Chinese Mainland, in the precision intelligent manufacturing solutions, or PIMS, industry in terms of revenue in 2024, with a world-leading position in each of our major business lines, namely consumer electronics, automotive electronics, and communication and data centers. In terms of revenue in 2024, we rank second globally and first in Chinese Mainland in the PIMS market for consumer electronics components and modules, with a global market share of 11.3%; fourth globally and first in Chinese Mainland in the PIMS market for automotive wiring harness, with a global market share of 12.2%; and fourth globally and first in Chinese Mainland in the PIMS market for communication and data center copper connectivity, with a global market share of 4.4%. We have the most comprehensive and diversified product portfolio among global PIMS providers. Our sustained excellence has secured our inclusion in the Fortune Global 500 list for three consecutive years from 2023 to 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.

OUR STRENGTHS

We attribute our success to our: (i) position as a global leader driving industry development through innovation; (ii) convergent innovation and integrated R&D capabilities; (iii) intelligent development and manufacturing system; (iv) exceptional acquisition and integration capabilities; (v) deeply rooted global presence; (vi) mutually beneficial relationship with clients; and (vii) visionary leadership, experienced and stable management team, and a unique corporate culture.

SUMMARY

For details, see “Business—Our Strengths.”

OUR STRATEGIES

We plan to: (i) increase R&D and innovation efforts to consolidate our leading position in the PIMS industry; (ii) continue to go global and enhance our globalized service and delivery capabilities; (iii) upgrade our development and intelligent manufacturing platform to enhance production efficiency and realize green manufacturing; and (iv) continue with vertical integration and industry expansion.

For details, see “Business—Our Strategies.”

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.

For details, see “Business—Our Products and Solutions.”

COMPETITIVE LANDSCAPE

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.”

OUR CUSTOMERS AND SUPPLIERS

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. 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 customers or five largest suppliers during the Track Record Period. For details, see “Business—Our Customers” and “Business—Our Suppliers.”

Relationship with Customer A / Supplier A

Customer A / Supplier A was our largest customer/supplier for each year/period of the Track Record Period. 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 such relationship is long-term and

SUMMARY

mutually beneficial. During the Track Record Period, revenue from Customer A / Supplier A as a percentage of our revenue decreased significantly. While we expect Customer A / Supplier A to remain as our largest customer in the year ended 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. For details, See “Business—Our Customers—Relationship with Customer A / Supplier A.”

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. For details, see “Business—Our Suppliers—Overlapping Customers and Suppliers.”

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our Company has been listed on the Shenzhen Stock Exchange since September 2010. Since our listing on the Shenzhen Stock Exchange and as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors and having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisors are of the view that for the years ended December 31, 2024 and 2025 and up to the Latest Practicable Date, we have complied with the relevant laws and regulations on A-share listing applicable to us in all material respects. Based on the view of our PRC Legal Advisors as disclosed above and the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

As of the Latest Practicable Date, our Company was held as to (i) approximately 37.49% by Luxshare Limited, a company owned as to 50% by Ms. Wang and 50% by Mr. Wang; and (ii) approximately 0.27% by Mr. Wang. Immediately upon completion of the [REDACTED], assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED], Ms. Wang, Mr. Wang and Luxshare Limited will control in aggregate approximately [REDACTED]% of the total issued share capital of our Company. Accordingly, Ms. Wang, Mr. Wang and Luxshare Limited constitute a group of our Controlling Shareholders under the Listing Rules. For details, see “Relationship with Our Controlling Shareholders.”

We have entered into certain transactions which would constitute continuing connected transactions of our Company under the Listing Rules upon the [REDACTED]. We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For details, see “Connected Transactions.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the Accountants’ Report set out in Appendix I to this document, including the related notes.

SUMMARY

Selected Items from Consolidated Statements of Profit or Loss

The following table sets forth selected items from consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue
Revenue	214,028,394	100.0	231,905,460	100.0	268,794,738	100.0	177,176,885	100.0	220,914,628	100.0
Cost of sales	(188,542,117)	(88.1)	(206,167,687)	(88.9)	(241,725,138)	(89.9)	(156,838,764)	(88.5)	(194,859,579)	(88.2)
Gross profit.	25,486,277	11.9	25,737,773	11.1	27,069,600	10.1	20,338,121	11.5	26,055,049	11.8
Selling expenses	(831,398)	(0.4)	(889,024)	(0.4)	(1,059,677)	(0.4)	(753,469)	(0.4)	(1,043,997)	(0.5)
General and administrative expenses.	(5,581,209)	(2.6)	(6,162,485)	(2.7)	(7,052,941)	(2.6)	(4,740,493)	(2.7)	(7,174,978)	(2.2)
R&D expenses.	(8,447,039)	(3.9)	(8,188,768)	(3.5)	(8,555,957)	(3.2)	(6,997,131)	(3.9)	(8,170,442)	(3.7)
Profit for the year/period	10,490,677	4.9	12,243,213	5.3	14,579,044	5.4	9,786,711	5.5	12,728,229	5.8

Our profit for the year/period increased by 16.7% from RMB10.5 billion in 2022 to RMB12.2 billion in 2023, by 19.1% from RMB12.2 billion in 2023 to RMB14.6 billion in 2024, and by 30.1% from RMB9.8 billion in the nine months ended September 30, 2024 to RMB12.7 billion for the same period in 2025. This continuous increase in our profit for the year/period was mainly attributable to (i) strong organic growth, driven by expansion of our global customer base, rising order scale and growing industry trend; and (ii) successful merger and acquisitions, which further diversified our customer base and drove up sales volume, leading to the increase in our revenue and gross profit. See “Financial Information — Consolidated Statements of Profit or Loss and Other Comprehensive Income” for details.

Revenue

During the Track Record Period, we derived revenue from four business lines, including sales of (i) consumer electronics products and solutions; (ii) automotive electronics products and solutions; (iii) communication and data center products and solutions; and (iv) others, mainly consisting of components and modules for medical devices and industrial equipment.

The following table sets forth a breakdown of our revenue generated from four different business lines in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue
Consumer electronics	190,946,783	89.2	204,675,728	88.3	233,096,020	86.7	152,445,640	86.0	176,224,003	79.8
— components and modules	118,349,847	62.0	126,160,256	61.6	147,756,874	63.4	95,975,987	54.1	114,653,627	51.9
— systems	72,596,937	27.2	78,515,472	26.7	85,339,146	23.3	56,469,653	31.9	61,570,376	27.9
Automotive electronics.	6,149,360	2.9	9,252,369	4.0	13,757,629	5.1	9,277,066	5.2	23,688,466	10.7
Communication and data centers	12,834,368	6.0	14,538,256	6.3	18,359,940	6.8	12,875,013	7.3	17,818,030	8.1
Others ⁽¹⁾	4,097,883	1.9	3,439,107	1.5	3,581,149	1.3	2,579,166	1.5	3,184,129	1.4
Total	214,028,394	100.0	231,905,460	100.0	268,794,738	100.0	177,176,885	100.0	220,914,628	100.0

Note:

(1) Mainly consisting of components and modules for medical devices and industrial equipment.

SUMMARY

During the Track Record Period, our revenue increased continuously, mainly driven by our ability to meet increased customers’ demand, diversification of our product and solution offerings, and the broadening of our end market applications.

Revenue by Geographic Region

During the Track Record Period, we had revenue from both customers incorporated in Chinese Mainland and outside of Chinese Mainland, including Europe, North America, other parts of Asia and other regions. The following table sets forth a breakdown of our revenue by geographic region based on the place of registration of our customers in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue
	(Unaudited)									
Europe ⁽¹⁾	96,086,293	44.9	90,987,715	39.2	93,134,443	34.7	58,362,589	32.9	56,799,014	25.7
North America ⁽²⁾	67,501,299	31.5	75,048,479	32.4	85,438,989	31.8	54,973,374	31.0	68,637,966	31.1
Asia (excluding Chinese Mainland) ⁽³⁾	14,932,196	7.0	29,904,124	12.9	47,080,871	17.5	33,566,534	18.9	54,088,325	24.5
Others ⁽⁴⁾	74,327	— ⁽⁵⁾	108,020	— ⁽⁵⁾	125,045	— ⁽⁵⁾	98,884	0.2	137,178	0.1
Sub-total	178,594,115	83.4	196,048,338	84.5	225,779,348	84.0	147,001,381	83.0	179,662,483	81.4
Chinese Mainland	35,434,279	16.6	35,857,122	15.5	43,015,390	16.0	30,175,504	17.0	41,252,145	18.7
Total	214,028,394	100.0	231,905,460	100.0	268,794,738	100.0	177,176,885	100.0	220,914,628	100.0

Notes:

- (1) Primarily includes Ireland and England
- (2) Primarily includes the U.S.
- (3) Primarily includes Singapore, Hong Kong, Taiwan and Vietnam
- (4) Primarily includes Brazil, Australia and New Zealand
- (5) Less than 0.1%

During the Track Record Period, revenue from sales to customers incorporated outside of Chinese Mainland constituted a majority of our total revenue. The total revenue from sales to customers outside of Chinese Mainland for 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025 was RMB178.6 billion, RMB196.0 billion, RMB225.8 billion, RMB147.0 billion and RMB179.7 billion, respectively. This represented 83.4%, 84.5%, 84.0%, 83.0%, and 81.4% of our total revenue during the same periods, respectively, remaining relatively stable during the Track Record Period, representing successful implementation of our strategy to continuously develop and maintain relationships with customers on a global scale.

SUMMARY

Gross Profit and Gross Profit Margin by Business Line

The following table sets forth our gross profit and gross profit margin by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	(Unaudited)									
Consumer electronics	22,316,737	11.7	21,385,759	10.4	21,274,953	9.1	16,380,785	10.7	18,557,678	10.5
Automotive electronics	983,628	16.0	1,451,088	15.7	2,178,249	15.8	1,476,753	15.9	3,609,155	15.2
Communication and data centers	1,402,145	10.9	2,253,307	15.5	2,940,330	16.0	2,060,942	16.0	3,292,201	18.5
Others	783,767	19.1	647,619	18.8	676,068	18.9	419,641	16.3	596,015	18.7
Total/Overall	25,486,277	11.9	25,737,773	11.1	27,069,600	10.1	20,338,121	11.5	26,055,049	11.8

For details, see “Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income.”

Summary of Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Total non-current assets	60,092,486	67,763,972	85,282,340	103,352,578
Total current assets	88,291,831	94,228,128	138,545,246	196,909,301
Total current liabilities	74,631,210	74,835,111	113,874,524	171,179,142
Net current assets	13,660,621	19,393,017	24,670,722	25,730,159
Total assets less current liabilities	73,753,107	87,156,989	109,953,062	129,082,737
Total non-current liabilities	14,969,238	16,872,124	25,265,937	30,040,313
Net assets	58,783,869	70,284,865	84,687,125	99,042,424
Non-controlling interests	13,440,972	13,974,680	15,360,115	18,765,770

We had net current assets of RMB25.7 billion as of September 30, 2025, consisting of current assets of RMB196.9 billion and current liabilities of RMB171.2 billion, which represented an increase of RMB1.0 billion from our net current assets of RMB24.7 billion as of December 31, 2024. This was primarily attributable to an increase in trade and note receivables and cash and cash equivalents from our operations partially offset by an increase in borrowings and trade and note payables. We had net current assets of RMB24.7 billion as of December 31, 2024, consisting of current assets of RMB138.5 billion and current liabilities of RMB113.9 billion, which represented an increase of RMB5.3 billion from our net current assets of RMB19.4 billion as of December 31, 2023. This was primarily attributable to an increase in cash and cash equivalents and term deposits, partially offset by an increase in trade and note payables. We had net current assets of RMB19.4 billion as of December 31, 2023, consisting of current assets of RMB94.2 billion and current liabilities of RMB74.8 billion, which

SUMMARY

represented an increase of RMB5.7 billion from our net current assets of RMB13.7 billion as of December 31, 2022. This was primarily attributable to an increase in cash and cash equivalents, partially offset by an increase in borrowings. For details, see “Financial Information—Net Current Assets.”

Our net assets increased from RMB58.8 billion as of December 31, 2022, to RMB70.3 billion as of December 31, 2023, to RMB84.7 billion as of December 31, 2024, and further to RMB99.0 billion as of September 30, 2025, primarily due to increases in (i) capital reserve as a result of share-based payments related to share options awarded to employees, and (ii) distributable profit in line with the growth of operating profit for the year/period.

Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our cash flows during the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB'000)				
Net cash generated from operating activities	12,727,611	27,605,058	27,116,910	6,675,013	3,478,039
Net cash used in investing activities	(13,326,366)	(19,559,912)	(35,656,073)	(29,266,721)	(13,856,313)
Net cash generated from financing activities	8,156,246	4,070,266	25,890,442	25,785,705	17,305,522
Net increase in cash and cash equivalents .	7,557,491	12,115,412	17,351,279	3,193,997	6,927,248
Cash and cash equivalents at the beginning of the year/period	8,921,537	17,312,418	29,684,152	29,684,152	47,267,103
Effect of foreign exchange rate changes, net.	833,390	256,322	231,672	(230,693)	12,807
Cash and cash equivalents at the end of the year/period	17,312,418	29,684,152	47,267,103	32,647,456	54,207,158

For details, see “Financial Information—Liquidity and Capital Resources—Cash Flows.”

Key Financial Ratio

	As of/For the year ended December 31,			As of/For the nine months ended September 30,
	2022	2023	2024	2025
Profitability ratios				
Gross profit margin (%)	11.9	11.1	10.1	11.8
Net profit margin (%)	4.9	5.3	5.4	5.8
Return on equity (%)	22.7	21.5	21.3	—
Liquidity ratios				
Current ratio (times)	1.2	1.3	1.2	1.2
Quick ratio (times)	0.7	0.9	0.9	0.8

For details, see “Financial Information—Key Financial Ratios.”

SUMMARY

DIVIDENDS

We are incorporated under the laws of the PRC. Pursuant to our Articles of Association, our Board may declare dividends after taking into account our results of operations, financial condition, cash requirements and availability and other factors which our Board considers relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. The final dividend declared for 2022, 2023 and 2024 was RMB926.9 million, RMB2,153.4 million and RMB1,449.5 million, respectively. As of the Latest Practicable Date, we had paid such declared dividends in full.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Dividend

Our shareholders’ meeting approved the “Proposal on the Profit Distribution for the First Three Quarters of 2025,” pursuant to which we have distributed cash dividends in an aggregate amount of RMB 1,165,136,549.12 (inclusive of tax), with the remaining undistributed profits carried forward for distribution in subsequent years.

Tariffs

Various countries have announced plans for and/or have already implemented new or modified tariffs. Particularly, the U.S. government has advocated greater restrictions on international trade and has increased the tariffs on certain goods imported into the U.S., particularly from the PRC. For example, following Donald Trump’s reelection in January 2025, the United States imposed several rounds of additional tariffs on Chinese imports. In response, China implemented countermeasures by imposing additional tariff on all imports from the United States. As of May 14, 2025, the U.S. agreed to reduce its maximum tariff on Chinese imports from 145.0% to 30%. This reduction includes a 10% baseline levy, along with an additional 20.0% levy based upon alleged activity related to fentanyl distribution. In parallel, China lowered its 125.0% tariff on American imports to 10.0%. Following the talks in Stockholm, U.S. and China agreed to seek an extension of their 90-day tariff truce, and the parties agreed to a further 90 day extension on August 11, 2025. The U.S. president threatened on October 10, 2025 to impose an additional 100% tariff on Chinese imports into the United States effective November 1, 2025, but he walked back that threat subsequently. The United States and China reached an agreement on October 30, 2025 that maintains the 10% baseline levy and lowers the 20% U.S. tariff on China concerning fentanyl to 10% effective November 10, 2025 through November 10, 2026. Uncertainty remains on what U.S. tariffs on Chinese goods will be in the long run.

The major products we sell from China to the U.S. market are as follows:

Tariff Code	Description
847141	wearable computer
854442	connecting wire/cable connection cord
851771	antennas
850790	battery modules
847180	computer with card reader
851762	smart watch / router / wireless signal receiver / wireless positioning device
851981	Bluetooth / Wi-Fi player
854370	other machines and apparatus

SUMMARY

These products are subject to a base tariff and Section 301 tariff. The U.S. tariff rates currently applicable to these products are as follows:

Tariff Code	Base tariff	Section 301 Harmonized Tariff Schedule (HTS) reference	Section 301 tariff
847141.....	0	9903.88.15	7.5%
854442.....	2.6%	9903.88.03	25%
851771.....	0	9903.88.15	7.5%
850790.....	3.4%	9903.88.01 or 9903.91.01	25%
847180.....	0	9903.88.03	25%
851762.....	0	9903.88.04 or 9903.88.15	25%
851981.....	0	9903.88.03 or 9903.88.15	25%
854370.....	2.6%	9903.88.01, 9903.88.02, 9903.88.03 or 9903.88.15	25%

In addition to these base and Section 301 tariffs, the U.S. as of February 24, 2026 also imposes a so-called “global” tariffs of 10% (which the U.S. President has said he is going to raise to 15%), but the President has said that he will continue to adhere to the agreement announced on October 30, 2025 that imposed a 20% additional tariff on these Chinese products. Thus, the total current U.S. tariffs applicable to our Chinese products sold to the U.S. are expected to range between 27.5% and 48.4%.

Under the U.S. tariff regulations, the importers of record shall pay the import duties. During the Track Record Period and up to the Latest Practicable Date, we had not been the importer of record of our products imported into the U.S., and the U.S. purchasers of our products were the importers of record. Therefore, the U.S. purchasers of our products bears the tariffs.

Our Directors are of the view that the tariffs have not had any material adverse impact on our business, results of operations or financial condition on the following bases: (i) during the Track Record Period, sales of Chinese products to the U.S. only accounted for 0.34%, 4.78%, 3.77% and 1.54% of its total sales for 2022, 2023, 2024 and the nine months ended September 30, 2025; (ii) with respect to such sales, the U.S. purchasers of our products were the importers of record and bore the tariffs; (iii) during the Track Record Period and up to the Latest Practicable Date, none of our U.S. customers had requested us to reimburse them of the U.S. tariffs they paid; and (iv) during the Track Record Period and up to the Latest Practicable Date, none of our customers had requested to cancel orders, suspended delivery, or re-negotiated price, order quantity, payment or other material terms of the transactions.

We believe we are well poised to tackle global trade tensions and tariff challenges leveraging our interconnected global production network. As of September 30, 2025, we had 105 production bases around the globe, primarily including China, Vietnam, Philippines, Thailand, Indonesia, Malaysia, India and Singapore in Asia, Germany, Poland, Czechia, Romania, Portugal, Serbia, Slovakia, Türkiye and Hungary in Europe, Mexico and Paraguay in Americas and Egypt and Tunisia in Africa. This expansive global production network enables us to flexibly allocate production capacity, significantly reduces risks associated with current international geopolitical uncertainties and minimizes the potential impact from tariffs and trade restrictions imposed on any particular country. In particular, we have established and expanded our presence and production capacity in Vietnam over the past decade, a country which

SUMMARY

has negotiated terms of trade with the U.S. involving much lower tariffs. Our production in Vietnam consists of substantial manufacturing which meets the definition of a “substantial transformation” under applicable U.S. regulations. During the Track Record Period, 81.0% of our sales to the US was from products manufactured in Vietnam.

Aside from the U.S., there are no other international markets to which our products are sold that are subject to tariffs of a similar magnitude.

No Material Adverse Change

Our Directors have confirmed that (i) up to the date of this document there has been no material adverse change in our financial or trading position or prospects since September 30, 2025 (being the end of the period reported on the Accountants’ Report in Appendix I to this document), (ii) there has been no acceleration of indebtedness or material expenses incurred since September 30, 2025, and (iii) there has been no event since September 30, 2025 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include [REDACTED], professional fees paid to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the [REDACTED] and the [REDACTED].

Based on the [REDACTED] of HK\$[REDACTED] per Share (being the maximum [REDACTED] stated in this document), the total estimated [REDACTED] expenses in relation to the [REDACTED] are RMB[REDACTED] (HK\$[REDACTED]), assuming the [REDACTED] is not exercised, which constitute approximately [REDACTED]% of the gross [REDACTED]. Our total [REDACTED] expenses consist of (i) [REDACTED]-related expenses and fees of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED]-related expenses of RMB[REDACTED] (HK\$[REDACTED]), including (a) fees payable to the legal advisors and Reporting Accountants of RMB[REDACTED] (HK\$[REDACTED]) and (b) other fees and expenses including Sponsors’ fees of RMB[REDACTED] (HK\$[REDACTED]). During the Track Record Period, we did not incur any [REDACTED] expenses. Approximately HK\$[REDACTED] of the [REDACTED] expenses is expected to be charged to profit or loss, and approximately HK\$[REDACTED] directly attributable to the issue of the H Shares is expected to be deducted from equity upon the completion of the [REDACTED].

Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ended December 31, 2025.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the maximum [REDACTED] stated in this document) after deducting the [REDACTED] and estimated expenses paid or payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

In line with our strategies, we intend to apply (i) approximately [REDACTED], or [REDACTED], to expand our production capacity and upgrade our existing production bases; (ii) approximately [REDACTED], or [REDACTED], to invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities; (iii) approximately [REDACTED], or [REDACTED], to invest in high-quality targets in upstream and downstream sectors or related industries; (iv) approximately

SUMMARY

[REDACTED], or [REDACTED], to repay certain existing interest-bearing bank borrowings; and (v) approximately [REDACTED], or [REDACTED], for working capital and other general corporate purposes. For details, see “Future Plans and Use of [REDACTED].”

[REDACTED] STATISTICS

[REDACTED]

RISK FACTORS

Our operations involve certain risks and uncertainties, some of which are beyond our control. Some of the major risks we face include: (i) changes in global or regional political and economic policies could have an adverse effect on our business, financial condition, results of operations and subsequently challenge our competitive position; (ii) 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; (iii) our success depends to a great extent on our R&D capabilities. Results of our technology and R&D efforts may affect our competitiveness and profitability; (iv) if we are unable to effectively manage our growth or execute our strategies, our business and prospects may be adversely affected; and (v) our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations.

For details, see “Risk Factors.”

SUMMARY

IMPACT OF COVID-19 PANDEMIC

Our business operations and financial condition were not materially and adversely impacted by the COVID-19 pandemic. 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. Our workforce remained free of COVID-19 clusters, and we did not experience suspension of production during the COVID-19 pandemic. There were random shipment and customer clearance delays, which resulted in longer lead time and slower logistics. This, however, did not have any material negative impact on our supply chain as we took effective countermeasures, such as maintaining sufficient safety stock, initiating shipment earlier, and using diversified shipment channels. 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. As a result, our revenue and net profit increased continuously during the Track Record Period.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain technical terms are explained in “Glossary.”

“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
“Accountants’ Report”	the accountants’ report for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 prepared by BDO Limited, the text of which is set out in Appendix I to this document
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company adopted on August 8, 2025 which will become effective on the [REDACTED] and as amended from time to time, a summary of which is set out in “Appendix III—Summary of the Articles of Association” to this document
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day” or “business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“CAGR”	compound annual growth rate

[REDACTED]

“Casetek Singapore”	Casetek Singapore PTE. LTD., a company incorporated on September 12, 2019 in Singapore, and one of our Major Subsidiaries

[REDACTED]

“China” or “PRC”	the People’s Republic of China
“CNAS”	China National Accreditation Service for Conformity Assessment
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company” or “our Company”	Luxshare Precision Industry Co., Ltd. (立訊精密工業股份有限公司), a company established in the PRC on May 24, 2004, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002475)
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Ms. Wang, Mr. Wang and Luxshare Limited, and a Controlling Shareholder shall mean each or any of them
“Convertible Bonds”	the convertible bonds of face value of RMB100 each in an aggregate principal amount of RMB3.0 billion convertible into our fully paid A Shares, a summary of which is set out in “History and Corporate Structure” in this document
“Cowell”	Cowell e Holdings Inc. (高偉電子控股有限公司), a company incorporated in the Cayman Islands with limited liability on November 28, 2006, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1415)
“Cowell Group”	Cowell and its subsidiaries
“CSDC”	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Dongguan Xuntao”	Dongguan Xuntao Electronics Co., Ltd. (東莞訊滔電子有限公司), a company established on February 9, 1996 in the PRC, and one of our Major Subsidiaries
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“EU”	European Union
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
“Frost & Sullivan Report”	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document

DEFINITIONS

[REDACTED]

“Group,” “our Group,” “our,”
“we” or “us”

our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)

“H Share(s)”

ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [REDACTED] and [REDACTED] on the Stock Exchange

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

“Hong Kong dollars,”
“HK dollars” or “HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“Hsin Hong”	Hsin Hong (Hong Kong) International Company Limited (鑫弘香港國際股份有限公司), a company incorporated in Hong Kong with limited liability on February 5, 2007, which is wholly owned by Ms. Wang Laijiao (王來嬌), a sister of Ms. Wang and Mr. Wang
“Hsin Hong Group”	Hsin Hong and its subsidiaries
“ICT-Lanto Hong Kong”	ICT-Lanto Limited (聯滔電子有限公司), a company incorporated on March 5, 2009 in Hong Kong, and one of our Major Subsidiaries
“IFRS”	the International Financial Reporting Standards as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, are not our connected persons

[REDACTED]

DEFINITIONS

[REDACTED]

“Jiashan Rishan” Ri Shan Computer Accessories (Jia Shan) Co., Ltd. (日善電腦配件(嘉善)有限公司), a company established on June 15, 2015 in the PRC, and one of our Major Subsidiaries

[REDACTED]

“Joint Sponsors” the joint sponsors as named in “Directors and Parties Involved in the [REDACTED]” in this document

“Lanto Kunshan” Lanto Electronic Limited (昆山聯滔電子有限公司), a company established on April 23, 2004 in the PRC, and one of our Major Subsidiaries

“Latest Practicable Date” February 23, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

“Leoni Business” collectively includes Leoni AG and Leoni Kabel GmbH

[REDACTED]

“Listing Guide” or “Guide for New Listing Applicants” the Guide for New Listing Applicants as published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“Listing Rules” or “Hong Kong Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Luxcase ICT Yancheng” Luxcase Precision Technology (Yancheng) Co., Ltd. (立鎧精密科技(鹽城)有限公司), a company established on September 27, 2017 in the PRC, and one of our Major Subsidiaries

“Luxis Hong Kong” Luxis Technology Limited (香港立芯科技有限公司), a company incorporated on April 23, 2021 in Hong Kong, and one of our Major Subsidiaries

“Luxshare Changshu” Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd. (立訊智造科技(常熟)有限公司), a company established on October 24, 2019 in the PRC, and one of our Major Subsidiaries

“Luxshare Chuzhou” Luxshare Precision Industry (Chuzhou) Co., Ltd. (立訊精密工業(滁州)有限公司), a company established on March 24, 2014 in the PRC, and one of our Major Subsidiaries

DEFINITIONS

“Luxshare Kunming”	Kunming Luxshare Technology Co., Ltd. (昆明立訊科技有限公司) (formerly known as Kunming Wenxun Industrial Co., Ltd. (昆明聞訊實業有限公司)), a company established on January 14, 2020 in the PRC, and one of our Major Subsidiaries
“Luxshare Limited”	Luxshare Limited (立訊有限公司), a company incorporated in Hong Kong with limited liability on August 27, 1999 and one of our Controlling Shareholders, which is owned as to 50% by Ms. Wang and 50% by Mr. Wang
“Luxshare Limited Associates”	Luxshare Limited and its associates which, for the purpose of this document and unless the context otherwise requires, excludes our Group
“Luxshare Limited Group”	Luxshare Limited and its subsidiaries which, for the purpose of this document and unless the context otherwise requires, excludes our Group
“Luxshare Hong Kong”	Luxshare Precision Limited (立訊精密有限公司), a company incorporated on May 5, 2011 in Hong Kong, and one of our Major Subsidiaries
“Luxshare Precision Group”	our Company and its subsidiaries which, for the purpose of this document and unless the context otherwise requires, excludes the Time Interconnect Group
“Luxshare Smart Manufacturing”	Luxshare iTech (Zhejiang) Co., Ltd. (立訊智造(浙江)有限公司), a company established on April 8, 2019 in the PRC, and one of our Major Subsidiaries
“Luxshare Technology Kunshan”	Luxshare Electronic Technology (Kunshan) Co., Ltd. (立訊電子科技(昆山)有限公司), a company established on September 12, 2000 in the PRC, and one of our Major Subsidiaries
“Luxshare Van Trung”	Luxshare-ICT (Van Trung) Company Limited (立訊精密(雲中)有限公司), a company incorporated on September 5, 2019 in Vietnam, and one of our Major Subsidiaries
“Luxshare Vietnam”	Luxshare-ICT (Vietnam) Company Limited (立訊精密(越南)有限公司), a company incorporated on October 5, 2016 in Vietnam, and one of our Major Subsidiaries
“Luxvisions Innovation”	Luxvisions Innovation Technology Co., Ltd. (立景創新科技股份有限公司), a company established in the PRC with limited liability on March 16, 2018, which is a non-wholly owned subsidiary of Luxvisions Innovation Limited (立景創新有限公司), a company owned as to approximately 56.34% by Mr. Wang Laixi, a brother of Ms. Wang and Mr. Wang, and approximately 43.66% by Luxsan Limited (景汕有限公司), which is owned as to 34% by Ms. Wang, 33% by Mr. Wang and 33% by Ms. Wang Laijiao (王來嬌), a sister of Ms. Wang and Mr. Wang
“Luxvisions Innovation Group”	Luxvisions Innovation and its subsidiaries which, for the purpose of this document and unless the context otherwise requires, excludes Cowell Group
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“Major Subsidiaries”	the major subsidiaries of our Company listed in “History and Corporate Structure—Our Major Subsidiaries” in this document

DEFINITIONS

“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF” or “Ministry of Finance”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Wang”	Mr. Wang Laisheng (王來胜), our founder, vice chairman of the Board, executive Director and one of our Controlling Shareholders
“Ms. Wang”	Ms. Wang Laichun (王來春), our founder, chairlady of the Board, executive Director, general manager and one of our Controlling Shareholders
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
“NPC”	National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC GAAP”	generally accepted accounting principles in Chinese Mainland
“PRC Legal Advisors”	Han Kun Law Offices, the legal advisors to our Company as to the laws of the PRC

[REDACTED]

DEFINITIONS

“Qorvo Business”	collectively includes Qorvo Hong Kong Limited (威訊聯合半導體(香港)有限公司) and Qorvo Singapore Holding Pte. Limited (威訊聯合半導體(新加坡)有限公司)
“R&D”	research and development
	[REDACTED]
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Reporting Accountant”	BDO Limited
“Rida Intelligent Manufacture”	Rida Intelligent Manufacture Technology (Rugao) Co., Ltd. (日達智造科技(如皋)有限公司), a company established on October 21, 2020 in the PRC, and one of our Major Subsidiaries
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
	[REDACTED]
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Securities Law” or “PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Share Option Incentive Plans”	the 2019 Share Option Incentive Plan, the 2021 Share Option Incentive Plan, the 2022 Share Option Incentive Plan and the 2025 Share Option Incentive Plan
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, [REDACTED] and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen
“Smart Manufacturing Jiangxi”	Jiangxi Luxshare Intelligent Manufacture Co., Ltd. (江西立訊智造有限公司), a company established on December 25, 2015 in the PRC, and one of our Major Subsidiaries
	[REDACTED]
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Time Interconnect”	Time Interconnect Technology Limited (匯聚科技有限公司), a company incorporated in the Cayman Islands with limited liability on June 15, 2017, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1729), and a non-wholly owned subsidiary of our Company
“Time Interconnect Group”	Time Interconnect and its subsidiaries
“Track Record Period”	the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025

[REDACTED]

“United States,” “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars,” “US\$” or “USD”	United States dollars, the lawful currency of the United States

[REDACTED]

“VAT”	value added tax
“Wingtech Technology”	Wingtech Technology Co., Ltd. (聞泰科技股份有限公司), a company established in the PRC on January 11, 1993, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600745)
“Zixin Investment”	Xinjiang Zixin Investment Limited Partnership (新疆資信投資有限合夥企業) (formerly known as Shenzhen Zixin Investment Co., Ltd. (深圳市資信投資有限公司) and Ji'an Zixin Investment Co., Ltd. (吉安縣資信投資有限公司)), a limited partnership established on October 27, 2008 in the PRC
“%”	per cent

For the purpose of this document, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

In this document the terms “associate(s),” “close associate(s),” “connected person(s),” “core connected person(s),” “connected transaction(s),” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

DEFINITIONS

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

Unless the content otherwise requires, references to “2022,” “2023” and “2024” in this document refers to our financial year ended December 31 of such year.

GLOSSARY

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

“AC”	alternating current, an electric current that reverses its direction many times a second at regular intervals
“ACC”	active copper cable, a type of high-speed copper cable used for data transmission
“ADAS”	advanced driver-assistance system, a built-in suite of coordinated technologies that help drivers operate their vehicles more safely
“AEC”	active electrical cable, an active cable technology used in data centers and high-speed network applications
“AF”	anti-fingerprint
“AOC”	active optical cable, a cabling technology that uses electrical-to-optical conversion on the cable ends to improve speed and distance performance of the cable without sacrificing compatibility with standard electrical interfaces
“APS”	advanced planning and scheduling system
“AR”	augmented reality, an enhanced version of reality created by the use of technology to overlay digital information on an image of something being viewed through a device
“CCD”	charge-coupled device, a light-sensitive integrated circuit that captures images by converting photons to electrons
“CPC”	co-packing copper, connects high-speed electrical signal channels to the chip through a common package connector
“CPE”	customer premise equipment, a telecommunications equipment that is installed at a customer’s location
“DAC”	direct attach cable, a type of passive high-speed copper cable that does not require external power or signal conditioning chips
“DC”	direct current, an electric current flowing in one direction only
“digital twin”	a virtual representation of an object or system designed to reflect a physical object accurately
“Dk”	dielectric constant, a quantity measuring the ability of a substance to store electrical energy in an electric field
“first-pass yield”	the percentage of products that meet quality standards the first time through a manufacturing process, without needing rework or repairs
“Gbps”	gigabits per second, a unit of data transfer rate
“Harmonized System Codes”	internationally recognized product codes used to classify goods in import and export shipments
“HASS”	Highly Accelerated Stress Screening, an industry gold standard for reliability assessment in the communication industry
“HDMI”	High-Definition Multimedia Interface, an interface standard for transmitting high-quality audio and video signals between devices
“HSIO”	high-speed input/output, a connector installed on the panel of high-speed devices such as switches and servers

GLOSSARY

“HUD”	head-up display, a system that projects information onto a usually transparent surface that sits directly in a user’s line of vision
“MES”	manufacturing execution system, a system which monitors and controls complex manufacturing systems and data across multiple function areas in a manufacturing process
“mixed reality”	a combination of AR or VR elements with the physical world to create an immersive experience
“MPa”	one million pascals, a unit of pressure or stress in the international system of units
“NPC”	near packing copper, connects high-speed electrical signal channels to the chip through a high-speed connector located near the chip
“NPI”	new product introduction, a process which includes all activities undertaken within an organization to define, develop and market a new or improved product or solution
“PCB”	printed circuit board, a mechanical base used to hold and connect the components of an electric circuit
“PCBA”	PCB assembly, the process of soldering or integrating electronic components to a PCB
“PLM”	product lifecycle management system, a system which provides a comprehensive approach to managing information across a product’s entire journey
“riser cable”	a cable used inside a server to convert vertically inserted boards into parallel ones to ensure sufficient space and heat dissipation inside the server
“self-sufficiency rate”	the percentage of the number of core components and modules that can be supplied through in-house capabilities for end-product integration
“SiP”	System-in-Package
“SSIO”	server storage input/output, a high-speed electrical signal input/output connector inside a high-speed device, such as a switch or server panel
“Tbps”	terabit per second, a unit of data transfer rate, quantifying the amount of data transmitted per unit of time, equaling to one trillion bits per second
“UV”	ultraviolet
“VR”	virtual reality, the computer-generated simulation of a 3D image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment
“W”	watts, a measure of the rate of energy transfer over a unit of time, with one watt equal to one joule per second
“W/mK”	watts per meter-kelvin
“WMS”	warehouse management system, a system which allows enterprises to control and manage warehouse operations
“XR”	extended reality, a collective term that refers to immersive technologies, including AR, VR and mixed reality
“μm”	micrometer, a metric unit of linear measure that equals one-millionth of a meter

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “might,” “ought to,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our mission, goals and strategies;
- our future business development, financial condition and results of operations;
- future developments, trends and conditions in the industries and markets in which we operate or into which we intend to expand;
- our expectations regarding demand for and market acceptance of our products and solutions;
- our expectations regarding our relationships with customers, business partners, suppliers and other partners;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- our ability to attract and retain qualified personnel;
- competitive position in the industries and markets in which we operate or into which we intend to expand;
- our proposed use of [REDACTED];
- rapid developments in technology and our ability to successfully keep up with technological advancement;
- changes in currency exchange rates;

FORWARD-LOOKING STATEMENTS

- relevant government policies and regulations relating to industries which we operate in;
- certain statements in this document with respect to trends in prices, operations, margins, overall market trends, and risk management;
- volatilities in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- various uncertainties described in the “Risk Factors;” and
- other statements in this document that are not historical facts.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. In light of the aforementioned and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

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

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below and in the Financial Information section, among others, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Changes in global or regional political and economic policies could have an adverse effect on our business, financial condition, results of operations and subsequently challenge our competitive position.

Our business, financial condition, results of operations and prospects could be affected by economic, political and legal developments in the markets where we operate. During the Track Record Period, we primarily generated revenue from sales to customers incorporated in (i) Europe, such as Ireland and England, (ii) North America such as the U.S., (iii) Asia, such as Singapore, and (iv) Chinese Mainland. The total revenue from sales to customers outside of Chinese Mainland for 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025 was RMB178.6 billion, RMB196.0 billion, RMB225.8 billion, RMB147.0 billion and RMB179.7 billion, respectively, representing 83.4%, 84.5%, 84.0%, 83.0%, and 81.4% of our total revenue during the same periods, respectively. For details, see “Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income—Revenue—Revenue by Geographic Region.” The growth of the regional and global economy has slowed in recent years. It remains uncertain whether, and for how long, the regional and global economic downturn will persist. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world’s leading economies. It is unclear whether these challenges and uncertainties will be effectively managed or resolved and what effects they may have on the global political and economic conditions in the long term. In particular, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets, inflation and deflation could affect the business and economic environment, the growth of the PIMS industry and ultimately, the profitability of our business. Governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, foreign exchange and other aspects of the economy, as well as government measures or policies in regulating particular industries or companies may affect our business and results of operations. We cannot guarantee the extent to which our business operations will be able to benefit from such measures or whether such measures may have negative effect on us. Furthermore, global or regional economic growth may vary from year to year, and such growth may be uneven, both geographically and among various industry sectors. If the business environment in the markets where we operate changes, our business may be materially and adversely affected.

RISK FACTORS

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.

Our ability to maintain our current level of profitability depends on our continued success in retaining existing customers and attracting new customers. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our revenue from the five largest customers in each period during the Track Record Period was approximately 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% of our total revenue during the respective periods. During the same periods, our revenue from the largest customer, Customer A/Supplier A, for the respective 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% of our total revenue during the respective periods, which was significantly higher than our revenue from other customers during the Track Record Period. For details, see “Business—Our Customers.” We cannot assure you that our major customers will not diversify their suppliers, change their business scope or business model nor suspend their operation, or they will not encounter any operating or financial difficulties. In addition, the end markets where our customers operate are evolving. Their ability to sustain success in these dynamic environments will influence their demand for our offerings. Any material adverse changes in the business, operation and financial condition of our major customers may in turn have a material adverse effect on us.

In addition, there is no assurance that we could retain our existing customers or attract new customers as we did during the Track Record Period. If we fail to retain existing customers or attract new customers due to product, pricing or other competitive factors, our business, financial condition and results of operations may be adversely affected. There is no assurance that we are able to maintain good relationship with our major customers, or our major customers will continue to have high demands for our products in the future. Under the aforementioned circumstances, if we are unable to identify and acquire suitable new customers within a reasonable period of time, our business, financial condition and results of operation may be materially and adversely affected.

Further, some of our five largest customers were also our suppliers during the Track Record Period. We had supplier concentration primarily due to the buy-and-sell procurement method, 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. In 2022, 2023 and 2024 and for nine months ended September 30, 2025, purchases from our five largest suppliers in each period during the Track Record Period 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 during the same periods, respectively. In addition, the purchases from our largest supplier, 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. For details, see “Business—Our Suppliers.”

Our success depends to a great extent on our R&D capabilities. Results of our technology and R&D efforts may affect our competitiveness and profitability.

Our R&D capabilities are critical to our success. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our R&D expenses amounted to RMB8,447.0 million, RMB8,188.8 million, RMB8,556.0 million and RMB8,170.4 million, respectively, representing 3.9%, 3.5%, 3.2% and 3.7% of our total revenue for the same periods, respectively. We

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may continue investing significant resources in R&D in order to offer products desirable to our customers and pricing and remain competitive in the rapidly evolving industry. However, R&D activities are inherently uncertain, generally lasting for a long time and requiring substantial R&D expenses. Our R&D activities and investments cannot guarantee revenue generation, and we may not be able to recover costs incurred. We cannot assure you that our R&D projects will be successful or completed within the anticipated time frame and budget, or that our newly-developed products will have commercial success, or that we will achieve anticipated sales target or profit.

In addition, our existing or potential competitors may develop products which are similar or superior to our products with more competitive price. Due to uncertainties in the time frame for developing new products and the duration of the market window for these products, we may have to abandon ongoing developments that are no longer commercially viable, even after having invested significant resources in their R&D. If we fail to launch our products in a timely manner and with competitive edge in the industry, our business, prospects, financial condition and results of operations may be materially and adversely affected.

If we are unable to effectively manage our growth or execute our strategies, our business and prospects may be adversely affected.

Our business has continued to grow in recent years, so has our business network. In addition, as we expand our product portfolio, customer base and geographical markets, we will need to work with a larger number of suppliers and customers efficiently and maintain and expand mutually beneficial relationships with our existing and new suppliers and customers. We also need to continuously enhance and upgrade our infrastructure and technology, improve control over our operational, financial and management aspects, strengthen our supplier and sales network management, refine our reporting systems and procedures, and expand, train and manage our growing employee base. All these efforts will require significant managerial, financial and human resources. We cannot assure you that such efforts will result in our expected success. We cannot assure you that we will be able to effectively manage our growth, that our current infrastructure, systems, procedures and controls or any new measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully.

In addition, changes and developments taking place in industries where we operate in may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments may have a material and adverse effect on our business, financial condition and results of operations. Even if we innovate and adapt to these changes and developments, we may nevertheless fail to realize the anticipated benefits of our long-term strategies and business plans, and such changes could even harm our profitability.

Our acquisitions may not be successful and we may face difficulties in integrating acquired businesses with our existing operations.

From time to time, to enhance our growth, we may evaluate various acquisition and strategic partnership opportunities that we believe would enhance our capabilities in terms of product development, technology advancement or sales network. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including: substantial time and expenses incurred during negotiation; impact on our financial results, such as occurrence of goodwill impairment charges and amortization expenses for intangible assets; increased operating expenses and cash requirements; the assumption of additional indebtedness, contingent liabilities or unforeseen liabilities; the potential issuance of dilutive equity securities; assimilation of operations, intellectual property and

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products of an acquired company; the diversion of our management’s attention from our existing product programs; retention of key customers; risks and uncertainties associated with the other party to such a transaction; our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives; and deficiencies in internal controls, data adequacy and integrity, product quality and regulatory compliance, and product liabilities, which may subject us to penalties, lawsuits or other liabilities.

We may not be able to identify attractive targets. In addition, we may not be able to successfully acquire the targets identified despite spending a significant amount of time and resources on pursuing such acquisition. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services from both an engineering and a sales and marketing perspective, integrate and support preexisting supplier, distribution and customer relationships, coordinate R&D efforts, and consolidate duplicate facilities and functions. The geographic distance between companies, the complexity of the technologies and operations being integrated, and the disparate corporate cultures being combined may increase the difficulties of integrating an acquired company or technology.

The industries where we operate in are highly competitive.

The PIMS industry is intense and highly competitive. For details, see “Industry Overview.” Many of our competitors provide products comparable to those we offer and may further upgrade their products and optimize their services. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than us and may have the ability to initiate or withstand significant industry evolution or regulatory changes. Our competitors may have more advanced facilities or equipment, develop more advanced or efficient technologies, acquire more customers, have more professional staff or offer more competitive prices. If we are unable to stay competitive or compete successfully with our competitors, we may experience decreases in market share and sales volume, and may have to reduce our prices or make other concessions, thereby adversely affecting our profitability, business, financial condition and results of operations.

The expansion and profitability of our consumer electronics business depend on the level of consumer demand, which could be affected by factors such as economic downturn and inflation globally.

We derive a large portion of our revenue from sales of products and solutions for consumer electronics application scenario. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, revenue generated from sales of consumer electronics products and solutions amounted to RMB190.9 billion, RMB204.7 billion, RMB233.1 billion and RMB176.2 billion, respectively, accounting for 89.2%, 88.3%, 86.7%, and 79.8% of our total revenue during the same periods, respectively. The success of our business depends, to a significant extent, on consumer demand in the markets where we sell our products. Numerous external factors beyond our control can influence the level of consumer demand on our products. These factors include general economic conditions, inflationary pressures, recession concerns, geopolitical tensions, disease outbreaks, interest rates and sales tax rates. In particular, in the past several years, the global economy has faced significant challenges, including disruptions across industries and supply chains, inflationary pressures in many countries and ongoing volatility in global markets. Any global economic downturn could lead to decreased consumer demand in the geographic markets where we operate, causing customers to reduce

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their purchases from us. As a result, we may have difficulty maintaining or expanding our revenue or customer base, which could have a material and adverse effect on our business, financial condition and results of operations.

Adjustment in our product mix may result in fluctuations in our profitability, which may affect our financial condition and results of operations.

Our results of operations are affected by changes in our product mix. During the Track Record Period, we offered products for a variety of application scenarios, including consumer electronics, automotive electronics, and communication and data centers, among others, to capture a broader range of market opportunities, enhance the diversity of our product offerings and improve our profitability. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our revenue generated from sales of consumer electronics products and solutions amounted to RMB190.9 billion, RMB204.7 billion, RMB233.1 billion and RMB176.2 billion, respectively, representing 89.2%, 88.3%, 86.7% and 79.8% of our total revenue in the same periods, respectively. As we expand our product mix, we expect revenue from other business lines to account for a larger percentage of our total revenue in the future.

Our wide range of products and solutions have different selling prices and margin profiles. For example, in 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our gross profit margin for automotive electronics was 16.0%, 15.7%, 15.8% and 15.2%, respectively, higher than our overall gross profit margin, which was 11.9%, 11.1%, 10.1% and 11.8%, respectively, for the same periods. Moreover, component and module products have a higher gross profit margin than system integration solutions in general. Therefore, change in our mix of products and solutions could affect our overall profit margin. Any adjustment in product mix may result in fluctuations in our profitability. We cannot guarantee that our business adjustments will be consistently successful, and that we will continue to sustain our gross profit margins and profitability levels in the future.

Our expansion into new products and solutions may not yield the intended results.

We operate in an industry that is subject to rapid and unpredictable changes in customer demand and trends. Our success depends to a large extent on our ability to provide customers with new, attractive products tailored to their needs on a timely basis at favorable profit margins.

The commercial success of new products and solutions are subject to many factors that are not entirely within our control, including our ability to carry out effective and efficient technology development and manufacturing, gauge market demand, make timely delivery and offer satisfactory after sales services for the new products. If our new products cannot achieve good commercial results, we may be unable to achieve desired revenue and profit return, or even recoup initial investments.

We may also sell new products and solutions to new markets, the success of which is dependent on various factors such as market conditions, competition landscape, regulatory environment, supply chain, customer demand, and the positioning of our new products, as well as our ability to offer such products at competitive terms and prices. The new markets may have high entry barriers, which may prevent new entrants to achieve market penetration. There can be no assurance that we will be able to successfully satisfy our customer demand on a sustainable and profitable basis.

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There may be sudden shortage or defect in supply of certain raw materials and components which may lead to delay or failure in fulfillment of orders.

We procure materials for the multiple business lines we operate, including (i) raw materials and components, and (ii) precision instruments and equipment. For details, see “Business—Raw Materials and Supply Chain.” Although we check the availability of the raw materials or components when we provide quotations to our customers, there is typically a gap between the timing of our quotations and the placing of orders for these raw materials and components. If there is a sudden shortage or delay in supply of the relevant raw materials or components, it could delay the fulfillment of our orders. If the relevant raw materials or components are no longer available, we may fail to supply certain products to our customers, and additional R&D resources may be needed to modify certain specifications of the product to use alternative raw materials or components of other brands. We may find it difficult, costly and time-consuming to find alternative supply of these materials and components, or to change product design to use alternative raw materials and components. We cannot assure that we could source a sufficient quantity of high-quality raw materials and components used in our products at reasonable costs. Our supply to customers will be disrupted and our customers may request for discounts or claim damages and our profit will be reduced and reputation will be adversely affected.

Fluctuations in the prices of materials may affect our cost of sales, business operations and profitability.

Cost of materials constitutes the major part of our cost of sales. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our cost of materials was RMB159.2 billion, RMB177.6 billion, RMB207.5 billion and RMB162.9 billion, respectively, accounting for 84.4%, 86.1%, 85.9% and 83.6% of our total cost of sales, respectively. We procure materials for the multiple business lines we operate, including (i) raw materials and components, and (ii) precision instruments and equipment. Furthermore, strong procurement ability of suitable materials to meet our customers’ standard of the end products is critical for our business operation. We have to bear the risk of cost fluctuations and may not be able to shift such risk to our customers. Hence, any increase in the price of materials will directly affect our profitability if we fail to accurately estimate the cost of the materials to fulfill the purchase orders of customers. For details, see “Business—Raw Materials and Supply Chain” and “Financial Information—Key Factors Affecting Our Results of Operations—Cost Control and Operational Efficiency.” There is no assurance that our suppliers will not significantly increase the prices of raw materials or components in the future, in particular when the market prices of or the market demand for such raw materials or components increase. There is also no assurance that we will be able to pass on the increase in the cost of raw materials or components to our customers in a timely manner to avoid adverse impacts on our profitability.

Failure to successfully execute our equipment maintenance and upgrades and capacity expansion plans or to effectively utilize our production bases may have an adverse effect on our business, financial condition and results of operations.

Our growth prospects and future profitability depend on, among others, our ability to upgrade and expand our production capability and capacity, either generally or with respect to demand from customers for particular products. For details, see “Business—Manufacturing—Production Capacity and Utilization.” To successfully upgrade and expand our production capability and capacity, we need to make cost-effective and efficient upgrade and expansion plans, expand and construct new facilities or equipment either by our own R&D or procurements from third parties, and hire and train professionals necessary to operate such facilities or equipment, all of which may be affected by several factors,

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including: availability of working capital for purchasing facilities or equipment; shortages or delays in the delivery of facilities or equipment; difficulties or delays which may arise in installing the facilities or equipment; and implementation of new manufacturing processes.

We cannot guarantee that our upgrade or expansion plan, if implemented, will be operationally or financially successful and substantiated by sufficient market demand for or profit margin of our products. If we are unable to implement the upgrade or expansion plan cost-effectively and efficiently, our business and profitability may be adversely affected. In particular, the implementation of our expansion plans may incur significant staff costs, depreciation and amortization charges and other expenses, which may adversely affect our financial condition. In addition, if we do not receive sufficient orders from our customers to effectively utilize our production bases, we may be subject to low utilization rates of production capacity, over-capacity or high depreciation charges for our production bases, which may hurt our profitability and results of operations. Furthermore, if market demand declines in the future, we may not be able to recoup the costs incurred for construction of any new factories or expansion of any existing factories and maintenance of expanded production capacity. Any delay or cancelation of our expansion plan could also subject us to disputes with various counter-parties. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Any deterioration in labor relations, labor shortages and increase in labor cost may have an adverse effect on our business operations.

Despite our ongoing efforts to enhance automation, certain aspects of our manufacturing process has to be carried out manually. Our need for production personnel may increase in aligning with the expansion of our production capacity and increase of our production volume. There is no assurance that we will not experience any labor shortage for our production or that the labor costs will not increase in the future. Furthermore, if labor costs increase, our production costs will increase correspondingly and we may not be able to shift these extra costs to our customers due to competitive pricing pressures among our competitors. If we fail to retain our existing labor and/or recruit sufficient labor in a timely manner, we may not be able to accommodate any increase in demand for our products or smoothly implement our expansion plans. As a result, our business, financial condition and results of operations would be materially and adversely affected.

Our delivery and return policies, and possible product liability claims, may affect our results of operations.

Our commercial success depends on consistently delivering quality and reliable products. If the quality of any of our products deteriorates or fail to meet customers’ expectations, we may face customer complaints, return requests, or order cancelations. Our products may have quality issues or undetected defects or errors. These may be due to product design, software, components or manufacture. If our customers return products to us, we will incur additional labor costs and raw material costs to fix the products with quality problem, which may materially and adversely affect our profitability, in addition to our brand name and reputation. Further, if our products fail to meet the required standard to end-users, our customers may need to recall these products. We may also be subject to product liability claims. If any product liability claims are brought against our customers and regardless of whether our customers have merits, we would need to spend a significant amount of money defending these claims. As a result, we may need to bear significant legal costs and pay substantial damages.

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Unexpected disruptions to our production bases or manufacturing process may adversely affect our business operations.

Our business operations are heavily dependent on our production bases. Our production bases are subject to operating risks, such as equipment failures, disruptions in power supply, industrial accidents, labor shortage, strike, fire or natural disasters. If any unanticipated or prolonged interruption of our operations at our production bases happens due to any of the aforesaid risks, we may not be able to deliver our products to our customers in a timely manner or at all. As a result, our relationship with our customers could be adversely affected due to our failure and we may also be subject to contractual claims for compensation from our customers, which may materially and adversely affect our business, financial condition and results of operations.

Furthermore, our operation process covers from R&D through production, storage, logistics, marketing and sales to after-sales services. Any interruption or failure in the operation process could result in product quality or safety problems and other regulatory or environmental risks that may have a material and adverse impact on our business. In addition, the use of the more advanced, complex and costly technologies and equipment may further increase our exposure to operational risks and the difficulty in timely repair or replacement. Any interruption in the operation throughout our entire operation process for an extended period could cause us to suffer financial loss and reputational harm, which may materially and adversely affect our business, financial condition and results of operations.

We are exposed to the risk of production safety accidents.

Our operations are subject to risks related to workplace safety, including damage to, or destruction of, production equipment and facilities, or operational accidents, and could also result in personal injury, death, performance delays, monetary losses and legal liability. We are required to comply with laws and regulations related to production safety in the jurisdictions where we operate. For details, see “Regulatory Overview—Regulations on Production Safety.” There can be no assurance that serious accidents or fatalities will not occur during our manufacturing process or on our premises in the future. If an accident occurs, we may be held liable for compensation arising from personal injury, loss of life, property damage, or for fines and penalties imposed for breaches of applicable laws and regulations. Furthermore, we may be subject to business interruptions caused by shutdowns or suspension of operations due to government investigations or the requirement to implement additional safety measures.

Negative publicity and allegations involving us, our shareholders, directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected.

Negative publicity and allegations involving us, our shareholders, directors, officers, employees, business partners, and our product and solutions may arise from time to time. Negative comments on the properties managed by us, products and solutions offered by us, our business operations and management may appear in internet postings and other media sources from time to time and we cannot assure you that other types of negative publicity will not arise in the future. Moreover, negative publicity about other companies providing similar products and solutions as us may arise from time to time and cause customers to lose confidence in the products and solutions offered by us. Any such negative publicity, regardless of veracity, may have a material adverse effect on our business, our reputation and the [REDACTED] of our Shares.

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We may be adversely affected by any significant disruption of performance of third party warehousing and logistics service providers.

During the Track Record Period, we relied on third-party service providers for services in connection with our business, such as warehousing and logistics services. However, any natural or man-made disasters or other unanticipated catastrophic events could impair the operations of our suppliers and/or disrupt our transportation channels and customs clearance procedure, and impede our ability to manufacture and deliver our products to customers in a timely manner. If the third-party service providers do not perform satisfactorily, substantially reduce the amount and scope of services provided to us, substantially increase the prices of their services or terminate their business relationship with us, we may need to replace the third-party service providers or take other remedial actions which could increase our costs of operations. As we do not have direct control over the third-party service providers, if they become involved in the unauthorized provision of services not complying with our requirements or that of our customers, our reputation in the industry will be affected.

We may fail to obtain sufficient funding for our operations and expansion activities on commercially reasonable terms, or at all, and any debt financing may contain covenants that restrict our business or operations.

Our expansion plans will require us to make substantial capital investment such as expenditures on construction of factories and purchase of equipment in connection with the growth of our business. In the past, we have funded our operations and expansion mainly through cash generated from operations and bank borrowings, and we expect to continue to rely on these resources in the future. However, we cannot assure you that such funds will be sufficient or that any additional financing can be obtained on satisfactory or commercially reasonable terms, or at all. Our ability to obtain additional financing in the future is subject to a variety of uncertainties, including: our future financial condition, results of operation and cash flows; general market conditions for capital raising activities; and economic, political and other conditions.

Failure to maintain optimal inventory level could increase our inventory holding costs or cause us to lose sales, either of which could have an adverse effect on our business, financial condition and results of operations.

Maintaining optimal inventory levels is critical to our financial health. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the balance of our inventories amounted to RMB37.3 billion, RMB29.4 billion, RMB31.5 billion and RMB51.6 billion, respectively, and accounted for approximately 25.1%, 18.2%, 14.1%, and 17.2%, respectively, of our total assets for the same periods. In 2022, 2023 and 2024 and for the nine months ended September 30, 2025, our inventory turnover days were 56 days, 59 days, 46 days and 59 days, respectively. For details, see “Financial Information—Discussion of Certain Key Items from Consolidated Statements of Financial Position—Inventories.” For stocking purposes, we generally forecast demand for the products we sell ahead of the actual time of sale. However, we cannot assure you that we can accurately predict these trends and events and maintain adequate levels of inventory at all times. Significant and unpredictable shifts in market demand can affect the accuracy of our market demand forecast and the effectiveness of our procurement and inventory management practice, and we may not be able to timely mitigate the inventory pressure or at all. An unexpected decrease in the market demand for the products we sell could lead to excessive or obsolescent inventory or significant depreciation in inventory value. Moreover, excessive inventory levels may tie up substantial capital resources, limiting our ability to allocate funds to other critical areas. Conversely, if we underestimate customer demand, we may experience inventory shortages,

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thereby impacting our ability to generate sales and cause damage to our reputation and relationships with our customers. Any of the above may materially and adversely affect our business, financial condition and results of operations.

We are subject to credit risk arising from trade and note receivables due from our customers.

Failure to collect our trade and note receivables fully or timely may have an adverse effect on our results of operations and financial condition. We generally grant our customers a credit period of 30 to 60 days. As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had trade and note receivables of approximately RMB27.0 billion, RMB23.8 billion, RMB32.9 billion and RMB52.0 billion, respectively. As a result, we may be exposed to credit risk. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, our trade and note receivables turnover days were 50 days, 40 days, 38 days and 52 days, respectively. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our loss allowance for trade receivables was RMB140.1 million, RMB111.6 million, RMB121.2 million and RMB448.3 million, respectively, which is estimated based on information currently available to us. Our loss allowance for trade receivables increased to RMB448.3 million as of September 30, 2025 from RMB121.2 million as of December 31, 2024, primarily due to the increase in total trade receivables. However, such estimation or assumptions may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of trade receivables becomes insufficient in light of the new information, we may need to make more allowance for impairment of trade receivables, which may in turn adversely affect our business, financial condition, and results of operations. For details, see “Financial Information—Discussion of Certain Key Items from Consolidated Statements of Financial Position—Trade and Note Receivables.”

We could be adversely affected if we violate economic sanctions, export control and similar laws in various jurisdictions where we operate.

We are subject to economic sanctions, export control and similar laws and regulations in various countries or jurisdictions in which we conduct business. We take precautions to prevent our products from being provided to any target of sanctions. However, we cannot assure you that our products would not be resold or otherwise provided to such targets by our customers. Any such resale or provision could subject us to potential government investigations, penalties and reputation damage.

Our legal advisors as to international trade and sanctions (the “**International Sanctions Legal Advisors**”) have confirmed that no member of our Group is currently included in the Entity List or otherwise subject to any other international sanctions programmes. In July 2025, we completed the acquisition of the Wingtech Businesses. The Wingtech Businesses do not involve any development, production, design or fabrication of any integrated circuits or semiconductors. Wingtech Technology was added to the Entity List in December 2024 because of its involvement in “sensitive semiconductor manufacturing.” As the Wingtech Businesses that we acquired are no longer related to Wingtech Technology, our International Sanctions Legal Advisors have confirmed that the inclusion of Wingtech Technology in the Entity List has not had any legal impact on the Wingtech Businesses.

During the Track Record Period and up to the Latest Practicable Date, we had not sold any items that are “subject to the EAR” as that term is defined in the U.S. Export Administration Regulations to “Entity List” or other export restricted parties. If a prospective customer is on the Entity List or other U.S. export restricted list, our trade compliance team calculates the U.S. controlled content by value following the rules in EAR part 743, and we do not sell any items to the prospective customer unless this calculation (including a separate calculation for the U.S. content percentage of any software in the product) is found to be *de minimis* as defined by the EAR and the item is also confirmed not to be

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subject to the EAR under the Foreign Direct Product (“FDP”) rule. Our International Sanctions Legal Advisors have reviewed our application of the *de minimis* and FDP rules and confirmed them to be correct. We have not engaged, and have no plans to engage, in any engineering collaboration with any parties on the Entity List or other restricted lists of the U.S., United Nations, EU or UK.

In 2022, 2023 and 2024, we had sales to Russia in an amount of RMB0.11 million, RMB0.02 million and RMB0.02 million, respectively, which involved wiring harness and connectors typical of use by consumers or small businesses. Our sales to Russia has been completely ceased since March 2024. The sanctions regulations in relation to Russia are directed at listed persons, specified industrial sectors such as the oil and defense sectors, and non-EAR99 items (with the exception of certain U.S. EAR99 software). Our International Sanctions Legal Advisors have confirmed that our sales to Russia have not violated any of these sanctions or export control restrictions. Our screening of counterparties with which we do business is designed to detect and block business with persons listed as subject to sanctions by the U.S., United Nations, EU or UK. Our International Sanctions Legal Advisors have reviewed our screening methodology and confirmed that it is appropriately designed to block business with sanctioned persons.

A portion of the A Shares held by our Controlling Shareholders are pledged.

As of the Latest Practicable Date, Luxshare Limited pledged 1,046,300,000 A Shares, representing approximately 14.43% of the total issued share capital of our Company as collateral in favor of certain licensed commercial banks which will continue to subsist after Listing. Luxshare Limited will only pledge additional Shares to the extent permissible under the Listing Rules and further announcements will be made by our Company as and when appropriate and required under the Listing Rules. For details, see “Substantial Shareholders—Share Pledges by Luxshare Limited.”

In the unlikely event of default by Luxshare Limited under such commercial loans, the lenders can enforce the share pledge arrangement and our Controlling Shareholders may cease to be controlling shareholders of our Company, which could have a negative impact on the control of our Controlling Shareholders in our operations, and in turn our business and financial results.

We may be involved in intellectual property disputes and claims.

We regard our intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Further, because of the rapid pace of technological changes in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain technologies from these third parties at all or on reasonable terms.

It is often difficult to register, maintain and enforce intellectual property rights. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and could put our intellectual property at risk of being invalidated or narrowed in scope. We can provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful

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recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations. Various other issues may arise with respect to our intellectual property portfolio. We may not have sufficient intellectual property rights in all countries and regions where unauthorized third party copying or use of our proprietary technology may occur and the scope of our intellectual property might be more limited in certain countries and regions. Our existing and future patents may not be sufficient to protect our products, solutions or technologies and/or may not prevent others from developing competing products, solutions or technologies.

In addition, we may encounter claims by third parties that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others, which may subject us to future litigation. We may also initiate lawsuits to defend the ownership of our intellectual property rights. It is difficult to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, we may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products.

We may be involved in disputes, legal and other proceedings arising out of our operations and activities from time to time and may face liabilities as a result.

As we operate a number of business lines in various countries and regions in the world, we may be involved in disputes, legal and other proceedings from time to time with various parties, including our customers, suppliers, employees, logistics service providers and banks, in relation to our business operations, commercial transactions, mergers and acquisitions, business expansions, product liability, workers’ compensation, IP claims, regulatory actions and shareholding disputes. During the Track Record Period, certain Director and senior management have faced investigations and allegations from relevant Taiwan authorities in connection with certain business activities of our subsidiaries and related parties in Taiwan. For details, please see “Directors and Senior Management — Further Information.” These investigations and allegations, despite being unsubstantiated, along with any other such investigations we or our Directors or senior management may be involved in, may lead to legal or other proceedings and negative publicity, damage our reputation, divert our resources and management’s attention and result in temporary travel restrictions to Taiwan for the persons involved. Costs may have to be incurred in settling such investigations and allegations or defending ourselves in any related proceedings, and we may be held liable for damages and other liabilities, which may negatively impact our business, results of operations and financial position. In addition, we may have compliance issues in the course of our operations, which may subject us to administrative proceedings or unfavorable decrees that may result in liabilities and cause other material adverse effects on our business, results of operations and financial position.

We may fail to obtain or renew required permits, licenses, certificates or other relevant governmental approvals necessary for our business operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. For details, see “Business—Licenses, Permits and Approvals.” Complying with such laws and regulations may require substantial expense and may impose a significant burden, while any non-compliance may expose us to liability. Furthermore, with the introduction and enactment of new

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laws and regulations, as well as the refinement of interpretations and applications of existing ones, we cannot guarantee that we will be able to obtain all requisite approvals, licenses, permits and certifications.

In addition, in the event that we are required to renew our existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, we cannot assure you that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses, permits and certifications in a timely manner. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to labor related laws and regulations and any inability to comply with such laws and regulations may subject us to liabilities.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance, housing provident fund and other welfare-oriented payment obligations. For details, see “Regulatory Overview—Regulations on Labor and Social Welfare.” The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments. Employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident fund. However, there is no assurance that our historical and current practice with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the government authorities in Chinese Mainland mainly due to the evolving interpretation and implementation of these laws and regulations. In the event of any non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in Chinese Mainland, we may be exposed to penalties or be required to compensate employees.

In addition, we cannot assure you that our employment practice, including fair labor practices, anti-labor exploitation and corruption, are, or will in the future be, fully in compliance with labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations. We cannot assure that such risks we may be exposed to will not have any adverse effect on our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any related lawsuits, legal proceedings or complaints.

We are subject to extensive regulatory permits, filings, certificates and approvals for our leased and owned properties.

We are required under applicable PRC laws and regulations to complete filings and obtain various permits, certificates and approvals from relevant governmental authorities for the properties that leased and owned in China.

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As of September 30, 2025, 530 of our lease agreements had not been registered and filed with relevant governmental authorities. According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to register and file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. As registration and filing of the lease agreement will require the cooperation of the landlord, we cannot assure you that we can complete the registration and filing of such lease agreement in a timely manner or at all. If the registration and filing is not made, the governmental authorities may require that the filing be made within a prescribed period of time, failing which they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly registered filed.

As of September 30, 2025, we had not obtained the property ownership certificates for 10 owned properties. While we are in the process of fulfilling the relevant procedures required for the ownership certificates for these properties, we may not be able to obtain these certificates in a timely manner or at all. As a consequence of the foregoing, our rights to these properties may be limited or challenged by relevant governmental authorities or third parties.

As of the Latest Practicable Date, we had not been subject to any material penalty arising from our leased and owned properties. However, we cannot assure you that we would not be subject to any penalties and/or forced to relocate, which may adversely affect our results of operations and financial condition.

Our success depends, to a certain extent, on the retention of our senior management team and our ability to attract and retain qualified and experienced employees.

Our key management team have extensive experience in the PIMS industry and much of our future success depends on the continued contributions of our senior management and other key employees, many of whom are difficult to replace. The loss of the services of any of our executive officers, our senior management team and other highly skilled employees could harm our business. We cannot assure you that one or more of these key personnel may stay with us in the future and it could be time consuming and difficult to find their replacement. If we fail to attract, hire, assimilate and retain competent and experienced management personnel, our business could be materially and adversely affected.

Further, our continued success also depends on the contribution of our highly skilled technical personnel, such as our R&D team and our quality engineers. If we are not able to recruit and retain highly skilled technical personnel with the required experience, our R&D capability or production will be adversely affected, in which event our business, financial condition and results of operations would be materially and adversely affected.

We may not have adequate insurance to cover all losses and claims associated with our operations.

We face various risks in connection with our business and maintain insurance policies to safeguard against these risks and unexpected events related to our operations. 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. For details, see “Business—Insurance.” However, there can be no assurance that our insurance coverage will be sufficient to cover all our risk exposures and prevent us from incurring losses. In addition, there is no guarantee that we will be able to successfully claim on our current insurance policies in a timely manner or at all, as the exclusions and limitations on

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coverage could prevent us from claiming against the insurers. If our insurance coverage is unavailable or insufficient to address any such exposures, we may face substantial costs and resources diversion, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

Our operations rely on IT systems and networks, and any IT systems and digital platform failures, network disruptions or cybersecurity breaches may affect our business.

We rely on information technology systems, some of which are supported by third party vendors including cloud-based systems and managed service providers, to manage and operate our business. We invest in new information technology systems designed to improve our operations. If these systems cease to function properly, experience security breaches or disruptions or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have a material and adverse impact on our business, financial condition and results of operations.

Our information technology systems have been, and will continue to be, subject to computer viruses or other malicious codes, unauthorized access attempts, phishing and other cyberattacks. We cannot guarantee that our security efforts will prevent breaches or breakdowns to our or our third-party providers’ databases or systems. If the information technology systems, networks or service providers we rely upon fail to function properly, our business continuity and disaster recovery plans may not effectively address these failures on a timely basis and our reputation, business, financial condition and results of operations may be materially and adversely affected.

Regulatory requirements regarding data protection and information security are constantly evolving, the changes of which or any data protection and information security incidents may have an adverse effect on our business and results of operations.

During the ordinary course of our business operations, we collect and store business, management, and transaction data, such as information in relation to our business and transactions with our customers, suppliers, and other relevant parties. Therefore, we are subject to laws and regulations relating to data protection and information security. Any improper handling of data or any other information security incidents, such as unauthorized access to our database by hackers, could result in reputation damage and/or civil or regulatory liabilities that may have significant legal, financial and operational consequences. Regulatory requirements regarding the data security and data protection are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, results of operations and business prospects and/or could lead to civil or regulatory liabilities. Complying with new laws and regulations could also cause us to incur substantial costs or require us to change our business practices in a manner that has a material and adverse effect on our business.

We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct committed by our employees, third-party subcontractors or third parties.

Breach of law, fraud, breach of confidentiality obligations towards our customers or other misconduct by our employees or other third parties is difficult to detect or prevent, and any precautions we take to detect and prevent improper or illegal activities may not be effective in controlling unknown or unmanaged risks or losses. There is no assurance that we will be able to identify non-compliance incidents or suspicious transactions promptly or at all. Any of the above circumstances may subject us

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to substantial liabilities, financial loss, administrative penalties, government investigations and sanctions by regulatory authorities, which may not only harm our reputation and corporate image, but also have a material and adverse impact on our business, financial condition and results of operations.

Our results of operations and financial performance may be adversely affected by war, terrorism, geopolitical uncertainties, public health issues, adverse weather conditions, natural disasters and other catastrophes.

War, terrorism, geopolitical uncertainties, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our suppliers, logistics service providers and customers. Our business operations are subject to interruption by, among others, natural disasters, whether as a result of climate change or otherwise, fire, power shortages and other industrial accidents, terrorist attacks and other hostile acts, labor disputes, pandemics, along with demonstrations or strikes, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive components or products from our suppliers, and create delays and inefficiencies in our supply chain. The unpredictable nature of these events makes it difficult to predict their frequency, timing, and severity. Any of these occurrences could have an adverse impact on our business operations and financial performance.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

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

We operate in various countries and regions in the world. The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses still needs further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

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

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We may be subject to risks associated with international trade policies, tariffs and trade protection measures.

Our operations may be negatively affected by international trade policies and export controls regulations administered by the government authorities in the jurisdictions where we operate. These policies, laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts.

Geopolitical tensions have resulted in changes to trade policies, treaties and tariffs, which could materially and adversely impact our business, financial condition and results of operations. Historically, such geopolitical dynamics have had tangible impacts on trade flows and cost structures for industries globally. The global trade landscape is currently highly volatile. Various countries have announced plans for and/or have already implemented new or modified tariffs. Particularly, in recent years, the U.S. government has advocated greater restrictions on international trade and has increased the tariffs on certain goods imported into the U.S., particularly from the PRC. For example, following Donald Trump’s reelection in January 2025, the United States imposed several rounds of additional tariffs on Chinese imports. In response, China implemented countermeasures by imposing additional tariff on all imports from the United States. As of May 14, 2025, the U.S. agreed to reduce its maximum tariff on Chinese imports from 145.0% to 30%. This reduction includes a 10% baseline levy, along with an additional 20.0% levy based upon alleged activity related to fentanyl distribution. In parallel, China lowered its 125.0% tariff on American imports to 10.0%. Following the talks in Stockholm, U.S. and China agreed to seek an extension of their 90-day tariff truce, and the parties agreed to a further 90 day extension on August 11, 2025. The U.S. president threatened on October 10, 2025 to impose an additional 100% tariff on Chinese imports into the United States effective November 1, 2025, but he walked back that threat subsequently. The United States and China reached an agreement on October 30, 2025 that maintains the 10% baseline levy and lowers the 20% U.S. tariff on China concerning fentanyl to 10% effective November 10, 2025 through November 10, 2026. Uncertainty remains on what U.S. tariffs on Chinese goods will be in the long run. These actions have significantly affected trade dynamics between the two countries and could potentially increase consumer prices and reducing the profit margins of exported products should the tariff increases. Any decline in profitability could result from the necessity to absorb heightened import costs without fully transferring them to consumers, thereby straining operational budgets and constraining financial flexibility.

The escalating trade disputes between the U.S. and China has intensified their tensions in international relations. We cannot predict how the bilateral relationship between the U.S. and China will further evolve, or anticipate the potential impact that any subsequent development in such relationship may have on our business. Any further escalation in the geopolitical tensions between China and U.S. or other countries that affect our products and/or increase in tariffs could negatively impact our overseas sales. Consequently, our business, financial condition and results of operations may be adversely affected.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Outbound Investment Rule, to implement the executive order of August 9, 2023 (the “**Final Rule**”). The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons that are subject to the Final Rule for a range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information

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technologies, and (iii) artificial intelligence systems, collectively defined as “covered foreign persons.” U.S. persons subject to the Final Rule are prohibited from making, or required to notify, certain investments in covered foreign persons, which are defined as “covered transactions.” The Final Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. Notably, Donald Trump issued the America First Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies and investment types of concern. As advised by our International Sanctions Legal Advisors, we do not believe we are a covered foreign person under the Final Rule, because we do not engage in a “covered activity” (as defined in the Final Rule) or otherwise meet the definition of covered foreign persons provided in the Final Rule. Furthermore, after our Company’s H Shares become [REDACTED], an [REDACTED] by a U.S. person in such [REDACTED] H Shares of the Company that does not grant the U.S. person rights beyond standard minority shareholder protections would be an excepted transaction pursuant to 31 C.F.R. §850.501 and therefore would also not constitute a “covered transaction” under the Final Rule. However, the U.S. Department of the Treasury has issued only limited guidance to clarify provisions in the Final Rule, especially in relation to definitions of terms that comprise covered activities. As such, there are uncertainties under the Final Rule, and there is no assurance that the U.S. Department of the Treasury will take the same view as ours. If we were to be deemed a “covered foreign person” due to different views taken by the U.S. Department of the Treasury, potential changes in our business operations or amendments to the relevant regulations, our ability to raise capital may be negatively affected, which could be detrimental to our business, financial condition and prospects.

Policies regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payment to holders of the H Shares.

We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of operating costs and expenses and payments of dividends declared in respect of our H Shares, if any. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends, or otherwise satisfy our foreign currency-denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses, such as the repayment of loans denominated in foreign currencies. According to relevant foreign exchange rules, where any material imbalance in international receipts and payments occurs or may occur, the PRC government may implement necessary safeguards and other measures. We cannot assure you that regulations regarding the remittance of RMB into or out of the PRC will not change in the future.

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

We derive a growing portion of our sales from international customers. Therefore, a portion of our total revenue has been denominated in foreign currencies. Our revenue from our sales to customers incorporated outside of Chinese Mainland represented 83.4%, 84.5%, 84.0%, and 81.4% of our total revenue in 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively. As a result, we face risks resulting from currency exchange rate fluctuations. We recorded net foreign currency exchange gain of RMB1,010.2 million and RMB352.7 million in 2024 and for the nine months ended September 30, 2025, respectively, and had net foreign currency exchange loss of RMB337.5 million and RMB73.0 million in 2022 and 2023, respectively. Our exchange rate risks mainly arise

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from financial assets and financial liabilities denominated in U.S. dollars. If the RMB appreciates against U.S. dollar and other factors remain unchanged, our profit before taxation would decrease, and vice versa. We cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future. Our results of operations and financial condition will also be affected by U.S. monetary policies, which is out of our control and unpredictable.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

We are a company incorporated under the laws of the PRC and a substantial portion of our business, assets and operations are located in China. In addition, the majority of our Directors and executive officers reside in China. As a result, it may not be possible for you to directly effect service of process outside China upon us or such Directors or executive officers. China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned which came into effect on August 1, 2008 and was abolished on January 29, 2024, pursuant to which a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong Kong court. China and Hong Kong have concluded the Arrangement on Mutual Recognition and Enforcement of Civil and Commercial Judgments between the Mainland and the Hong Kong Special Administrative Region, which took effect on January 29, 2024. Accordingly, the scope of applicable cases for judicial assistance can be expanded. In principle, judgments made after January 29, 2024 are subject to the provisions of the new “Arrangement”. However, for cases where the “written jurisdiction agreement” referred to in the old “Arrangement” was signed before January 29, 2024, the old “Arrangement” still applies regardless of when the judgment is made. Moreover, China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. As a result, recognition and enforcement in China of judgments of a court in any of these jurisdictions may be subject to uncertainties.

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of Chinese Mainland with “de facto management bodies” located in Chinese Mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (the “**Circular 82**”), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within Chinese Mainland as major controlling shareholders under the laws of foreign countries (regions) will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within Chinese Mainland; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in Chinese Mainland; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders’ meetings are located

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or kept within Chinese Mainland; and (iv) at least half of the directors with voting rights or senior management reside within Chinese Mainland. The SAT has subsequently provided further guidance on the implementation of the Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries’ global income, except that the dividends they receive from our Chinese Mainland subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes “dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise.” Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a “PRC resident enterprise” for such purposes. The EIT on our subsidiaries’ global income could significantly increase our tax burden and affect our cash flows and profitability.

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

The EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For details, see “Financial Information—Consolidated Statements of Profit or Loss and Other Comprehensive Income—Income Tax Expenses.” To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the tax laws and regulations in Chinese Mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in Chinese Mainland and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to invest more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes payable is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

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RISKS RELATING TO THE [REDACTED]

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

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

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

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

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

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

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An active [REDACTED] market for our H Shares may not develop or be sustained.

Prior to the completion of the [REDACTED], there has been no [REDACTED] for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate liquidity and [REDACTED] volume will develop and be sustained following the completion of the [REDACTED]. The [REDACTED] for our H Shares to the [REDACTED] will be the result of negotiations between our Company and the [REDACTED] (on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] of our H Shares following the [REDACTED]. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will rise following the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses for [REDACTED] who [REDACTED] our H Shares in the [REDACTED]. The [REDACTED] of our H Shares could also decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. New shares or share-linked securities issued by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. Our Shareholders may experience dilution in their holdings if we issue more securities in the future. In addition, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong may affect the volatility in the [REDACTED] of and [REDACTED] volumes for our H Shares. The Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] and [REDACTED] volume volatility that is not related to the operating performance of any particular company. This volatility may also materially and adversely affect the [REDACTED] of our H Shares.

Non-PRC resident holders of our H Shares may be subject to Chinese Mainland income tax obligations.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor’s jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within Chinese Mainland unless a treaty or similar arrangement provides otherwise. As of the Latest Practicable Date, the PRC laws and regulations on individual income tax had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares. See “Regulatory Overview—Laws and Regulations Relating to Our Business Operations in Chinese Mainland—Regulations on Taxation—Dividend Distribution.”

If Chinese Mainland income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-Chinese Mainland resident investors, the value of your [REDACTED] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with Chinese Mainland may not qualify for benefits under such tax treaties or arrangements.

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

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]), the Controlling Shareholders will be together entitled to control the exercise of approximately [REDACTED]% of the voting rights and thus remain as Controlling Shareholders of our Company. The interests of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect the aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distributions of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable laws and regulations in China, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

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

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

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

Rules	Subject matter
Rules 8.12 and 19A.15 of the Listing Rules . .	Management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules	Appointment of joint company secretaries
Rule 19A.18(1) of the Listing Rules	Appointment of an independent non-executive Director being ordinarily resident in Hong Kong
Paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules and paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance . .	Particulars of information of our subsidiaries
Rule 17.02(1)(b) of, and Paragraph 27 of Appendix D1A to the Listing Rules and Paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance	Disclosure requirements in respect of outstanding share options
Chapter 14A of the Listing Rules	Continuing connected transaction
Rules 4.04(2) and 4.04(4)(a) of the Listing Rules	Acquisitions after the Track Record Period

[REDACTED]

[REDACTED]

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer’s executive directors must be ordinarily resident in Hong Kong.

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Our Company does not, and for the foreseeable future will not, have two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules. Our Group’s business operations and assets are primarily based outside Hong Kong, and it would be practically difficult and not commercially necessary for us to relocate our executive Directors to Hong Kong, or to appoint additional executive Directors for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules on the basis that the following measures have been adopted by us:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Ms. Wang, chairlady of our Board, executive Director and general manager, and Ms. Leung Wai Yan (“**Ms. Leung**”), our joint company secretary, who will act as our principal channel of communication with the Stock Exchange. Each of our authorized representatives is ordinarily resident in Hong Kong and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email. Each of our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Ms. Leung, our joint company secretary, has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;
- (b) both of our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her respective mobile phone numbers, office phone numbers, fax numbers and email addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone. Each of our Directors and authorized representatives has provided his/her mobile phone numbers, office phone numbers, fax numbers and email addresses (where available) to the Stock Exchange;
- (c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Frontpage Capital Limited as our compliance advisor (the “**Compliance Advisor**”), which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

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JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Listing Guide, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Chartered Governance Institute, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

According to Chapter 3.10 of the Listing Guide, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time, but in any case, will not exceed three years from the [REDACTED] and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Ms. Xiao Yunxi (“**Ms. Xiao**”) and Ms. Leung as our joint company secretaries. Ms. Xiao joined our Group in September 2009 and was appointed as our Board secretary on July 5, 2024. She is primarily responsible for the corporate governance, investor relations and company secretarial matters of our Group. Our Directors are of the view that, having regard to Ms. Xiao’s thorough understanding of the overall business operations and corporate governance matters of our Group, she is considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are substantially based and conducted in the PRC, our Directors believe that it is necessary to appoint Ms. Xiao as a joint company secretary whose presence in the headquarters of our Group enables her to attend the day-to-day corporate secretarial matters of our Group and to take the necessary actions in an effective and efficient manner.

However, given that Ms. Xiao does not possess a qualification stipulated in Rule 3.28(1) of the Listing Rules nor the “relevant experience” set out in Rule 3.28(2) of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. In order to provide support to Ms. Xiao, we have appointed Ms. Leung, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to closely work with and provide support to Ms. Xiao during the waiver period so as to enable Ms. Xiao to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties as a company secretary of a listed issuer.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Xiao as our joint company secretary on the condition that Ms. Xiao will be assisted by Ms. Leung as our joint company secretary throughout the waiver period. By virtue of her experience in corporate secretarial practice, Ms. Leung is, in our Directors’ opinion, a qualified and suitable person to render assistance to Ms. Xiao so as to enable her to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties. In addition, Ms. Xiao will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the waiver period. Our

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Company will further ensure that Ms. Xiao has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. Leung ceases to provide such assistance or our Company commits any material breaches of the Listing Rules during the waiver period. Before the expiry of such three-year period, we will liaise with the Stock Exchange to enable it to assess the then experience of Ms. Xiao, having had the benefit of Ms. Leung’s assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors and Senior Management” for the biographical information of Ms. Xiao and Ms. Leung.

APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR BEING ORDINARILY RESIDENT IN HONG KONG

Pursuant to Rule 19A.18(1) of the Listing Rules, our Company, as a PRC-incorporated issuer, is required to appoint at least one independent non-executive Director being ordinarily resident in Hong Kong.

Currently, all the independent non-executive Directors reside in the PRC. Our Company does not have, and will not have upon the [REDACTED], any independent non-executive Director who is ordinarily resident in Hong Kong.

Accordingly, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 19A.18(1) of the Listing Rules until the end of the term of office (being June 26, 2027), or the resignation or removal, of any independent non-executive Director, whichever is earlier, based on the following grounds:

- (a) there are practical difficulties for our Company to change any current independent non-executive Director or appoint an additional independent non-executive Director who ordinarily resides in Hong Kong upon the [REDACTED]. Our independent non-executive Directors have been re-appointed to serve on the Board with a three-year term of office from June 27, 2024. Proposing the replacement of any of them after their re-appointment may create confusion in the market and undermine investor confidence and raise concerns regarding the stability of governance practices. Moreover, the number of Directors and the composition of the Board (eight Directors, including three independent non-executive Directors) are stipulated in the Articles of Association. Appointment of an additional independent non-executive Director who ordinarily resides in Hong Kong would require the amendment to the Articles of Association, for which our Company has to comply with certain procedures as required under the Articles of Association, the listing rules of the Shenzhen Stock Exchange and other applicable laws and regulations of the PRC, all of which could be time consuming and will distract the current focus of the senior management;
- (b) our current independent non-executive Directors, with economics, law and accounting backgrounds and qualifications, are highly recognized in their fields and industries, continue to provide independent judgment and valuable industrial experience to the Board, and have extensive experience supervising listed issuers for the interest of the Shareholders and potential investors. The current independent non-executive Directors are familiar with our

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business and operations and the management of our Board and senior management, whose experience and contribution to the Board are invaluable to our Group. Replacing any one of them with an individual ordinarily residing in Hong Kong may not be beneficial to our Company and our Shareholders as a whole because (i) it may take our Company substantial time and efforts to identify a candidate as suitable as the current independent non-executive Directors, as such candidate with equivalent background, skills, experience and qualifications is not widely available in the market; (ii) it may take our Company substantial time and efforts to identify a candidate who meets the requirements under the listing rules of the Shenzhen Stock Exchange and other applicable laws and regulations of the PRC; and (iii) it would take any new independent non-executive Director a significant amount of time to understand our Group, the current trend of the market and industry, and other relevant factors that are crucial to the development and growth of our Group; and

- (c) upon the [REDACTED], our Company will have satisfactory corporate governance practices and arrangements to maintain regular communication with the Stock Exchange during the waiver period, in particular, our Company has appointed two authorized representatives, and will provide the contact details of the authorized representatives and the Directors to ensure the Stock Exchange has access to our Company and our Directors. Our Company will also appoint other professionals who are familiar with the relevant legal and regulatory issues and business environment in Hong Kong, such as the Compliance Advisor and Hong Kong legal advisors, to ensure our compliance with the Listing Rules after completion of the [REDACTED]. Pursuant to Rule 3A.19 of the Listing Rules, our Company has appointed Frontpage Capital Limited as our Compliance Advisor, the term of office of which shall commence on the [REDACTED] and continue until the later of (i) the date on which our Company complies with the requirements under Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately following the [REDACTED], or (ii) the appointment of an independent non-executive Director who will be ordinarily resident in Hong Kong has been confirmed and approved, and will designate Mr. Chan Man Kay, an ordinary resident in Hong Kong and a director of the Compliance Advisor, to serve as a channel of communication with the Stock Exchange additional to the authorized representatives and Directors during the aforesaid appointment period and the period for which the waiver in respect of the appointment of an independent non-executive director ordinarily resident in Hong Kong is in force.

PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraphs 13 and 26 of Appendix D1A to the Listing Rules require this document to include the particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of, and the particulars of any alterations in the capital of, any member of our Group within the two years immediately preceding the issue of this document.

Paragraph 27 of Appendix D1A to the Listing Rules require this document to include particulars of any capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement.

Paragraph 25 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires particulars of the authorized debentures of our Company and its subsidiaries to be disclosed in this document.

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Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require this document to include, information in relation to the name, date and place of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company (a) the whole of the capital of which or a substantial proportion thereof is held or intended to be held by our Company, or (b) whose profits or assets make, or will make a material contribution to the figures in the Accountants’ Report or to our Company’s next financial statements.

Paragraph 45(2) of Appendix D1A to the Listing Rules requires to disclose the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person’s interest in such securities, together with particulars of any options in respect of such securities.

As of the Latest Practicable Date, we had more than 200 subsidiaries globally. The disclosure of the above required information about all our subsidiaries would be unduly burdensome for us as we would incur additional costs and have to allocate additional resources to the preparation and verification of the relevant information for such disclosure, while such information would not be material or meaningful to investors. The non-disclosure of such information in respect of the non-Major Subsidiaries will not prejudice the interest of the investing public.

We have identified 17 Major Subsidiaries that we consider material, taking into account various factors including the significance of their business segments and financial contribution as well as our Group’s strategies. By way of illustration, the aggregate revenue of our Company and the Major Subsidiaries (before inter-company eliminations) accounted for 256.8%, 240.4%, 227.2% and 196.0% of the total revenue of our Group (after inter-company eliminations) for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively; and the aggregate total assets of our Company and the Major Subsidiaries (before inter-company eliminations) accounted for 250.0%, 208.2%, 236.0% and 213.5% of the total assets of our Group (after inter-company eliminations) as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively; and the aggregate net profits of our Company and the Major Subsidiaries (before inter-company eliminations) accounted for 92.8%, 113.8%, 86.8% and 81.7% of the net profits of our Group (after inter-company eliminations and deduction of share of profits of associates and a joint venture) for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. Save for the Major Subsidiaries, none of our other subsidiaries, on a standalone basis, recorded revenue that accounted for over 5% of the revenue of our Group for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, or held over 5% of the total assets of our Group as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries, if any, in “Appendix IV—Statutory and General Information—A. Further Information about Our Group.” We have also disclosed the corporate information (including name, principal business activities, place and date of incorporation and the interest held by the Group) of the Major Subsidiaries as required under Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in “History and Corporate Structure,” and the share capital of the Major Subsidiaries in Note 15 to the Accountants’ Report as set out in Appendix I to this document. We have also disclosed in “Appendix IV—Statutory and General Information” particulars of any capital of the Major Subsidiaries which is under option, or agreed conditionally or unconditionally to be put under option. In addition, details of each person (other than Directors or chief executive of our Company) of our Group who is interested in 10% or more of the issued voting shares of any Major Subsidiaries and the amount of each

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of such person’s interest in such securities, together with particulars of any options in respect of such securities, if any, are disclosed in “Appendix IV —Statutory and General Information—C. Further Information about Directors, Chief Executive and Substantial Shareholders of Our Company.”

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules in respect of disclosing the following information of our subsidiaries which are not Major Subsidiaries:

- (a) particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital, or the particulars of any alterations in the capital within the two years immediately preceding the issue of this document;
- (b) particulars of any capital which is under option or agreed to be put under option;
- (c) information in relation to the name, date and place of incorporation, public or private status, the general nature of business, the issued capital and the proportion thereof held or intended to be held; and
- (d) the name of each person (other than Directors or chief executive of the Company), who is directly or indirectly interested in 10% or more of the issued voting shares and such person’s shareholding.

We have applied for, and the SFC [has granted] us, a certificate of exemption from strict compliance with the requirements under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The exemption [is granted] by the SFC on the conditions that:

- (i) the particulars of the exemption are disclosed in this document; and
- (ii) this document is issued on or before [REDACTED].

DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING SHARE OPTIONS

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company (the “Share Option Disclosure Requirements”):

- (a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this document. Our Company is also required to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon [REDACTED] as well as the impact on the [REDACTED] arising from the exercise of such outstanding options;
- (b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

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- (c) under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (i) the period during which it is exercisable; (ii) the price to be paid for shares or debentures subscribed for under it; (iii) the consideration (if any) given or to be given for it or for the right to it; and (iv) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

Pursuant to paragraphs 6 of Chapter 3.6 of the Listing Guide, in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the [REDACTED] document.

Pursuant to paragraph 7 of Chapter 3.6 of the Listing Guide, a waiver from the Share Option Disclosure Requirements is at least subject to the following conditions (the “**Waiver Conditions**”):

- (a) demonstrating that the disclosure required under the relevant Listing Rules would be irrelevant or unduly burdensome;
- (b) disclosing the following in this document:
 - (i) for each of the grantees who is (1) a Director, (2) a member of the senior management, or (3) a connected person, all the particulars required under the Share Option Disclosure Requirements;
 - (ii) for the remaining grantees, on an aggregate basis, (1) the aggregate number of grantees and the number of shares underlying the options; (2) the exercise period of each option; (3) the consideration paid for the options; and (4) the exercise price of the options; and
 - (iii) (1) the aggregate number of underlying Shares required to be issued to satisfy the options; (2) the percentage of such aggregate number of underlying Shares to the issued share capital; and (3) the dilution effect and impact on [REDACTED] upon full exercise of the options under the Share Option Incentive Plans.
- (c) making available for public inspection a full list of all grantees under the Share Option Incentive Plans with all the particulars required under the Share Option Disclosure Requirements.

Our Company and its subsidiaries may, from time to time, adopt share option incentive plans. For details of the Share Option Incentive Plans which involve the issuance of new A Shares, see section headed “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans.”

As of the Latest Practicable Date, the total number of A Shares underlying all outstanding options granted under the Share Option Incentive Plans amounted to 333,434,949, representing [REDACTED]% of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming that the [REDACTED] and the outstanding options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), of which (i) options to subscribe for 6,651,000 A Shares were held by three Directors;

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(ii) options to subscribe for 950,000 A Shares were held by two other members of our senior management; and (iii) options to subscribe for 53,035,500 A Shares were held by 28 connected persons who are also our employees and are only connected persons at the subsidiary level (the “**Other Connected Persons**”). For further details of the Share Option Incentive Plans, see “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans.”

We have applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the options and certain grantees in this document on the grounds that the waiver and the exemption will not prejudice the interest of the investing public and strict compliance with the Share Option Disclosure Requirements would be unduly burdensome for our Company for the following reasons, among others:

- (a) given that over 4,000 grantees (who are not Directors, members of our senior management or Other Connected Persons) are involved for the granting of outstanding options, strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees under the Share Option Incentive Plans in this document would be costly and unduly burdensome for us in light of a significant increase in cost and timing for information compilation and document preparation. For example, we would need to collect and verify the addresses of a large number of grantees to meet the Share Option Disclosure Requirements and the disclosure of personal information of each grantee may require the consent of all grantees to comply with personal information privacy laws and principles;
- (b) full disclosure of the options under the Share Option Incentive Plans granted to each grantee could provide our employees with access to information about the remuneration of their peers or other employees, which may have a negative impact on employee morale, lead to negative internal competition and result in increased costs of recruiting and retaining talents. On the contrary, not disclosing such details in full will allow us more flexibility in determining our remuneration policies and details;
- (c) full disclosure of the details of the grantees and the options granted to them will provide competitors with details of our employee remuneration and facilitate their recruitment activities, which may affect our Group’s ability to recruit and retain valuable personnel;
- (d) the grant and exercise in full of the options under the Share Option Incentive Plans will not cause any material adverse impact to the financial position of our Group;
- (e) there will not be any new H Shares issued under the Share Option Incentive Plans as the Share Option Incentive Plans are share option incentive plans which involve issue of A Shares only;
- (f) non-compliance with the Share Option Disclosure Requirements would not prevent us from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

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- (g) material information relating to the Share Option Incentive Plans, including most of the information required under the Waiver Conditions, has been disclosed in this document to provide [REDACTED] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options granted under the Share Option Incentive Plans in making their [REDACTED] decision.

In addition, for the following considerations, we further apply to the Stock Exchange for a waiver from strict compliance with the Waiver Conditions, so that we are not required to (i) disclose, on an individual basis, the particulars of the options granted to the Other Connected Persons; and (ii) make available a full list of all grantees for public inspection:

- (a) the Other Connected Persons are only connected persons at the subsidiary level. Individual disclosure of the grant details of such persons would expose sensitive information about our talent management strategies and remuneration policies and provide competitors with specific information that could be used for targeted solicitation of our personnel, potentially compromising our Group’s efforts to attract and retain key talent and impacting our Group’s business operations and development. In addition, the options granted to the Other Connected Persons in aggregate only accounted for a minimal portion of the total issued Shares of our Company; and
- (b) making available a full list of all grantees for public inspection will not only provide our employees with access to information about the remuneration of their peers or other employees, leading to negative impact on employee morale, negative internal competition and increased recruiting and retention costs, but also provide competitors with our employee remuneration details, facilitating their recruiting activities and compromising our retention efforts.

Therefore, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the Share Option Disclosure Requirements on the conditions that:

- (a) on an individual basis, full details of the options under the Share Option Incentive Plans granted by our Company to each of the Directors and members of our senior management, will be disclosed in “Appendix IV—Statutory and General Information —D. Share Option Incentive Plans” as required under the Share Option Disclosure Requirements. With respect to the options granted to the Other Connected Persons, the following are disclosed on an aggregated basis in this document: (i) the number of grantees, the types of Share Option Incentive Plans and the number of Shares underlying the Share Option Incentive Plans as of the Latest Practicable Date; (ii) the consideration paid for the grant of the options; and (iii) the exercise period and the exercise price of the Share Option Incentive Plans;
- (b) in respect of the options under the Share Option Incentive Plans granted to the remaining grantees (being the grantees who are not our Directors, members of our senior management or Other Connected Persons), disclosure will be made, on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) (i) 1 to 20,000; (ii) 20,001 to 50,000; and (iii) 50,001 or above for options which are not yet exercisable; and (2) (i) 1 to 10,000; and (ii) 10,001 to 20,000 for options which are exercisable, and for each lot of Shares, the following details are disclosed in this document, including (1) the aggregate number of such grantees and the number of Shares underlying the outstanding options as of the Latest Practicable Date; (2) the consideration paid for the grant of the options; and (3) the exercise period of the options and the exercise price for the options;

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- (c) aggregate number of Shares underlying the options granted under the Share Option Incentive Plans and the percentage to our total issued share capital represented by such number of Shares as of the Latest Practicable Date;
- (d) the dilutive effect and impact on earnings per Share upon the full exercise of the outstanding options granted under the Share Option Incentive Plans will be disclosed in “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans;”
- (e) a summary of the major terms of the Share Option Incentive Plans will be disclosed in “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans;”
- (f) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (g) the particulars of the waiver will be disclosed in this document.

We have applied for, and the SFC [has granted] us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (a) on an individual basis, full details of the options under the Share Option Incentive Plans granted by our Company to each of our Directors and members of our senior management will be disclosed in “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans” as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. With respect to the options granted to the Other Connected Persons, the following are disclosed on an aggregated basis in this document: (i) the number of grantees, the types of Share Option Incentive Plans and the number of Shares underlying the Share Option Incentive Plans as of the Latest Practicable Date; (ii) the consideration paid for the grant of the options; and (iii) the exercise period and the exercise price of the Share Option Incentive Plans;
- (b) in respect of the options under the Share Option Incentive Plans granted to remaining grantees (being the other grantees who are not our Directors, members of our senior management or the Other Connected Persons), disclosure will be made, on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) (i) 1 to 20,000; (ii) 20,001 to 50,000; and (iii) 50,001 or above for options which are not yet exercisable; and (2) (i) 1 to 10,000; and (ii) 10,001–20,000 for options which are exercisable, and for each lots of Share, the following details are disclosed in this document, including (1) the aggregate number of such grantees and the number of Shares underlying the outstanding options as of the Latest Practicable Date; (2) the consideration paid for the grant of the options; and (3) the exercise period of the options and the exercise price for the options; and
- (c) the particulars of the exemption will be disclosed in this document which will be issued on or before [REDACTED].

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CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after the [REDACTED].

We have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in “Connected Transactions—B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders’ Approval Requirements.”

See “Connected Transactions” for further information.

ACQUISITIONS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its accountants’ report in the [REDACTED] document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the [REDACTED] document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange. For the purpose of Rules 4.04(2) and 4.04(4) of the Listing Rules, “acquisition of business” includes acquisition of associates and any equity interest in another company.

Since the end of the Track Record Period, our Group has made or proposed to make acquisitions and investments in certain companies (the “**Target Companies**”), details of which are set out below (the “**Acquisitions**”).

No.	Name of the Target Companies ⁽¹⁾	Acquisition consideration	Percentage of shareholding ⁽²⁾	Principal business activities	Reasons for the Acquisitions	Status
1.	Leoni Wiring Systems (Pune) Private Limited ⁽³⁾	EUR6,200,000 ⁽⁴⁾	100%	Manufacturing and sales of wiring and cable systems	Expanding our business of wiring and cable systems	Pending on overseas regulatory approvals
2.	Anhui Zhuodun Security Technology Co., Ltd. (安徽拙盾安全技術有限公司)	RMB20,000,000	Approximately 4.5%	Manufacturing and trading of automotive safety system related products	Strategically tapping into new market of automotive safety system related products	Completed on December 16, 2025
3.	Dejinchang Investment Limited (德晉昌投資有限公司)	HK\$460,000,000 ⁽⁵⁾	100%	Manufacturing and trading of copper wires	Enhancing our copper wire production capacity and strengthening control over raw material quality and specifications	Completed on December 3, 2025

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No.	Name of the Target Companies ⁽¹⁾	Acquisition consideration	Percentage of shareholding ⁽²⁾	Principal business activities	Reasons for the Acquisitions	Status
4.	Beijing Yunji Technology Co., Ltd. (北京雲迹科技股份有限公司).	HK\$19,742,400	Approximately 0.3%	Offering robots and functional kits, complemented by services under AI digitalization system	Strategically tapping into new market of hospitality robotic-based AI agents	Completed on October 16, 2025
5.	Nreal Ltd..	US\$10,000,000	Approximately 1.2%	Manufacturing and sales of AR glasses and relevant products	Expanding our business of AR glasses and relevant products	Settled the consideration on February 2, 2026
6.	Company A ⁽⁶⁾	RMB35,000,000	26.3%	Manufacturing and sales of semiconductor process consumables	Enhancing our vertical integration of the industrial chain	In the process of contract negotiation

Notes:

- (1) To the best of our Directors’ knowledge, information and belief after having made all reasonable enquiry, each of the Target Companies, the vendors and their ultimate beneficial owners is an Independent Third Party.
- (2) The percentage of shareholding represents our Company’s total shareholding in the Target Companies after the completion of the Acquisitions.
- (3) In January 2025, we entered into an option agreement with L2-Beteiligungs GmbH (“L2”) pursuant to which, among others, L2 granted us a call option and we granted L2 a put option in relation to the entire shares in Leoni Wiring Systems (Pune) Private Limited, exercisable under certain conditions including regulatory approvals. As of the Latest Practicable Date, neither the call option nor the put option had been exercised.
- (4) The consideration of EUR6,200,000 will be increased by an amount of EUR77,500 for every three months from the closing date of the purchase of the share capital of the Target Company by L2, which was determined after arm’s length negotiation by the parties taking into account of the industry positions, technical expertise and business prospects of the Target Company.
- (5) The consideration shall be settled as to HK\$130,000,000 by cash and as to HK\$330,000,000 by the allotment and issuance of new shares by Time Interconnect to the vendor.
- (6) The names of the Target Company is not disclosed because (i) we have entered into confidentiality agreement and do not have consent for such disclosure; and (ii) given that we have not yet entered into legally binding agreements with respect to the Acquisition as of the Latest Practicable Date and the competitive nature of the industries in which we operate, disclosure of the names of the Target Company is commercially sensitive and may jeopardize our ability to consummate the proposed Acquisition.

Our Directors believe that, as the principal business activities of the Target Companies are closely related to the Group’s core business, the Acquisitions will complement the Group’s business. Accordingly, our Directors believe that the Acquisitions, if consummated, will be fair and reasonable and in the interests of the Shareholders as a whole.

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Target Companies on the following grounds:

- (a) **Ordinary and usual course of business**—our Company makes strategic equity investments in sectors relating to its business as part of its ordinary and usual course of business. Our Company has a history of making acquisitions and have conducted a number of acquisitions during the Track Record Period. The Acquisitions are in line with our acquisition and investment strategy and the terms of the Acquisitions are fair and reasonable and in the interests of our Company and our Shareholders as a whole;

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- (b) **Immateriality of Target Companies**—the scale of the business operated by Target Companies as compared to that of our Group is immaterial. Based on the unaudited management accounts of the Target Companies available to us, all the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisitions referenced against the financials of our Company in the most recent financial years of the Track Record Period are less than 5%. Moreover, investments are not significant enough to require our Company to prepare *pro forma* financial information under Rule 4.28 of the Listing Rules.

Accordingly, our Directors believe that (i) the Acquisitions are immaterial when compared to the scale of our Group’s operations as a whole; (ii) the Acquisitions have not resulted in any significant change to the financial position of our Group since the end of the Track Record Period; and (iii) all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of our Group has been included in this document. As such, a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investing public;

- (c) **Unavailability of information**—as most of the Acquisitions have not been completed or we are not able to exercise control over Target Companies at the board or shareholders’ level, our Group does not have full and immediate access to their books and records for the purpose of complying with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. Even with full and immediate access to their books and records, it will require considerable time and resources for our Company to familiarize with their management accounting policies and for our Company and our reporting accountants to compile the necessary financial information for disclosure in this document. As such, it would be impracticable and unduly burdensome to our Company to disclose the audited financial information of Target Companies as required under the Listing Rules; and
- (d) **Alternative disclosure available**—our Company has provided in this document alternative information regarding the investments which is comparable to the information that is required to be included in the announcement of a discloseable transaction (as defined in the Listing Rules), including:
- (i) description of the principal business activities of Target Companies;
 - (ii) confirmation as to whether the counterparty of the Acquisitions is an Independent Third Party;
 - (iii) the basis of the consideration of the Acquisitions;
 - (iv) the reason for the Acquisitions and the benefits which are expected to accrue to our Group as a result thereof; and
 - (v) a statement that our Directors believe that the terms of the Acquisitions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

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Name	Address	Nationality
Executive Directors		
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Dr. Hou Lingling (侯玲玲)	Building 3, Group 7 Xinghai Mingcheng Phase II Nanshan District, Shenzhen Guangdong Province PRC	Chinese
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Ms. Song Yuhong (宋宇紅)	Building 2, Phase I Xiangshanli Garden, Xiangshan West Street Overseas Chinese Town Nanshan District, Shenzhen, Guangdong Province PRC	Chinese

Please refer to the section headed “Directors and Senior Management” in this document for further details of our Directors.

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PARTIES INVOLVED IN THE [REDACTED]

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Goldman Sachs (Asia) L.L.C.

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[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

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CORPORATE INFORMATION

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Principal place of business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's website address	<u>www.luxshare-ict.com</u> <i>(information on this website does not form part of this document)</i>
Joint Company Secretaries	Ms. Xiao Yunxi (肖雲兮) Unit 3, Building 1 Taoyuan Fengjingyuan Xixiang Sub-district Bao'an District, Shenzhen Guangdong Province PRC Ms. Leung Wai Yan (梁慧欣) <i>(ACG, HKACG)</i> Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Ms. Wang Laichun (王來春) Block T1 One Silversea No. 18 Hoi Fai Road Tai Kok Tsui Kowloon Hong Kong Ms. Leung Wai Yan (梁慧欣) <i>(ACG, HKACG)</i> Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

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Dr. Hou Lingling
Ms. Song Yuhong

Remuneration and Appraisal Committee Ms. Song Yuhong (*Chairlady*)
Mr. Liu Zhonghua
Dr. Hou Lingling

Nomination Committee Dr. Hou Lingling (*Chairlady*)
Ms. Wang Laichun
Mr. Liu Zhonghua

Strategy Committee Dr. Hou Lingling (*Chairlady*)
Ms. Wang Laichun
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INDUSTRY OVERVIEW

The information presented in this section, unless otherwise indicated, is derived from various official government publications and other publications and from the market research report prepared by Frost & Sullivan, which was commissioned by our Company. Our Company believes that the information has been derived from appropriate sources and has taken reasonable care in extracting and reproducing the information. Our Company has no reason to believe that the information is false or misleading in any material respect or that any fact has been omitted that would render the information false or misleading in any material respect. The information from official government sources has not been independently verified by our Company, the Joint Sponsors, [REDACTED], any of the [REDACTED], or any of their directors, officers or representatives or any other party involved in this [REDACTED] nor is any representation given as to its accuracy or completeness.

OVERVIEW OF GLOBAL PRECISION INTELLIGENT MANUFACTURING SOLUTION INDUSTRY

Definition and Classification of the Precision Intelligent Manufacturing Solution (“PIMS”)

PIMS refer to client-centric, technology-driven manufacturing services that integrate advanced processing technologies, rapid prototyping, automation control, and intelligent systems to deliver high-precision components, functional modules, and system integration. These solutions extend beyond standardized production—they are deeply customized and designed to transform ambitious product concepts into mass-producible and technically demanding outcomes. The products are widely applied in high-tech and innovation-driven fields such as advanced consumer electronics, intelligent vehicles, and communication and data center.

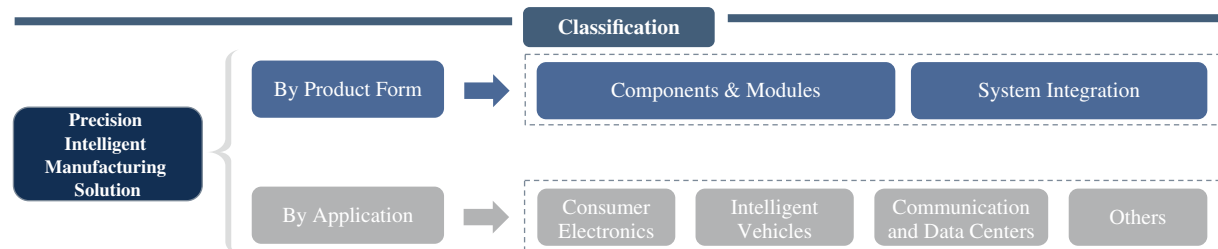


Fig 1. The Classification of PIMS

Source: Frost & Sullivan

Market Size of Global Precision Intelligent Manufacturing Solution

The market of global PIMS industry involves components, modules and system integration, whereby the components and modules segment are of greater strategic importance due to its higher technological complexity.

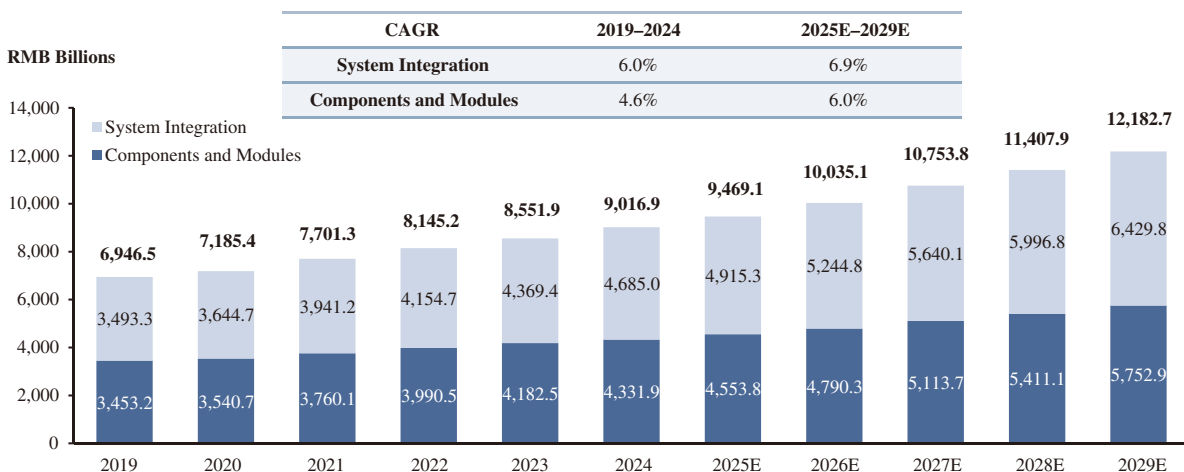


Fig 2. The Market Size of Global PIMS (By Revenue)

Source: Frost & Sullivan; Interviews with Industry Experts

INDUSTRY OVERVIEW

Competitive Landscape of Global Precision Intelligent Manufacturing Solution Market

According to global market share by revenue in 2024, Our Group is the 4th-ranked PIMS provider globally and the highest-ranked PIMS provider headquartered in Chinese Mainland. In the global PIMS market, the top five players in 2024 were Company A, Company B, Company HH, our Group, and Company C, holding market shares of 17.1%, 5.0%, 3.5%, 3.0%, and 2.8%, respectively. The comparable companies are the leading players within the global PIMS industry, which share generally comparable business structures for benchmarking. Our Group ranks the top tier in key metrics such as capability of Application Scenarios, Innovation Input, Top Clients Coverage, Historical Growth and Profitability—demonstrating strong precision intelligent manufacturing capabilities across consumer electronics sectors, automotive, communication and data center, revealing a wide-ranging application scenario.

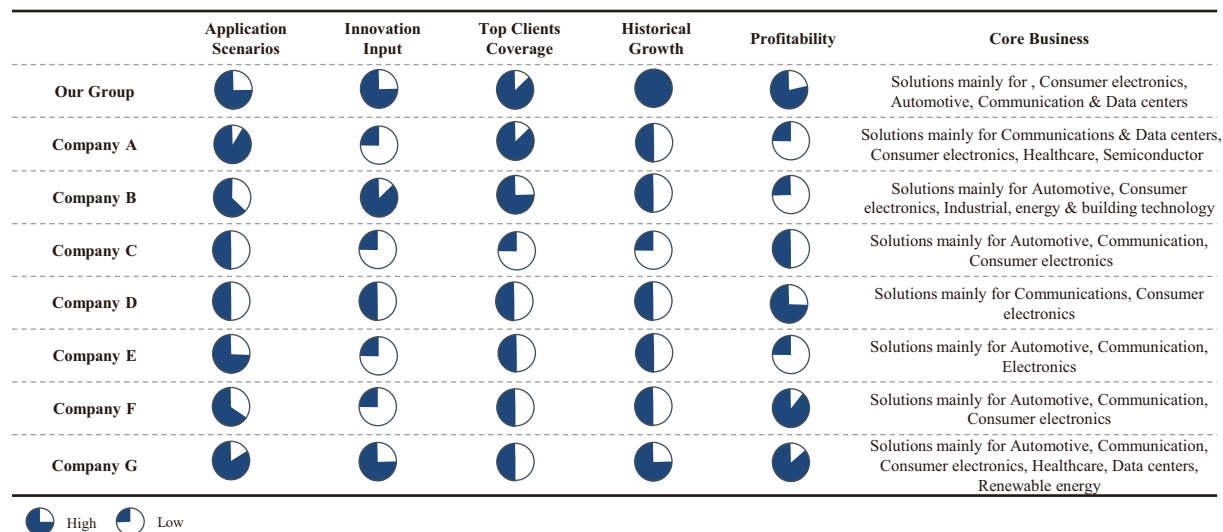


Fig 3. Competitive Analysis of Global PIMS Industry

(*Notes: Company A was founded in 1974, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, primarily engaged in the manufacturing of electronics.

Company B was founded in 1886, headquartered in Germany, mainly focusing on research, development and manufacturing in automation, electrification, digitalization, connectivity.

Company C was established in 2008, headquartered in Taiwan, China, and has been listed on the Taiwan Stock Exchange since 2010, mainly engaging in the development and manufacturing of consumer electronics, automotive, communication.

Company D was founded in 2001, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, providing ICT products, service solutions, and systems to top-branded companies worldwide.

Company E was founded in 1897, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in the development and manufacturing of electronics, automotive, communication, environment & energy, and industrial materials.

Company F was founded in 1966, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions of consumer electronics, automotive, and communication.

Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

The application scenarios metric in this ranking is ranked by the range of scenarios in which the companies product can be applied; innovation input metric is ranked by the companies R&D expenditure as a percentage of revenue; top clients coverage metric is ranked by the client coverage rate among Fortune Global 500; historical growth metric is ranked by the companies 10-year revenue CAGR; profitability metric is ranked by the companies 6-year average ROE, the issuer's ROE data is sourced from its periodic reports filed in the A-share market.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

INDUSTRY OVERVIEW

OVERVIEW OF GLOBAL CONSUMER ELECTRONICS PRECISION INTELLIGENT MANUFACTURING SOLUTION INDUSTRY

Overview of the Development of Global Consumer Electronics Market

Consumer electronics refer to intelligent electronic products used in consumers’ daily lives. These products are typically small in size, lightweight, easy to operate, and feature connectivity and portability. They include smartphones, tablets, laptops, smart wearables (like AI glasses/XR devices, smart watches and smart bracelets), intelligent acoustic terminals (like TWS earphones), smart home devices (like smart speakers and floor cleaning robots), outdoor electronics (action cameras, consumer-grade drones).

Driven by the strong demand for AI technology, the overall shipment volume of smart wearables (including AI glasses/XR devices, smart watches and smart bracelets) saw a significant year-on-year increase, exceeding 169.3 million units in 2024. Benefiting from the deep integration of technologies such as AI and the IoT with emerging consumer electronic products, intelligent acoustic terminals, smart home devices, outdoor electronics have demonstrated huge development potential with advantages such as functional expansion, upgraded interaction experience, interconnection and interoperability, and enhanced intelligent functions. In 2024, their shipment volumes reached 330.0 million, 903.2 million and 58.2 million units respectively. It is anticipated that the integration of innovative consumer electronics product designs and AI applications will drive further iterations of these products.

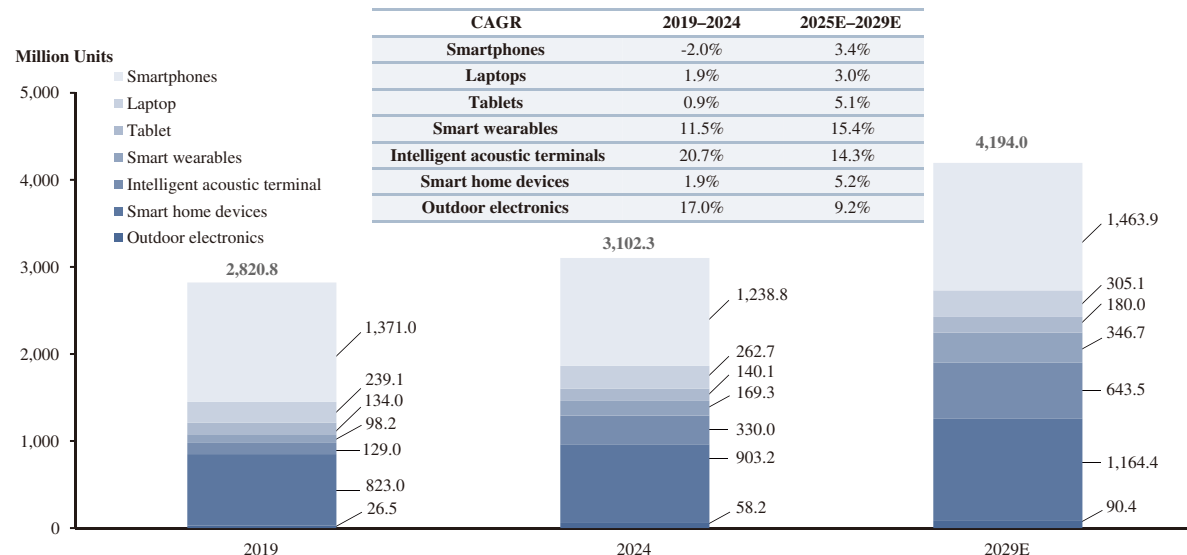


Fig 4. The Shipment Volume of Global Major Consumer Electronics, 2019, 2024 & 2029E

Source: Frost & Sullivan; Interviews with Industry Experts

Definition and Market Size of Global Consumer Electronics Precision Intelligent Manufacturing Solution

The Consumer Electronics PIMS refers to providing solution for the design and manufacturing of consumer electronic products, from components, modules to system integration, by integrating high-precision manufacturing, automatic control, intelligence and digitalization and other related technologies. It usually involves miniaturization, lightweight, and multi-material composite processing. The core lies in achieving the ultimate control of product dimensional accuracy (micrometer level) and performance stability through “precision manufacturing”, and enhancing production efficiency, optimizing costs and responding flexibly to the market demands of the consumer electronics industry for high precision, flawless aesthetics, thinness, multi-functionality and rapid iteration through “intelligent manufacturing”. The market for consumer electronics PIMS can be classified from the perspective of product form: components (including structural components, functional components, electronic components) and modules, system integration (mainly refers to the assembly of complete consumer electronic products).

INDUSTRY OVERVIEW

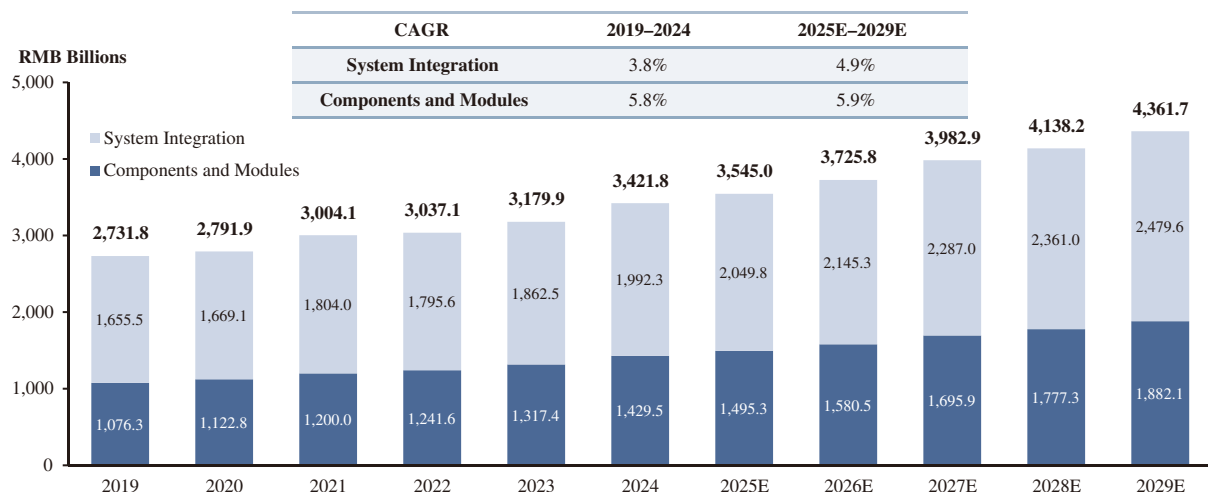


Fig 5. The Market Size of Global Consumer Electronics PIMS (By Revenue)

Source: Frost & Sullivan; Interviews with Industry Experts

Industrial Chain of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

Precision manufacturing and processing belong to the midstream of the industrial chain. Through relevant production equipment, various raw materials are processed through different techniques to obtain components with specific functions, as well as system integration.

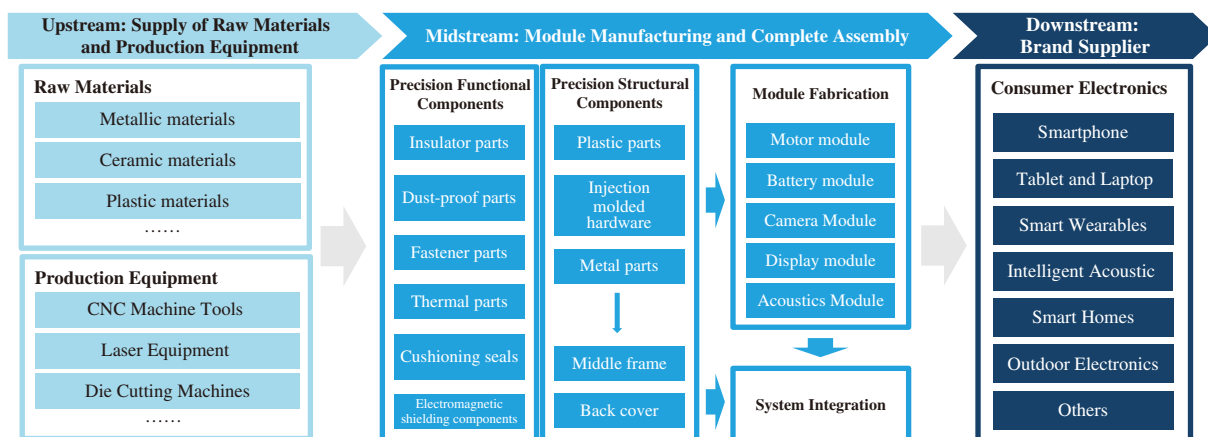


Fig 6. Industrial Chain of Consumer Electronics Precision Intelligent Manufacturing Solution Market

Source: Frost & Sullivan

Key Drivers of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

The driving factors promoting the development of the global consumer electronics PIMS market include continuous technological progress, the growth of market demand, environmental protection, sustainable development, and policy support from governments of various countries.

Continuous Technological Progress: The new generation of information technology, such as AI and big data, has empowered the precision intelligent manufacturing of consumer electronics, achieving intelligent design, production and quality control, optimizing processes, reducing costs and improving quality. Advancements in manufacturing technology, such as precision machining and 3D Printing, have enhanced the accuracy, efficiency, and quality consistency of components. Interdisciplinary technology integration promotes innovation and meets the demands of consumer electronic products for miniaturization, thinness, and high performance.

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The Growth of Market Demand: The demand for consumer electronics continues to grow. With the popularity and upgrade of consumer electronic products like smartphones, consumers’ demands for performance, functions and appearance are increasing. The advent of 5G mobile phones has further intensified the need for precision components and complex structural designs, while emerging markets are generating new OEM demands for localized models, which has increased the demand for PIMS. Products such as AI robots and XR devices, characterized by their compact size, high performance, and sophisticated designs, have a higher reliance on PIMS. As the market consumption upgrades, the demand for high-end and intelligent products is increasing, further driving enterprises to adopt advanced PIMS.

Policy Support from Governments of Various Countries: The government actively encourages enterprises to increase investment and innovation in the field of intelligent manufacturing by introducing various policies. For instance, China’s *Implementation Plan for Digital Transformation of the Electronic Information Manufacturing Industry* (《电子信息制造业数字化转型实施方案》) clearly promotes the application of advanced computing and AI large models in smart terminals (such as wearable devices and VR/AR); The US-Mexico-Canada Agreement promotes trade liberalization and supply chain integration. The governments of Australia, Japan and India have launched the Supply Chain Resilience Initiative (SCRI) to enhance the resilience of supply chains in key manufacturing industries, including consumer electronics. Many countries in the European Union, Southeast Asia and other regions have also issued policies to promote the precision and intelligent manufacturing of consumer electronics.

Future Trends of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

From the current development status of precision intelligent manufacturing in global consumer electronics, the possible future development trends include:

Ultra-precision Machining Technology: The consumer electronics industry is developing towards miniaturization, integration and diversified materials. Traditional processes are difficult to meet the new demands, and ultra-precision processing technology has emerged as the times require. This technology breaks through the limitations of traditional processing through multi-physics field coupling control, enabling high-precision processing and efficient handling of difficult-to-machine materials. It also optimizes the processing process with the help of digital twins and AI algorithms. In the future, ultra-precision processing technology will be deeply integrated with AI, industrial Internet and green manufacturing, becoming an important engine driving the development of the industry.

Flexible Manufacturing: Consumer electronic products are evolving at an extremely fast pace (such as foldable phones) and their demands are highly fragmented (with both mass production and customization coexisting). Traditional production lines have slow switching and high costs. Flexible manufacturing has completely resolved this contradiction through “modularization + intelligent scheduling”. This solution reduces costs and improves quality, and the marginal costs of customized individual items and mass production approach zero. In the future, real-time monitoring of devices with AI and the IoT will be able to predict faults in advance, improving quality and efficiency.

Supplier M&A and Integration: The supply chain has gradually become dominated by a few oligarchic alliances, with small and medium-sized factories being squeezed into “parts suppliers”, leading to mergers and acquisitions among suppliers. After the merger and acquisition integration, the assembly links can be reduced through technical integration, thereby reducing costs and increasing efficiency. Suppliers have transformed from contract manufacturers to functional innovation partners, achieving continuous innovation and significantly shortening the new product development cycle.

Distributed Manufacturing Network: Geopolitical risks (such as the trade frictions and imposition of additional tariffs between countries have impacted the procurement and production costs of supply chains) and technological maturity (enabling intelligent global production line scheduling through cloud algorithms) have promoted the development trend of distributed manufacturing networks. This enables a rapid response to the market by setting up micro-factories in high-demand consumer electronics regions such as Southeast Asia. Through 3D printing and modular equipment, local on-demand production is achieved, significantly enhancing the response speed and reducing logistics costs, sharing production capacity to lower costs.

INDUSTRY OVERVIEW

Competitive Landscape of Global Consumer Electronics Components and Modules Precision Intelligent Manufacturing Solution Market

There are many major players in the global consumer electronics components and modules precision intelligent manufacturing solution market, with the top ten manufacturers occupying 52.9% of the market share in 2024. In terms of revenue scale in 2024, the top five players in the market were Company A, our Group, Company C, Company D and Company H, with market shares of 18.1%, 11.3%, 4.7%, 3.3%, and 3.1% respectively. Based on the average ROE over the past six years, our Group has taken the top position.

Among enterprises headquartered in Chinese Mainland, Our Group ranks first in both consumer electronics precision intelligent manufacturing solution market and consumer electronics components and modules precision intelligent manufacturing solution market in 2024 and in terms of revenue.

Rank	Company	Average ROE (2019-2024)	Market Share (By Revenue)
1	Company A	10.1%	18.1%
2	Our Group	24.2%	11.3%
3	Company C	12.0%	4.7%
4	Company D	19.5%	3.3%
5	Company H	8.8%	3.1%
6	Company I	13.9%	2.7%
7	Company J	10.0%	2.6%
8	Company K	12.2%	2.4%
9	Company L	14.4%	2.4%
10	Company M	15.9%	2.3%
Others			47.1%
Total			100.0%

Fig 7. Top 10 Consumer Electronics Components and Modules PIMS Market Participants by Revenue in 2024 (Global)

(*Notes: Company H was founded in 2006, headquartered in Chinese Mainland, and is listed on Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the manufacturing of precision structural components and modules for consumer electronics.

Company I was established in 2007, headquartered in Chinese Mainland, and has been listed on the Hong Kong Stock Exchange in the same year, mainly engaging in the development and manufacturing of consumer electronics, automotive.

Company J was founded in 2001, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, providing precision components, intelligent acoustic products.

Company K was founded in 2006, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, primarily engaged in the manufacturing of precision functional and structural parts for consumer electronics.

Company L was founded in 1999, headquartered in Chinese Mainland, and is listed on the Shenzhen Exchange, providing electronic equipment manufacturing and services.

Company M was founded in 1969, currently headquartered in Singapore, and is listed on the Nasdaq Stock Exchange, providing manufacturing services for various precision parts.)

Source: Frost & Sullivan; OICA; Annual reports/financial statements of each company

OVERVIEW OF GLOBAL INTELLIGENT VEHICLES PRECISION INTELLIGENT MANUFACTURING SOLUTION

Overview of the Development of Global Intelligent Vehicles Market

Intelligent vehicles refer to next-generation vehicles equipped with advanced sensors, controllers, actuators, and other devices, which integrate new technologies such as information and communications, IoT, big data, cloud computing, and AI to achieve intelligent information exchange and sharing between in-vehicle networks, external networks, and inter-vehicle networks. These vehicles are capable of complex environment perception, intelligent decision-making, and automated collaborative control. With the accelerated trend of automotive electrification and intelligence, especially driven by policy support and technological progress, the intelligent automotive industry has

INDUSTRY OVERVIEW

developed rapidly. In the future, the “dual intelligent transformation of ICE (Internal Combustion Engine) vehicles and new energy vehicles” will become an important trend in the industry. For instance, the penetration rates and the value per vehicle of automotive high-voltage and high-speed wiring harnesses, intelligent cockpit system integration, and intelligent assisted driving system integration will increase rapidly.

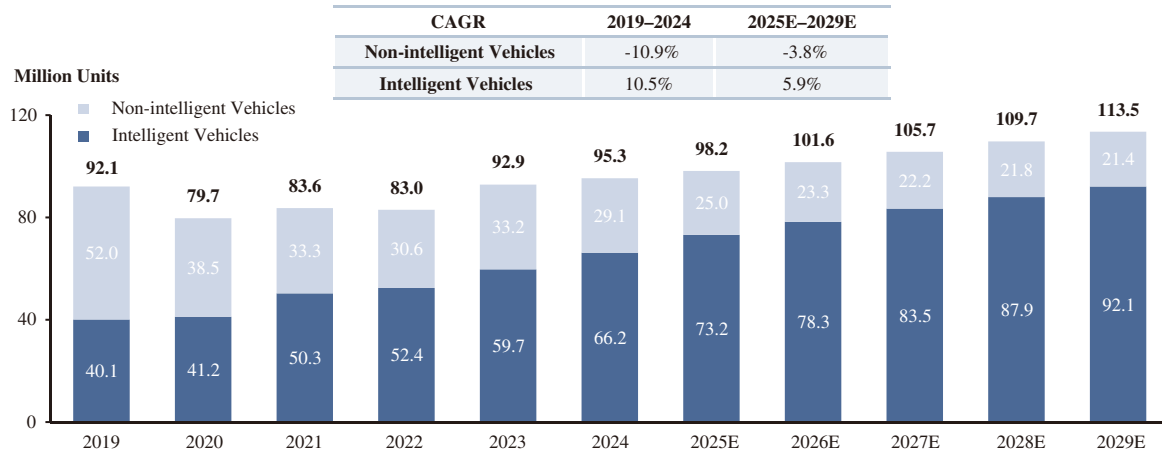


Fig 8. Global Intelligent Vehicles Sales Volume (2019-2029E)

Source: Frost & Sullivan; OICA

Definition and Market Size of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution

The Intelligent Vehicle PIMS refers to the application of advanced precision manufacturing processes and related intelligent technologies to supply key components and systems for automakers, meeting the intelligent and electric demands of high-end intelligent vehicles such as new energy vehicles and autonomous driving, as well as traditional vehicles (such as B-pillars with integrated cameras), and promoting the intelligent, electric and connected development of the automotive industry.

Specifically, the market size of intelligent vehicles precision intelligent manufacturing components and modules reached RMB1,738.3 billion in 2024. Under the trend of electrification and intelligence of automobiles, sub-markets for system integration such as intelligent cockpits and intelligent assisted driving are also developing rapidly. In 2024, the market size of intelligent vehicles system integration precision intelligent manufacturing reached RMB934.3 billion.

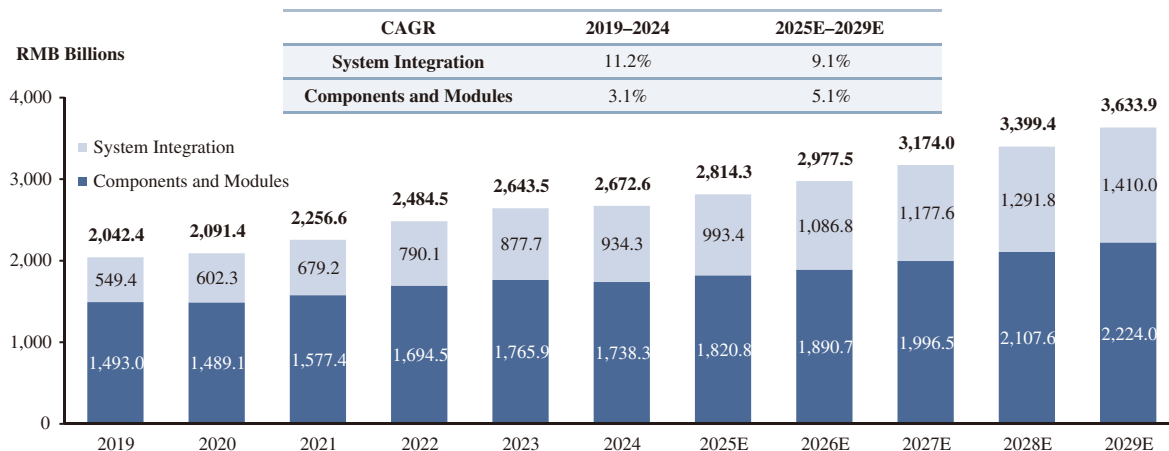


Fig 9. The Market Size of Global Intelligent Vehicles PIMS (By Revenue)

Source: Frost & Sullivan

INDUSTRY OVERVIEW

Key Drivers of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution Market

- **Demand:** Electrification is reshaping the automotive energy architecture, giving rise to a large number of incremental demands for precision manufacturing: High-voltage systems (400V/800V platforms) have driven the value of high-voltage wiring harnesses per vehicle to increase several times from fuel vehicles to electric vehicles, and the 800V platform has further increased its value due to material upgrades (150°C resistant insulation layer, three-layer shielding). The integrated design requirements of the motor controller and the reducer demand that the gear processing accuracy reach ISO grade 6. The growth in data transmission volume in the intelligent driving environment drives the demand for high-frequency and high-speed wiring harnesses, directly promoting the upgrade of precision manufacturing towards micron-level accuracy and high reliability.
- **Technology Generalization:** Leading global electric automotive enterprises extended their strategy of open standards with the North American Charging Standard (NACS) by introducing a new benchmark, the Low-Voltage Connector Standard (LVCS). It consolidates over 200 low-voltage connectors of traditional automotive into six standardized types, addressing over 90% of electrical requirements. The scale effects from generalization, coupled with the 48V low-voltage advantages, enable automakers to reduce overall vehicle energy consumption, and complexity in design, production, and maintenance. This initiative is poised to attract broader industry participation from automakers and suppliers in building a universal cooperative ecosystem, thereby accelerating maturation and innovation across the automotive electronics sector.

Future Trends of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution Market

- **Electrification of automobiles:** The trend of automotive electrification has driven the electrification of body components and generated higher demands for high-voltage wiring harnesses and high-voltage connectors, such as the insulation stability and micron-level precision control of high-voltage wiring harnesses at high temperatures, and the high reliability of high-voltage connectors, promoting the progress of automotive precision intelligent manufacturing technology and demands.
- **Intelligence of automobiles:** Under the trend of automobiles moving towards intelligence, the application of AI large models is reconfiguring the decision-making logic of the entire vehicle, promoting “software-defined vehicles” to become the core direction. This not only places higher demands on real-time performance and accuracy for in-vehicle buses, in-car data interaction, and automotive communication, such as the need for high-speed data aggregation and decision-making in autonomous driving domain controllers, and the requirement for parallel interaction and low-latency response of multimodal data (vision, voice, touch, sensors) in intelligent cockpits. It has also driven the demand for more high-performance data interconnection components, communication modules and intelligent parts, thereby greatly promoting the technological upgrading and industrial development of precision intelligent manufacturing solutions in the global intelligent vehicle field.
- **Modularization and customization:** The development of the automotive industry is accelerating, and modularization and customization will become important trends in the precision intelligent manufacturing of automobiles. Modularization achieves efficiency improvement and functional expansion, and promotes vertical integration of the modular supply chain through atomic hardware splitting, standardized interfaces and software definition. Customization relies on the C2M (Customer to Manufacturer) model, flexible production and additive manufacturing to meet personalized demands. The two form elastic synergy in the supply chain. The focus of competition lies in the scalability of modular platforms, the granularity of customized services, and data-driven capabilities. Enterprises need to build advantages through hardware pre-embedding, software definition, and ecological synergy.

Competitive Landscape of Global Automotive Wiring Harness Precision Intelligent Manufacturing Solution Market

Intelligent Vehicles PIMS specifically includes electronic and electrical products such as vehicle connectors, automotive wiring harnesses, intelligent cockpits, intelligent chassis, and intelligent assisted driving. Among them, the automotive wiring harness, as the “connection hub” that realizes the power transmission and signal interaction of all the electronic and electrical components of the vehicle, plays an irreplaceable and important role in all automotive parts and accounts for a considerable proportion

INDUSTRY OVERVIEW

of the intelligent vehicles components and modules PIMS market. The increase in the penetration rate of high-voltage and autonomous driving has driven the growth in demand for high-voltage and high-speed wiring harnesses, significantly increasing the value per vehicle of automotive wiring harnesses. As automobiles upgrade towards “electrification, intelligence and networking”, the role of wiring harnesses has shifted from “basic transmission” to “high-performance support”, and their technical requirements directly affect the speed of vehicle upgrades. The market size of automotive wiring harness PIMS increased from RMB278.6 billion in 2019 to RMB395.8 billion in 2024, representing a CAGR of 7.3%. The market size of automotive wiring harness precision intelligent manufacturing solutions is expected to increase to RMB526.6 billion by 2029, representing a CAGR of 6.2% from 2025 to 2029.

In terms of revenue in 2024, the top five players in the market were Company T, Company E, Company U, our Group, Company V with market shares of 25.6%, 24.4%, 12.8%, 11.9%, 7.0% respectively. Our Group ranked 4th globally with the market share of 11.9%. Among enterprises headquartered in Chinese Mainland, our Group ranked first in automotive wiring harness precision intelligent manufacturing solution market.

Rank	Company	Average ROE (2019-2024)	Market Share (By Revenue)
1	Company T	—	25.6%
2	Company E	6.7%	24.4%
3	Company U	20.0%	12.8%
4	Our Group	24.2%	11.9%
5	Company V	12.0%	7.0%
6	Company W	11.6%	6.6%
7	Company X	6.7%	2.9%
8	Company Y	—	2.6%
9	Company Z	5.7%	1.9%
10	Company AA	10.0%	1.9%
Others			3.0%
Total			100.0%

Fig 10. Top 10 Automotive Wiring Harness PIMS Market Participants by Revenue in 2024 (Global)

(*Notes: The market share of our Group as shown in the above table has taken into account the relevant income from the Leoni Business. The ROE of our Group does not consider Leoni Business.

Company T was established in 1941, headquartered in Japan, mainly engaging in the manufacturing of automotive wiring harnesses and related components.

Company U was established in 1999, headquartered in UK, and has been listed on the New York Stock Exchange, providing automotive electronic and electrical architecture, intelligent driving and safety technology solutions.

Company V was established in 1976, headquartered in India, mainly providing automotive components and integrated component manufacturing services.

Company W was established in 1917, headquartered in the U.S., and has been listed on the New York Stock Exchange, mainly engaging in the manufacturing of automotive seats and electronic and electrical systems.

Company X was established in 1884, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in automotive wires, communication cables, and electronic materials.

Company Y was established in 2006, headquartered in Chinese Mainland, mainly engaging in the development and manufacturing of automotive wiring harnesses and automotive connectors, etc.

Company Z was established in 1910, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in electronic component businesses such as wires and cables, connectors, optical fibers/cables, etc.

Company AA was established in 1997, headquartered in Chinese Mainland, and has been listed on the Shanghai Stock Exchange, mainly engaging in the development and manufacturing of automotive wiring harnesses.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

INDUSTRY OVERVIEW

OVERVIEW OF GLOBAL COMMUNICATION AND DATA CENTERS PRECISION INTELLIGENT MANUFACTURING SOLUTION

Overview of Global Communication and Data Centers Market

The rise in global data volume is fueled by rapid digital transformation, the proliferation of IoT devices, widespread adoption of AI-driven applications, and the explosive growth of user-generated content. This data surge is driving unprecedented demand for scalable, high-efficiency data centers and advanced communication infrastructure. As a result, the communication and data centers PIMS industry stands at the forefront of this expansion, holding position for sustained, high-growth opportunities in the global digital economy. The global data volume rose from 49.0 ZB in 2019 to 175.5 ZB in 2024, with a CAGR of 29.1% from 2019 to 2024, and is expected to rise further to 404.0 ZB by 2029, with a CAGR of 19.9% from 2025 to 2029.

Surged by the rapid development of AI technology and the escalating demand for advanced computing to handle massive data workload of AI models, the end-use market of global communication and data centers PIMS industry—AI servers —keeps a rising trend during 2019–2029. The exponential growth of AI servers reflects broader investment trends in digital infrastructure and highlights the increasing reliance on high-performance data centers, whereby this prosperity of key downstream markets reflects the substantial growth potential within the global communication and data centers precision intelligent manufacturing solution industry. The shipment of AI servers worldwide rose from 210.0 thousand in 2019 to 1,680.0 thousands in 2024, with a CAGR of 51.6% from 2019 to 2024, and is expected to rise further to 4,570.0 thousand by 2029, with a CAGR of 24.0% from 2025 to 2029.

Definition and Market Size of Global Communication and Data Centers Precision Intelligent Manufacturing Solution

The Communication and Data Centers PIMS is designed for the high-precision and high-reliability production needs of infrastructure such as communication and data centers. By deeply integrating new-generation information technologies with advanced manufacturing technologies, the solution enables high-precision processing, end-to-end automation, and intelligent management. This achieves efficient, reliable, and customized production of precision components for communication equipment and key data center infrastructure. Key features include micron/nanometer-level processing precision for communication and data center components, as well as a core component production environment featuring auto-perception, auto-decision-making, auto-execution, and auto-adaptation.

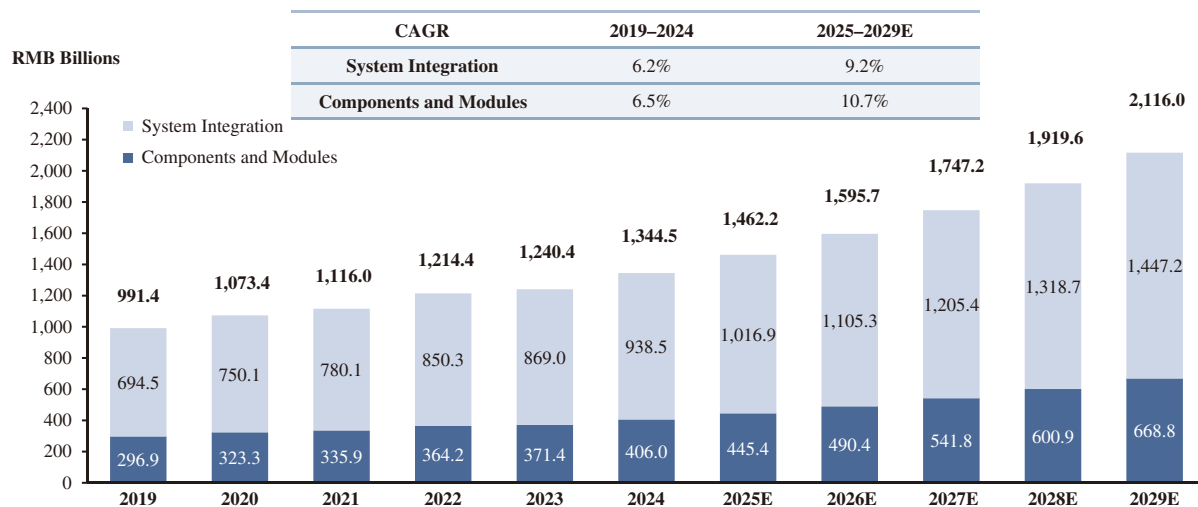


Fig 11. The Market Size of Global Communication and Data Centers PIMS Market (By Revenue)

Source: Frost & Sullivan

INDUSTRY OVERVIEW

Key Drivers of Global Communication and Data Centers Precision Intelligent Manufacturing Solution Market

5G/IoT/AI Technology Evolution Raises Demand for Transmission Efficiency Upgrades: With the sustained growth in demand for AI computing power, cloud computing, and big data, new requirements are continuously imposed on the computing capacity and transmission speed of data centers. The construction of 5G networks continues to advance. By 2024, the global number of 5G base stations has steadily increased, driving up demand for communication equipment. As the AI server market potential continues to rise, data centers are placing higher demands on computing power and transmission capabilities, trending toward high-performance computing, low latency, and modular construction. With the combined promoting action of sharp growth in global data storage and transmission, increasing construction of 5G base stations, and the rising significance of AI market, high-speed connectors are becoming vital in the electronics industry, whereas copper connectors—as a cost-efficient, low PUE (Power Usage Effectiveness), and intensively transmitting connector of all types—dominate the applications in these scenarios.

Technological Advancements Drive The Surge of Intelligent Manufacturing for Communication and Data Centers: The global digitalization drive has led to explosive data growth, while advancements in autonomous driving and AI demand massive computing and communication resources. This growing demand for advanced communication and data storage is driving the expansion of global communication infrastructure and data centers, and increasing the need for precision intelligent manufacturing solutions, since precision in manufacturing is critical to ensuring reliability, efficiency, and scalability of communication and data systems. Innovations in automation, AI, and IoT enhance manufacturing precision, enabling the production of high-performance components critical for communication and data systems’ reliability and scalability. As a result, industry advancement and the demand for accurate, high-quality components fuel the growth of precision intelligent manufacturing in communication and data centers.

Future Trends of Global Communication and Data Centers Precision Intelligent Manufacturing Solution Market

Technological Iteration in Precision Manufacturing Driven by Computing Power Upgrades

- **Explosive Demand for High-Speed Connectors:** The growing demand for high-speed connectors highlights the impact of increased computing power on precision manufacturing. As technologies advance, such as, 5G, AI, and IoT, faster, more reliable connectivity is crucial. Improved computing enables faster iterations of components, fueling ongoing innovation and driving advancements across industries.
- **Popularization of Liquid Cooling Technology:** The rising power consumption of AI processors forces innovations in heat dissipation. Liquid cooling solutions have become mainstream, and traditional air-cooled IDC (Internet Data Center) cabinets face the need for renovation.
- **Upgrading of Electrical Module Technology:** Latest upgrades in electrical module technology mainly include power efficiency, enhanced signal integrity, and miniaturization. These innovations enable faster data transmission, lower energy consumption, and improved scalability, driving more efficient and reliable communication and data center operations.

Deep Integration of Intelligence and Digital Technologies

- **Edge Computing + AIoT Empowerment:** Edge computing offloads data processing to edge devices, which will boost demand for data centers and communication, reduce latency, and enhance security, with applications in healthcare, autonomous driving, and industrial scenarios.
- **AI-Driven and Digital Production:** AI optimizes production, enables predictive maintenance, and improves quality control, while digital manufacturing enhances design accuracy and troubleshooting. This integration drives innovation and supports scalable, cost-effective solutions for modern communication and data infrastructure, which is demanding in precision and requires mass production to fit huge needs.

INDUSTRY OVERVIEW

Competitive Landscape of Global Communication and Data Centers Components and Modules Precision Intelligent Manufacturing Solution Market

Our Group ranked 9th globally with a market share of 3.1% and a leading average ROE, reflecting our growing presence in the sector through advanced interconnect and integration capabilities. Our Group is one of the most comprehensive providers in the field, with full coverage across electrical interconnect, optical interconnect, thermal management, and power management. The top ten players together accounted for 64.0% of the market, while the remaining 36.0% was distributed among other smaller manufacturers.

Rank	Company	Average ROE (2019–2024)	Market Share (By Revenue)	Electrical Interconnect	Optical Interconnect	Thermal Management	Power Management
1	Company F	31.3%	17.9%		√	√	
2	Company G	26.7%	11.1%	√	√		√
3	Company N	19.4%	6.3%			√	√
4	Company O	—	6.0%	√	√		√
5	Company P	14.9%	5.7%		√		
6	Company Q	15.9%	4.0%		√		
7	Company R	2.5%	4.0%		√		
8	Company S	17.3%	3.3%	√	√		√
9	Our Group	24.2%	3.1%	√	√	√	√
10	Company E	6.7%	2.6%	√	√		
Others			36.0%				
Total			100.0%				

Fig 12. Top 10 Communication and Data Centers Components and Modules PIMS Market Participants by Revenue in 2024 (Global)

(*Notes: Company F was founded in 1966, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions of consumer electronics, automotive, and communication.

Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

Company N was established in 1971, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, mainly providing power and thermal management solutions for consumer electronics and electronics.

Company O was founded in 1938, headquartered in the U.S., and is a privately held technology company based in the US, providing interconnect solutions mainly for consumer electronics, automotive, and communication.

Company P was founded in 2005, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, focusing on providing professional high-speed optical modules solutions.

Company Q was founded in 2000, headquartered in Thailand, and is listed on the New York Stock Exchange, mainly engaging in the development and manufacturing of automotive and communication.

Company R was founded in 1971, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions for electronics and communication.

Company S was established in 1941, headquartered in Ireland, and is listed on the New York stock exchange, mainly focusing on connectivity and sensing solutions for automotive, communication, and defense.

Company E was founded in 1897, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in the development and manufacturing of electronics, automotive, communication, environment & energy, and industrial materials.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

Competitive Landscape of Global Communication and Data Centers Copper Connectivity Precision Intelligent Manufacturing Solution Market

Due to its superior conductivity, reliability, and cost-efficiency, copper connectivity is a key enabler of high-speed, low-loss data transmission, and is gaining prominence in the global communication and data centers PIMS industry. The market has demonstrated robust growth momentum, increasing from RMB38.0 billion in 2019 to RMB76.7 billion in 2024, representing a CAGR of 15.1%, and expected to reach RMB187.5 billion by 2029, representing a CAGR of 20.2% from 2025 to 2029. In the competitive landscape of the global communication and data centers copper connectivity PIMS market, the top five players in terms of revenue in 2024 are Company G (27.0%),

INDUSTRY OVERVIEW

Company S (15.5%), Company O (13.5%), our Group which ranked 4th globally with a market share of 4.4%, and Company BB which ranked 5th (2.2%). These companies lead the market by providing high-precision copper interconnect solutions specifically tailored for communication infrastructure and data center applications. The top ten players together accounted for 69.9% of the market, while the remaining 30.1% was distributed among other smaller manufacturers. Our Group was the highest-ranked communication and data centers copper connectivity PIMS provider headquartered in Chinese Mainland in 2024.

Rank	Company	Average ROE (2019-2024)	Market Share (By Revenue)
1	Company G	26.7%	27.0%
2	Company S	17.3%	15.5%
3	Company O	—	13.5%
4	Our Group	24.2%	4.4%
5	Company BB	14.1%	2.2%
6	Company CC	17.2%	2.1%
7	Company DD	14.8%	1.8%
8	Company EE	—	1.6%
9	Company FF	16.0%	1.0%
10	Company GG	12.3%	0.8%
Others			30.1%
Total			100.0%

Fig 13. Top 10 Communication and Data Centers Copper Connectivity PIMS Market Participants by Revenue in 2024 (Global)

(Notes: Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

Company S was established in 1941, headquartered in Ireland, and is listed on the New York stock exchange, mainly focusing on connectivity and sensing solutions for automotive, communication, and defense.

Company O was founded in 1938, headquartered in the U.S., and is a privately held technology company based in the US, providing interconnect solutions mainly for consumer electronics, automotive, and communication.

Company BB was established in 1993, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly engaging in designing and manufacturing solutions for communication.

Company CC was founded in 2002, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly providing interconnect solutions for aerospace, defense, and high-end manufacturing.

Company DD was established in 1998, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly providing solutions for electronics, automotive, transportation, communication, and energy.

Company EE was founded in 1958, headquartered in Germany, and is a privately held company, mainly focusing on the development and manufacturing of communication, automotive, and aerospace.

Company FF was founded in 1892, headquartered in UK, and is listed on the London Stock Exchange, mainly engaging in the manufacturing of integrated high-performance power and connectivity solutions.

Company GG was founded in 2003, headquartered in Chinese Mainland, and is listed on the Shanghai Stock Exchange, mainly focusing on the interconnect solutions for communication and automotive.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

INDUSTRY OVERVIEW

OVERVIEW OF RAW MATERIAL PRICE FLUCTUATIONS

The raw materials for PIMS mainly include metals such as copper and aluminum alloys. Copper is widely used in manufacturing various copper alloys and is a common material for connectors in intelligent precision solutions. Aluminum alloys are widely applied in making metal frames and are a common material for precision structural components in consumer electronics. Over the past five years, due to technological upgrading and the growth of downstream demand, the price of copper and aluminum alloy have remained relatively stable.

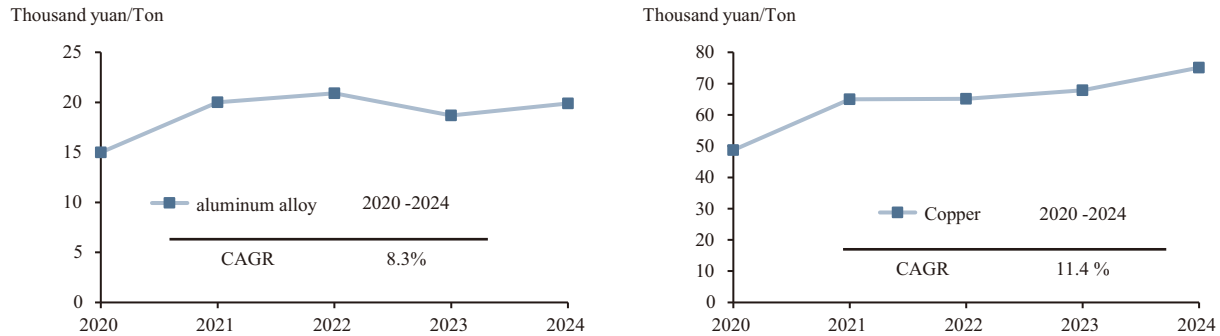


Fig 14. Price Trends of Raw Materials for PIMS, 2020-2024

Source: Frost & Sullivan; National Bureau of Statistics

SOURCE OF INFORMATION

The Company has commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on the global precision intelligent manufacturing solution market, global consumer electronics precision intelligent manufacturing solution market, global intelligent vehicles precision intelligent manufacturing solution market and global communication and data centers precision intelligent manufacturing solution market. The report prepared by Frost & Sullivan for the Company is referred to in this document as the Frost & Sullivan Report. The Company paid Frost & Sullivan a fee of RMB220,000 which the Company believes reflects market rates for reports of this type.

Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan’s services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy.

The Frost & Sullivan Report includes information on global precision intelligent manufacturing solution market, global consumer electronics precision intelligent manufacturing solution market, global intelligent vehicles precision intelligent manufacturing solution market and global communication and data centers precision intelligent manufacturing solution market as well as other economic data, which have been quoted in the document. Frost & Sullivan’s independent research consists of both primary and secondary research obtained from various sources in respect of the target market. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan’s own research database. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) Global and China’s economy is likely to maintain a steady growth in the next decade; and (ii) Global and China’s social, economic and political environment is likely to remain stable in the forecast period, which ensures the stable and healthy development of global precision intelligent manufacturing solution market.

REGULATORY OVERVIEW

This section sets out summaries of certain aspects of Chinese Mainland, Hong Kong, Taiwan and Vietnam laws, regulations and policies, which are relevant to our business operations.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN CHINESE MAINLAND

REGULATIONS ON COMPANY

The establishment, operation and management of corporate entities in the PRC are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**PRC Company Law**”), which was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on December 29, 1993 and was last amended on December 29, 2023. The PRC Company Law also applies to foreign-invested companies and where laws on foreign investment have other stipulations, such stipulations shall prevail.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”). The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition.

On September 6, 2024, MOFCOM and the NDRC released the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”). Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment.

REGULATIONS ON OUTBOUND INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (2014) (《境外投資管理辦法(2014)》) promulgated by the MOFCOM on September 6, 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017, a domestic enterprise in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects under the supervision of the NDRC and its local counterparts.

REGULATIONS ON PRODUCT QUALITY

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”) promulgated by SCNPC which was latest amended on December 29, 2018, applies to all production and sale activities in the PRC. Enterprises may not produce or sell counterfeit products in any fashion, including forging brand labels or giving false information regarding a product’s manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities.

REGULATORY OVERVIEW

REGULATIONS ON IMPORT AND EXPORT OF GOODS

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 27, 2025, and the Regulations on the Administration of Import and Export of Goods of the PRC (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The Customs Law of the PRC (《中華人民共和國海關法》) promulgated on January 22, 1987 and last amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures.

REGULATIONS ON PRODUCTION SAFETY

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Production Safety Law**”), promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021, applies to all entities engaging in production and business activities in the PRC. Such entities shall, among others, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety and improve working conditions. Violations of the Production Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

REGULATIONS ON FIRE PREVENTION

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the “**Fire Prevention Law**”) issued by the SCNPC on April 29, 1998 and last amended on April 29, 2021, fire protection design and construction in construction projects shall be in conformity with the national technical standards for fire safety in engineering construction. According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and last amended on August 21, 2023, special construction projects as defined under these provisions shall conduct fire protection design review and fire protection acceptance inspection, construction projects other than such special construction projects shall file protection acceptance of the project with competent authority.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014, the Ministry of Ecology and Environment of the PRC (the “**MEE**”) and its local counterparts are authorized to issue standards for environmental quality and discharge of pollutants, and to monitor the environmental protection scheme of the PRC.

REGULATORY OVERVIEW

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on December 29, 2018, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998 and last amended on July 16, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017, the PRC implements an environmental impact assessment system for construction projects. Prior to the commencement of a construction project, the construction entity must submit an environmental impact report, an environmental impact statement for approval, or an environmental impact registration form for record-filing, as required by the competent environmental protection administrative department under the State Council. Furthermore, upon completion of a construction project for which an environmental impact report or statement has been prepared, the construction entity must conduct an acceptance inspection and prepare an acceptance report.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the MEE on April 1, 2024 and Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and, enterprises, public institutions and other producers and business operators that are included in the category-based administration catalog of pollutant discharge licensing for stationary pollution sources issued by the MEE are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the MEE on January 6, 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

Urban Drainage

According to the Regulation on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated by the State Council on October 2, 2013, and the Administrative Measures on Licensing of Urban Sewage Discharging into Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on January 22, 2015 and last amended on December 1, 2022, enterprises, institutions and individual industrial and commercial households engaging in industry, construction, catering industry, medical industry and discharging sewage into the urban drainage network must apply for and obtain a license for urban drainage.

REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020, and its implementation rules, patents in the PRC are categorized into invention patents, utility model patents and design patents. Commencing from the date of application, the duration of patent rights for invention patents, utility model patents, and design patents are twenty years, ten years and fifteen years, respectively.

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Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 2019, and its implementation rules, trademarks approved by and registered with the Trademark Office are registered trademarks, including good marks, service marks, collective marks and certification marks. The valid period of a registered trademark is ten years, commencing from the date of the registration. For continuous use of the registered trademark, the trademark registrant is required to apply for renewal within twelve months before the expiry date.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020, works of PRC citizens, legal persons or unincorporated organization, which refer to intellectual achievements in the fields of literature, art, and science that are original and can be expressed in a certain form, whether published or not, enjoy copyrights. Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council’s copyright administrative department.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (Revised in 2019) (《中華人民共和國反不正當競爭法》(2019修正)) (the “**Anti-Unfair Competition Law**”), promulgated by SCNPC on April 23, 2019 and last amended on June 27, 2025, the term “trade secrets” refers to technical information, business information, and other commercial information that is not known to the public, has commercial value, and for which the right holder has taken corresponding confidentiality measures. Where any party infringes upon trade secrets of the right holder, regulatory authorities may order the cessation of any illegal activities, confiscate the illegal gains and impose fine on the infringing party.

REGULATIONS ON LABOR AND SOCIAL WELFARE

Labor

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and last amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and last amended on December 28, 2012, and its implementation rules, labor relationship between employers and employees must be executed in written form. Where a labor relationship has already been established but no formal contract has been made, a written labor contract shall be entered into within one month from the date when the employee begins to work.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, and the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated by the State Council and amended on March 24, 2019, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Employers who

REGULATORY OVERVIEW

failed to promptly make social insurance contributions in full amount shall be ordered by the social insurance collection agency to make or supplement contributions within a prescribed time limit, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within prescribed time limit, the relevant administrative authorities shall impose a fine ranging from one to three times the outstanding amount.

According to the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) promulgated by the Supreme People’s Court on July 31, 2025 and effective on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people’s court.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council and was last amended on March 24, 2019, enterprises in the PRC are required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. If an employer does not register the contribution of the housing provident fund or does not establish housing provident fund account for its employees, the housing provident fund management center shall order it to be handled within a prescribed period. Employers who fail to make up the procedures within the prescribed period shall be given a fine of RMB10,000 to RMB50,000. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed period; where the payment and deposit have not been made after the expiration of the prescribed period, an application may be made to a people’s court for compulsory enforcement.

REGULATIONS ON TAXATION

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), which was last amended on December 29, 2018. On December 6, 2007, the State Council enacted the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which became effective on January 1, 2008 and last amended on December 6, 2024. Under the EIT Law and its implementation regulations, both resident enterprises and non-resident enterprises are subject to tax in China. Under the EIT Law and relevant implementing regulations, resident enterprises are subject to a uniform corporate income tax rate of 25%. According to the EIT Law, the EIT tax rate of a high and new technology enterprise is 15%.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (the “**VAT Regulations**”) promulgated by the State Council on December 13, 1993 and latest amended on November 19, 2017, and the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024, enterprises and individuals engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC shall pay value-added tax. According to the VAT Law, the VAT rates applicable to ordinary taxpayers are 13%, 9%, 6% and 0% and the VAT rate to which the simple tax computation method applies is 3%.

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Dividend Distribution

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) promulgated by the SCNPC on September 10, 1980 and last amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) promulgated by the SCNPC on January 28, 1994 and last amended on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a uniform rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the MOF, the SAT and the CSRC on September 7, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

According to the EIT Law and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC since January 1, 2008, an enterprise income tax rate of 10% shall normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless the jurisdiction in which such non-PRC resident investors are incorporated has a tax treaty with the PRC that provides for a preferential withholding arrangement. According to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by the PRC Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民 企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on November 6, 2008 and implemented on the same date, a PRC resident enterprise is required to withhold enterprise income tax at a uniform rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares since 2008. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (“the Arrangement”), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC-resident enterprise to Hong Kong residents (including resident individuals and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC-resident enterprise unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC-resident enterprise, then such tax shall not exceed 5% of the total dividends payable by the PRC-resident enterprise. The Fifth Protocol of the Arrangement between the

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Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), which came into effect on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement.

The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

REGULATIONS ON FOREIGN EXCHANGE

According to the Foreign Exchange Administration Rules of the PRC (《中華人民共和國外匯管理條例》) which were promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008, the current account incomes of foreign exchanges can be retained or sold to financial authorities which manage exchange settlement and sale and purchase of foreign exchange. However, approval from the SAFE or its local branches is required for the relevant capital account transactions of the foreign invested enterprises, such as the capital increase and decrease. Foreign invested enterprises may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing documents evidencing such transactions. In addition, foreign exchange transactions involving direct investment, loans and investment in securities outside the PRC are subject to limitations and require approvals from the SAFE.

According to the Notice of the State Administration of Foreign Exchange on Relevant Issues of Foreign Exchange Control of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the SAFE and its branch offices and foreign exchange administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, accounts opening and use, cross-border payments and receipts, and exchange of funds involved in overseas listing. Domestic companies shall, within 15 working days upon the end of their public offering overseas, handle overseas listing registration with the foreign exchange authority at their place of registration with relevant materials.

According to the Circular of the SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated on June 9, 2016, the settlement of foreign exchange under the capital account (including foreign exchange capital, external debts, funds repatriated from overseas listing, etc.) entitled to discretionary settlement according to relevant policies, shall be conducted in the banks for real business needs.

According to the Circular of SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated on April 10, 2020, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

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REGULATIONS ON OVERSEAS LISTING

According to the Securities Law of PRC (《中華人民共和國證券法》), which was last amended by the SCNPC on December 28, 2019, a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

On February 17, 2023, the CSRC issued the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”), and five supporting guidelines, which became effective on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, companies in Chinese Mainland that directly or indirectly offer or list their securities in an overseas market are required to file with the CSRC within three business days after submitting their listing application documents to the regulator in the place of intended listing.

On February 24, 2023, the CSRC, together with other relevant government authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality and Archives Provisions**”), which took effect on March 31, 2023. Pursuant to the Confidentiality and Archives Provisions, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG

Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the “Import and Export Ordinance”)

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

The import and export of certain articles are prohibited under sections 6C and 6D unless with the relevant licences which are issued under section 3 of the Import and Export Ordinance. Pursuant to section 6C of the Import and Export Ordinance, no person shall import any article specified in schedule 1 to the Import and Export (General) Regulations (Chapter 60A of the Laws of Hong Kong) except under and in accordance with an import licence issued by the Director-General of Trade and Industry under section 3 of the Import and Export Ordinance. Section 6D of the Import and Export Ordinance provides that no person shall export any article specified in the second column of schedule 2 to the Import and Export (General) Regulations to the place specified opposite thereto in the third column of

REGULATORY OVERVIEW

the schedule except under and in accordance with an export licence issued by the Director-General of Trade and Industry under section 3 of the Import and Export Ordinance. Any person who contravenes sections 6C or 6D of the Import and Export Ordinance shall be guilty of an offense and liable to a fine of HK\$500,000 and to imprisonment for two years on summary conviction, or a fine of HK\$2,000,000 and to imprisonment for seven years on conviction on indictment.

During the Track Record Period and as at the Latest Practicable Date, our Group had not imported any articles which would contravene section 6C of the Import and Export Ordinance nor exported any articles which would contravene section 6D of the Import and Export Ordinance, and is not required to obtain a licence under section 3 of the Import and Export Ordinance.

Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) (the “Import and Export Regulations”)

Regulation 3 of the Import and Export Regulations sets out exemptions in respect of regulations 4 and 5. Pursuant to regulation 4 of the Import and Export Regulations, every person who imports any article other than an exempted article shall lodge with the Commissioner of Customs and Excise an accurate and complete import declaration relating to such article using the specified system, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation of the article to which it relates.

Regulation 5 of the Import and Export Regulations requires that every person who exports or re-exports any article other than an exempted article shall lodge with the Commissioner of Customs and Excise an accurate and complete export declaration relating to such article using the specified system, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the exportation of the article to which it relates.

Any person fails or neglects to do such declaration as required under regulations 4 and 5 of the Import and Export Regulations within 14 days after the importation or exportation (as the case may be) of the article to which it relates without any reasonable excuse shall be liable to (1) a fine of HK\$2,000 upon summary conviction; and (2) commencing from the date of conviction, a fine of HK\$100 in respect of everyday during which his failure or neglect to lodge such declaration in that manners continues. Further, any person who knowingly or recklessly lodges any declaration with the Commissioner of Customs and Excise that is inaccurate in any material particular shall be liable on summary conviction to a fine of HK\$10,000.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN TAIWAN

Regulations on product quality and consumer protection

Product quality and consumer protection in Taiwan are primarily governed by the Consumer Protection Act and other relevant laws and regulations. Under the Consumer Protection Act, manufacturers, importers and suppliers are required to ensure that products supplied to consumers are reasonably safe under normal or foreseeable use and do not pose undue risks to personal safety or property. Where products are found to be defective or unsafe, the relevant responsible parties may be required to bear civil liabilities, including compensation for damages.

REGULATORY OVERVIEW

Certain categories of products may also be subject to mandatory inspection, testing or compliance with prescribed technical or safety standards. Failure to comply with the applicable requirements may result in administrative penalties, product recalls, suspension of sales or other regulatory actions.

Regulations on mergers and acquisitions

Mergers and acquisitions by Chinese Mainland enterprises in Taiwan are governed by a regulatory framework primarily centered on investment-related regulations in Taiwan. The Department of Investment Review (the “**Investment Commission**”) under the Ministry of Economic Affairs of Taiwan is the primary body responsible for reviewing Chinese Mainland investments. Pursuant to the investment-related regulations of Taiwan, investments in Taiwan by enterprises or individuals from the Chinese Mainland, whether directly or indirectly, including the establishment of companies, acquisition of equity interests, or mergers and acquisitions involving local Taiwan enterprises, are subject to prior approval or filing with the Investment Commission, and are subject to restrictions on investment scope, shareholding structure, and business activities.

Where Chinese Mainland enterprises and individuals engage in business activities in connection with their investments in Taiwan, such activities may involve unauthorized business operations in breach of the related investment regulations. Such breaches may result in regulatory actions, including orders to rectify, suspension or termination of the investment, disposal of relevant interests, administrative penalties, or criminal liabilities. For the most serious breaches, the statutory limitation period for the Taiwan authorities to prosecute or conclude legal proceedings can reach 20 years. Under current Taiwanese laws, should Chinese Mainland enterprises or individuals fail to appear before the Taiwan court, the maximum potential liabilities consist of detention for not more than 60 days and a fine of not more than NT\$15 million.

Regulations on environmental protection

Environmental protection in Taiwan is regulated under a comprehensive legal framework, primarily comprising the Basic Environmental Act, the Environmental Impact Assessment Act, and related legislation such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act and the Noise Control Act. Enterprises engaging in manufacturing or other activities that may have an environmental impact may be required to obtain relevant permits, approvals or registrations, and to comply with applicable requirements relating to emissions, waste disposal and pollution control.

Non-compliance with applicable environmental laws and regulations may result in regulatory enforcement actions, including fines, orders for rectification, suspension of operations and criminal liabilities.

Regulations on fire safety

Fire safety and fire prevention in Taiwan are primarily governed by the Fire Services Act and its related enforcement rules. Under the Fire Services Act, administrators of factories, warehouses and other production or operating premises are required to install, maintain and manage fire safety equipment and facilities in accordance with applicable standards, and to implement fire prevention and emergency response measures. The competent authorities are empowered to conduct inspections and require rectification of any non-compliance.

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Failure to comply with the relevant fire safety requirements may result in fines, orders to rectify, and, where serious violations result in personal injury or significant loss, criminal liabilities for the responsible persons.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN VIETNAM

Regulations on Foreign Investment

From a legal standpoint in Vietnam, foreign investors are permitted to choose from the following investment forms: (i) formation of an economic organization; (ii) acquisition of shares or capital contribution; (iii) the implementation of an investment project; and (iv) business cooperation contract. Among the above-mentioned forms, the most prevalent investment form is the establishment, operation, and management of a foreign-invested economic organization/company (“**FIC**”) in Vietnam, which would be notably governed by the Law on Investment 2020 (as amended) and the Law on Enterprises 2020 (as amended).

According to the Law on Investment 2020 (as amended), before the establishment of a FIC, foreign investors must have an investment project and must notably apply for an investment registration certificate (“**IRC**”) from the relevant Vietnamese licensing authority of the location where the investment project will be based (“**Investment Licensing Authority**”). The Investment Licensing Authority is either the relevant provincial Department of Finance (“**DOF**”), or the management authority of the relevant industrial zone/export processing zone/economic zone/high-tech zone (“**Special Zone**”), depending on the registered location of the investment project. Pursuant to the Law on Enterprises 2020 (as amended), after obtaining an IRC, the foreign investor (owner) of the FIC must submit a dossier to the business registration authority under the DOF to apply for an enterprise registration certificate (“**ERC**”) in order to incorporate the FIC.

With effect from 1 March 2026, the new Law on Investment 2025 permits foreign investors to obtain an ERC prior to an IRC.

A foreign investor establishing an FIC may be subject to limitations on foreign investment. The foreign investors should see if the expected business lines (in both cases of new establishment of the FIC or expanding new business lines for existing FIC) fall within the list for which foreign investment is prohibited or subject to market access conditions. After obtaining an IRC and an ERC, an FIC must carry out several statutory procedures, such as opening a tax declaration account, filing the tax declaration, and submitting periodic reports on the progress and implementation of the investment project.

Similarly, when conducting investment activities, an economic organization will be considered as a foreign investor equivalent entity (“**FIEE**”) and subject to the investment procedures and conditions applicable to foreign investors as mentioned above if it falls in any of the following circumstances: (A) foreign investor(s) holds more than 50% of the charter capital of the economic organization or majority of the partners of an economic organization constituted in the form of a partnership are foreign individuals; (B) economic organization(s) referred to in point (A) holds more than 50% of the charter capital of another economic organization; and (C) foreign investor(s) and the economic organization(s) referred to in point (A) jointly hold more than 50% of the charter capital of another economic organization.

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Regulations on Product Quality

In Vietnam, there are two (02) types of technical characteristics and management requirements applicable to goods manufactured in Vietnam for exporting purposes which are technical regulations (in Vietnamese, “*quy chuẩn kỹ thuật*”) and technical standards (in Vietnamese, “*tiêu chuẩn kỹ thuật*”) pursuant to the Law on Technical Standards and Regulations No. 68/2006/QH11 adopted by the National Assembly of Vietnam on June 29, 2006, as amended (the “**Law on Technical Standards and Regulations 2006**”) and Decree No. 127/2007/ND-CP dated August 1, 2007 of the Government guiding in details the implementation of this Law, as amended (“**Decree 127/2007**”). While technical regulations must be strictly complied with during the production and trading of goods if applicable, technical standards are generally applied on a voluntary basis unless they are specifically prescribed by law or incorporated into technical regulations; in each case, such technical standards become mandatory. The Law on Technical Standards and Regulations 2006 also does not restrict the adoption of international technical standards for goods manufacturing in Vietnam.

For export processing enterprises (“**EPE**”) that manufacture goods not intended for circulation in the Vietnamese market but for export, such manufactured products are generally not subject to specific technical regulations or standards under Vietnamese law. Under the Law on Quality of Goods and Products No. 05/2007/QH12 adopted by the National Assembly of Vietnam on November 21, 2007, as amended, manufacturers operating as EPEs and producing goods for export are required to ensure that their exported products comply with the regulations of the importing country, the contractual terms, and any applicable international treaties or mutual recognition agreements on conformity assessment between the relevant countries or territories. Manufacturers may, on a voluntary basis, adopt certain relevant Vietnamese technical standards.

Regulations on Firefighting and Prevention

Law on Firefighting, Prevention and Rescue No. 55/2024/QH15, adopted by the National Assembly of Vietnam on November 29, 2024 (the “**Law on Firefighting and Prevention 2024**”), effective from July 1, 2025, imposes various rules and obligations on firefighting and prevention that an enterprise must comply with.

Appraisal On Fire Prevention and Extinguishment Design and Approval of Acceptance Result on Firefighting and Fire Prevention

Before starting the construction of the construction works that are listed under Annex III of Decree No. 105/2025/ND-CP dated 15 May 2025 elaborating on a number of articles and measures for implementing the Law on Firefighting and Prevention 2024 (“**Decree 105/2025**”), the owners of construction works are required to have the fire-fighting and prevention design appraised and approved by the competent authorities. Upon completion of construction and prior to commencement of operation of construction works, such owners must organize the acceptance of firefighting and prevention design and obtain approval from the competent authorities for the acceptance result.

Compulsory Fire and Explosive Insurance

Pursuant to Decree 105/2025, any facility listed under Annex VII is required to obtain compulsory fire and explosion insurance for its properties, except for facilities under the management of by the Ministry of National Defense or the Ministry of Public Security for military, defense, security, and public order purposes.

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Regulations on Environmental Protection

The Law on Environmental Protection No. 72/2020/QH14 was adopted by the National Assembly of Vietnam on November 17, 2020. This law, as amended (the “**Law on Environmental Protection 2020**”), establishes the legal framework for environmental protection in Vietnam and sets out the rights and obligations of related individuals and organizations.

Regarding regulations concerning environmental license, the environmental license is issued by the competent authority to an organization or individual engaged in production, business, or service activities that discharge waste into the environment, manage waste, or import scraps for use as production materials, subject to environmental protection requirements and conditions specified by law. The investors of Group-I Projects, Group-II Projects, and Group-III Projects must obtain an environmental license when officially commencing operations if the projects: (i) discharge wastewater, dust, or emissions that must be treated; or (ii) discharge hazardous wastes that must be managed in accordance with the law.

Regarding regulations concerning environmental registration, this requirement applies to projects or businesses that generate waste but are not subject to an Environmental License, except in certain limited cases, such as when only small amounts of waste are generated and managed through on-site treatment facilities or monitored under local government regulations

Regarding regulations concerning waste management, organizations and individuals generating or managing waste are required to classify, collect, store, transport, treat, recycle, or dispose of waste in accordance with technical and environmental regulations specific to each type of waste. Waste generators must implement measures to minimize waste generation, ensure proper management of hazardous and non-hazardous waste, and transfer waste only to licensed entities.

Regarding regulations concerning environmental impact assessment, projects that are likely to cause adverse environmental impacts are required to conduct an environmental impact assessment (“EIA”) and submit an environmental impact assessment report to the competent environmental authority for appraisal and approval in accordance with the procedures prescribed by law. An EIA report summarizes the legal basis and background of the project, assesses its compliance with environmental planning and applicable laws, and evaluates the selected technologies, facilities, and activities that may affect the environment. It identifies and forecasts key environmental impacts and waste generation across project phases, including impacts on sensitive receptors and potential environmental incidents. The report also proposes waste management solutions, mitigation and incident response measures, an environmental management and monitoring program, presents consultation results, and sets out the project owner’s conclusions and commitments.

Regulations on Intellectual Property

Intellectual property (“IP”) rights in Vietnam are primarily governed by the Law on Intellectual Property No. 50/2005/QH11, adopted by the National Assembly of Vietnam on November 29, 2005, as amended, together with its implementing regulations. The law provides protection for copyrights, trademarks, patents, industrial designs, geographical indications, trade secrets, and plant varieties, among others. Vietnam follows a “first-to-file” principle for the registration of industrial property rights such as trademarks and patents. Applications are administered by the Intellectual Property Office of Vietnam under the Ministry of Science and Technology. Vietnam is also a member of major international treaties on IP protection, including the Paris Convention 1883, the Berne Convention

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1886, the Madrid System, and the Patent Cooperation Treaty. Enforcement of IP rights may be pursued through administrative actions, civil proceedings, or criminal sanctions, depending on the nature and seriousness of the infringement.

Regulations on Labor and Social Welfare

The Labor Code No. 45/2019/QH14, adopted by the National Assembly of Vietnam on November 20, 2019 (the “**Labor Code 2019**”), sets out the legal framework for labor-related matters. The Government and the Ministry of Labor, War Invalids and Social Affairs (which has since been merged into the Ministry of Home Affairs) have also issued a number of decrees and circulars to implement the Labor Code 2019. Generally, the Labor Code 2019 provides key principles for rights and obligations of employers and employees, labor contracts, requirements on salary, working and rest hours, compulsory insurances, internal labor rules, trade unions, and the use of foreign employees, etc.

Labor Contract

An employment relationship is governed by the contractual agreement entered into between the employer and employee. Labor contracts may take one of the following forms: (i) indefinite-term labor contract (a contract in which the two parties do not fix the term nor the time of termination of validity of the contract); or (ii) definite-term labor contract (a contract in which the two parties fix the term and the time of termination of the validity of the contract, which shall not exceed 36 months from the effective date of the contract). A labor contract shall have mandatory contents such as the particulars of the employer, particulars of employees, job description and workplace, employment term, wage/salary, regimes for promotion and salary increase, working and resting time, personal protective equipment, social insurance, health insurance and unemployment insurance, training, fostering and raising trade/vocational qualifications and skills.

The signed labor contract may be terminated under circumstances specified under the law. In the event of unilateral termination, the terminating party shall comply with the procedures and conditions required by law.

Salary

Salary includes wage rates for the work or position, plus allowances and other additional benefits. The wage rate of an employee shall not be lower than the minimum wage rate stipulated by the Government from time to time.

Working Hours

Normal working hours shall not exceed eight hours per day and 48 hours per week. Employers may request employees to work overtime, provided that the employer has obtained the employees’ consent. The number of overtime working hours shall not exceed 50% of the normal working hours per day or 200 hours per year. In some special cases, the Government allows overtime working hours to go up to 300 hours per year. Employees who work overtime are entitled to additional wages.

Employees are entitled to at least one rest day per week. Employees who have been employed for 12 months are entitled to a minimum of 12 days of paid annual leave per year. Furthermore, employees are entitled to an extra annual leave day for each five years of service with the company.

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Labor Discipline

Internal Labor Rules. An employer employing 10 or more employees shall have written internal labor rules. The internal labor regulations must be registered with the local labor authority at the provincial level. The internal labor rules govern matters such as working time, resting time, order in workplace, labor safety and hygiene, prevention of sexual harassment in the workplace and procedures for dealing with a breach involving an act of sexual harassment in the workplace, protection of employer’s properties, trade secrets, technology secrets and intellectual properties, cases in which an employee may be temporarily transferred to undertake work different from that specified in their labor contract, disciplinary procedures and penalties, material liability and the person having authority to impose disciplinary penalties.

Labor discipline. Employees who violate the internal labor rules, subject to the nature and seriousness of the breach, may be subject to disciplinary sanctions, including reprimand, deferment of salary increase for up to six months, demotion, and dismissal.

Compensation. Employees may be required to compensate their employer for losses caused by them.

Labor Safety (Production Safety) and Hygiene

Production/Labor safety and hygiene in Vietnam is primarily governed by the Law on Occupational Safety and Hygiene No. 84/2015/QH13, adopted by the National Assembly of Vietnam on June 25, 2015, as amended, and its implementing regulations. Employers and employees are subject to various requirements on labor safety and hygiene at the workplace, such as periodically testing machinery, equipment, and materials with strict requirements on labor safety; securing personal protective facilities for employees; training classes on labor safety and hygiene; and periodic health checks. Certain industries and manufacturing sectors are also subject to additional, sector-specific technical standards and inspection requirements. Violations of production safety regulations may result in administrative penalties, suspension of operations, or, in serious cases, criminal liability.

Foreign Employees

Foreigners who work in Vietnam are required to obtain a work permit or a confirmation from the local labor department that he/she is exempt from work permits. A work permit will be issued for the same duration as the term of the labor contract but not exceeding two years.

Statutory Insurance

Employers and employees shall contribute compulsory social insurance, health insurance, employment accident insurance, and unemployment insurance on a monthly basis to the social insurance fund. The contribution is calculated based on salary at the following mandatory rates.

	Social Insurance	Health Insurance	Employment accident insurance	Unemployment Insurance	Total
Employer	17.0%	3%	0.5%	1%	21.5%
Employee	8%	1.5%	0	1%	10.5%

REGULATORY OVERVIEW

Employee Representative Organization at the grassroots level

Employers are prohibited from obstructing or creating difficulties for employees in carrying out lawful activities to establish, join, or participate in an employee representative organization at the grassroots level (including a trade union) at the workplace. An employee representative organization at the grassroots level (including a trade union) is an organization established voluntarily by employees at an employing unit, with the purpose of protecting the lawful and legitimate rights and interests of employees in labor relations through collective bargaining or other forms in accordance with labor law.

Regulations on Taxation

Corporate income tax

Enterprises established under the laws of Vietnam are subject to corporate income tax.

The standard corporate income tax rate is 20% up to the 2024 tax year. Starting from the 2025 tax year, corporate income tax rates will vary based on annual revenue thresholds. Corporate income tax rates of 15% and 17% will apply to businesses with annual revenue of VND 50 billion or less in the preceding tax year, while a 20% tax rate will apply to businesses with annual revenue above VND 50 billion. However, preferential tax rates, tax exemptions or tax reductions may be available to eligible projects in certain industries (e.g. manufacturing of high quality steel, energy saving products; manufacturing of machineries, equipment to be used in agriculture, forestry, fishery, salt production; manufacturing of animal, poultry and aquatic feeds; and development of traditional crafts) or locations (i.e. poor and remote areas) that are encouraged by the government.

Value-added tax

Organizations and individuals who produce and trade in taxable goods and services in Vietnam or who import taxable goods and services from overseas are liable to pay value-added tax.

Zero rate applies to goods and services such as exported goods and services and international transportation services. Reduced rate of 5% applies to the supply of essential goods and services such as clean water, fertilizer production, medicine and medical equipment, various agricultural products and services, teaching tools and products, and social housing. Standard rate of 10% applies to goods and services (reduced rate of 8% currently applicable for certain items until 31 December 2026), except for those specifically named items which are subject to 0% or 5% tax rates.

Withholding tax

Withholding tax applies to certain payments to foreign parties, such as interest, service fees, and leases. This comprises a combination of corporate income tax and value-added tax at varying rates. For example:

REGULATORY OVERVIEW

	Value-added tax rate	Corporate income tax rate
General services	5%	5%
Construction, installation without the supply of materials, machinery or equipment	5%	2%
Construction, installation, with the supply of materials, machinery or equipment.	3%	2%
Leasing of machinery and equipment.	5%	5%
Interest on foreign borrowings.	Exempted	5%

Business license tax

Business license tax is payable by enterprises established under the laws of Vietnam on an annual basis. The rate depends on the registered charter capital, with a maximum amount currently set at VND3 million.

Dividends and distributions

All dividends payable to the foreign investor of a foreign-owned enterprise will not be subject to withholding or other taxes under the laws and regulations of Vietnam.

In general, the foreign corporate shareholder of the foreign-owned enterprise may distribute and repatriate profits if it has fulfilled its financial obligations owed to the government of Vietnam.

Foreign investors are permitted to buy foreign currency via bank transfer in order to remit profits and other lawful proceeds in Vietnamese Dong overseas.

Regulations on Foreign Exchange Control

With respect capital contribution, Under Vietnamese law, a FIC is required to open a “direct investment capital account” (“**DICA**”) in a foreign currency or VND at a commercial bank or a branch of a foreign bank duly licensed to operate in Vietnam (“**Permitted Bank**”) to implement transactions relating to foreign direct investment. The FIC can only open 1 (one) DICA for each type of currency, corresponding to the currency used for making the capital contribution. Several transactions must be routed via DICA, notably: (i) contribution of capital in cash (i.e., bank transfers) made by foreign investors to the charter capital of FIC; (ii) payments for the FIC’s capital transfer transactions between a resident investor and a non-resident investor, which must be made in VND and routed via the DICA in VND; (iii) drawdown and repayment of medium/long-term foreign loans borrowed by the FIC, and (iv) profit repatriation to foreign investors.

With respect to payments, in general, Ordinance No. 28/2005/PL-UBTVQH11 on foreign exchange (as amended) enshrines the principle of liberalization of “current transactions” (in Vietnamese: “giao dch vãng lai”) (i.e., not for the purpose of remittance of capital such as the contribution of the charter capital of the FIC as mentioned above) between residents and non-residents. All current transactions related to payments and remittance of money connected to exports, imports, short-term loans from banks, net income from direct and indirect investment, interest and repayments on foreign loans, and import or export of goods or services, may be conducted freely. However, in the territory of Vietnam, all transactions, payments, displays of prices, advertisements, quotations, pricing, and price writing in contracts and agreements and other similar forms (including conversion or adjustment of prices of goods or services, value of contracts or agreements) must not be conducted in any foreign currency except for limited cases provided by the law.

REGULATORY OVERVIEW

Offshore loan (without any guarantee from the Government)

An FIC may borrow foreign loans, subject to the satisfaction of certain conditions provided by the law on (i) loan purpose, (ii) loan term, (iii) loan registration, (iv) borrowing restriction, (v) loan currency, and (vi) loan drawdown and repayment. Apart from offshore debt refinancing purpose, a FIC may borrow (i) offshore short-term loans to discharge the FIC’s short-term payables according to corporate accounting rules (other than the outstanding principal of onshore loans) arising in its implementation of investment projects, production or business plans or other projects; or (ii) medium/long-term offshore loans to implement the FIC’s investment projects and/or carry out its production or business plans or other projects. Foreign loans must be registered with the State Bank of Vietnam (“SBV”) if it is a medium-term or long-term (more than one year term) foreign loans and be drawn down and repaid via the designated DICA or a specialized foreign loan bank account of the FIC.

Regulations on Compulsory Insurances

Under the Law on Social Insurance No. 41/2024/QH15 adopted by the National Assembly of Vietnam on June 29, 2024, the Law on Health Insurance No. 25/2008/QH12 adopted by the National Assembly of Vietnam on November 14, 2008 (as amended), the Law on Employment No. 38/2013/QH13 adopted by the National Assembly of Vietnam on November 16, 2013 (as amended) and the Law on Labor Safety and Hygiene No. 84/2015/QH13 adopted by the National Assembly of Vietnam on June 25, 2015 (as amended), employees and employers are required to make contributions to the compulsory insurance schemes which include social, health, occupational accidents and diseases and unemployment insurances in Vietnam in favor of Vietnamese employees (and certain categories of foreign employees). The contributions are calculated based on the employee’s wage or salary specified under the labor contract and made by both employee and employer in a specific percentage set forth by law.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to May 2004, when our Company was established in Shenzhen, the PRC by our co-founders, Ms. Wang and her brother, Mr. Wang, through Luxshare Limited. For further details of Ms. Wang and Mr. Wang, see “Directors and Senior Management.”

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.

In September 2010, our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002475).

OUR MILESTONES

The following table sets forth our Group’s key corporate and business development milestones:

Year	Milestone events
2004	We were established in Shenzhen, the PRC as a limited liability company.
2010	We were listed on the Shenzhen Stock Exchange (stock code: 002475).
2011	We deepened our footprint in the consumer electronics sector, and actively entered into the communication and automotive electronics businesses.
2016	We set up our production bases in other countries including Vietnam, and embarked on the journey towards globalization.
2017	We improved our business footprint and achieved vertical integration by progressing from fundamental components and modules to complete functional systems.
2018	We built upon our longstanding R&D efforts and accumulated expertise, constructed our fully automated production line and progressed to advanced automation, which enabled us to commence delivery of fully automated solutions to our customers.
2019	We increased our manufacturing capacity in Southeast Asia and further enhanced our global footprint.
2020	We commenced metal structural parts processing, which signified our continuing innovation across the three dimensions of materials, processes and intelligent manufacturing systems.
2021	We were ranked the first in the “China Electronic Components Industry Key Enterprise List” and have since continued to be ranked the first.
2022	We deepened our footprint in the medical devices sector which, together with our existing business segments in consumer electronics, automotive electronics and communications, further strengthened our four business lines and provide extensive and diversified product offerings to our customers.

HISTORY AND CORPORATE STRUCTURE

Year	Milestone events
2023	We were listed on Fortune Global 500, and have continued to be listed in 2024 and 2025.
2024	We commenced our acquisition of Leoni Business, which enabled us to establish a differentiated advantage in the global automotive wiring harness market and further strengthened our strategic presence in Europe, Africa and Americas. We acquired Qorvo Business, which focused on the manufacture and sales of radio frequency (RF) devices, which materially increased our sales volume for consumer electronics products and solutions.
2025	We enhanced our core competitiveness in the consumer electronics customization business through the acquisition of the relevant business from Wingtech.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, each of the following entities was our Major Subsidiary whose revenue, profit, total assets or net assets compared to that of our Group is or more than 5% under the percentage ratios for any year or period during the Track Record Period:

Name of subsidiary	Date of establishment	Place of establishment	Equity interest attributable to our Group	Principal business activities
Luxshare Technology Kunshan . . .	September 12, 2000	PRC	100%	R&D, processing and manufacturing of components and modules products
Lanto Kunshan	April 23, 2004	PRC	100%	R&D, processing and manufacturing of components and modules products
Luxshare Chuzhou	March 24, 2014	PRC	100%	R&D, processing and manufacturing of components and modules products
Smart Manufacturing Jiangxi	December 25, 2015	PRC	100%	R&D, processing and manufacturing of components, modules and system integration products
Luxshare Smart Manufacturing . . .	April 8, 2019	PRC	100%	R&D, processing and manufacturing of components, modules and system integration products
Luxshare Changshu	October 24, 2019	PRC	100%	R&D, processing and manufacturing of components and modules products
Luxshare Kunming	January 14, 2020	PRC	100%	R&D and manufacturing of system integration products
Luxcase ICT Yancheng	September 27, 2017	PRC	48.01% ⁽¹⁾	R&D, processing and manufacturing of modules products

HISTORY AND CORPORATE STRUCTURE

Name of subsidiary	Date of establishment	Place of establishment	Equity interest attributable to our Group	Principal business activities
Yashan Rishan	June 15, 2015	PRC	48.01% ⁽²⁾	R&D, processing and manufacturing of modules products
Rida Intelligent Manufacture	October 21, 2020	PRC	48.01% ⁽²⁾	R&D, processing and manufacturing of modules products
Dongguan Xuntao	February 9, 1996	PRC	87.42% ⁽³⁾	R&D, processing, manufacturing and trading of components and modules products
Luxis Hong Kong.	April 23, 2021	Hong Kong	100%	Trading of components, modules and system integration products
ICT-Lanto Hong Kong	March 5, 2009	Hong Kong	100%	Trading of components, modules and system integration products
Luxshare Hong Kong.	May 5, 2011	Hong Kong	100%	Trading of components, modules and system integration products
Luxshare Vietnam.	October 5, 2016	Vietnam	100%	Processing and manufacturing of components, modules and system integration products
Luxshare Van Trung	September 5, 2019	Vietnam	100%	Processing and manufacturing of components, modules and system integration products
Casetek Singapore	September 12, 2019	Singapore	48.01% ⁽²⁾	Trading of components and modules products

Notes:

- (1) Luxcase ICT Yancheng was held as to 48.01% by our Company, 46.49% by Rih Li International Limited (日麗國際有限公司) (“**Rih Li International**”), 3.50% by Changshu Likai Enterprise Management Partnership (Limited Partnership) (常熟立鑑企業管理合夥企業(有限合夥)) (“**Changshu Likai**”) and 2% by Zimu Limited. According to the articles of association of Luxcase ICT Yancheng, the shareholders of Luxcase ICT Yancheng shall exercise their voting rights in proportion to their paid-in capital contributions. Save for Changshu Likai which has not yet paid in its subscribed registered capital, the other shareholders of Luxcase ICT Yancheng have fully paid in their subscribed registered capital in Luxcase ICT Yancheng. Accordingly, our Company, Rih Li International and Zimu Limited are entitled to exercise 49.75%, 48.17% and 2.07% of the voting rights of Luxcase ICT Yancheng, respectively. We obtained the factual control of Luxcase ICT Yancheng by securing a majority of the members of its board of directors, thereby the financial information of Luxcase ICT Yancheng upon completion of the acquisition has been reflected in our consolidated financial statements. As of the Latest Practicable Date, (i) Rih Li International was an indirect wholly-owned subsidiary of Pegatron Corporation, a company whose shares are listed on the Taiwan Stock Exchange (stock code: 4938); (ii) the general partner of Changshu Likai was a supervisor of Luxcase ICT Yancheng, and none of the limited partners of Changshu Likai held 30% or more interest therein; and (iii) Zimu Limited was wholly owned by the spouse of the general manager of one of our Major Subsidiaries.
- (2) Yashan Rishan, Rida Intelligent Manufacture and Casetek Singapore are wholly owned by Luxcase ICT Yancheng.
- (3) As of the Latest Practicable Date, Dongguan Xuntao was wholly owned by Dongguan Luxshare Technology Co., Ltd. (東莞立訊技術股份有限公司) (“**Luxshare Technology**”), which was owned as to (i) 85.63% by our Company; (ii) 1.79% by Dongguan Luxshare Holdings Limited (東莞立訊控股有限公司) (a wholly-owned subsidiary of our Company); (iii) 3.15% by Dongguan Zhanyong Enterprise Management Consulting Enterprise (Limited Partnership) (東莞瞻永企業管理諮詢企業(有限合夥)), the general partner of which was Dongguan Xuntong Enterprise Management Co., Ltd. (東莞市訊通企業管理有限公司) which was owned as to 50% by Mr. Xue Haigao (薛海皋), the director of Smart Manufacturing Jiangxi; (iv) 0.98% by Mr. Xue Haigao; (v) 0.19% by Mr. Chen Zhaofoei (陳朝飛), the director of Smart Manufacturing Jiangxi; and (vi) 8.26% by nine other shareholders who are Independent Third parties.

HISTORY AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment and Early Development

Our Company was established in Shenzhen, the PRC as a limited liability company on May 24, 2004 with an initial registered capital of HK\$10,000,000.

Upon the completion of several rounds of capital increases and reductions and share transfers, on October 31, 2008, the registered share capital of our Company amounted to HK\$124,000,140, with Luxshare Limited and Zixin Investment holding 92% and 8% of the equity interests in our Company, respectively.

Conversion into a Joint Stock Limited Liability Company and Listing on the Shenzhen Stock Exchange

In February 2009, our Company completed all procedures required to convert from a limited liability company to a joint stock limited liability company, with Luxshare Limited and Zixin Investment being our Company’s promoters, and the registered capital of our Company was RMB126,000,000.

In September 2010, we completed the issuance and listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002475). We offered a total of 43,800,000 A Shares during the A-Shares Listing, which represented approximately 25.20% of our Company’s total share capital immediately following the A Share listing.

Private Placement of A Shares in February 2015 and December 2016

In February 2015, our Company completed a private placement of its A Shares, pursuant to which a total of 65,473,887 A Shares were issued to eight investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB2.01 billion, which were applied towards the acquisition of the minority equity of Lanto Kunshan and capital increase of certain subsidiaries, as well as various production expansion and technology upgrade projects. Following the completion of the private placement, the Company’s total issued share capital increased to 831,931,887 A Shares.

In December 2016, our Company completed a private placement of its A Shares, pursuant to which a total of 234,096,692 A Shares were issued in the placement to five investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB4.59 billion, which were applied towards the various production expansion and technology upgrade projects, as well as for our Group’s working capital. Following the completion of the private placement, our Company’s total issued share capital increased to 2,120,058,632 A Shares.

Issue of Convertible Bonds

In November 2020, our Company completed a public offering of 30 million convertible bonds of face value of RMB100 each (the “**Convertible Bonds**”) in an aggregate principal amount of RMB3.0 billion, convertible into our fully paid A Shares. The principal terms of the Convertible Bonds are summarized as follows:

Issue Date	November 3, 2020

HISTORY AND CORPORATE STRUCTURE

Issue Price	100% of the face value of the Convertible Bonds
Interest	Interest on the Convertible Bonds is payable at the rate of 0.10% per annum for the first year, 0.20% per annum for the second year, 0.30% per annum for the third year, 1.50% per annum for the fourth year, 1.80% per annum for the fifth year and 2.00% for the sixth year from the Issue Date, payable annually on each anniversary of the Issue Date
Maturity Date	November 2, 2026
Conversion Period	From the first trading day immediately after six months from the Issue Date up to the Maturity Date (subject to postponement to the first working day thereafter in the event of statutory holidays or rest days and no additional interest shall be calculated during the extension period)
Conversion Price	The initial Conversion Price was RMB58.62 per Share, which shall be no less than the average trading price of the A Shares for the 20 trading days before the date of the offering document of the Convertible Bonds and the average trading price of the A Shares on the trading date immediately preceding the date of the offering document of the Convertible Bonds The Conversion Price is subject to adjustment for distribution of Shares, increase in share capital, issue and placing of new Shares and other adjustments as determined by the Company in accordance with the terms and conditions of the Convertible Bonds As of the Latest Practicable Date, the Conversion Price was at RMB55.97 per Share
Conversion Shares	Upon exercise of the conversion rights by holders of the Convertible Bonds during the Conversion Period, the number of Conversion Shares to be issued shall be determined based on the following formula: $Q = V / P$ where: Q represents the number of Conversion Shares (round down to the nearest Share); V represents the total face value of the Convertible Bonds the holders applied to exercise; and P represents the effective Conversion Price as of the date of the exercise of the conversion rights

HISTORY AND CORPORATE STRUCTURE

Redemption at Maturity

Unless previously redeemed, converted or purchased and canceled, the Convertible Bonds will be redeemed at a price of 108% of the bond face value (including the last installment interest) within five working days after the Maturity Date

Conditional Redemption

During the Conversion Period, if any of the following situations occur, the Board has the right to decide to redeem all or part of the unconverted Convertible Bonds at the price of the face value of the Convertible Bonds plus accrued interest for the current period:

- (i) During any consecutive 30 trading days of the Conversion Period, the closing price of the A Shares is no less than 130% (inclusive) of the then-current Conversion Price on at least 15 trading days of the aforementioned 30-trading-day period;
- (ii) The outstanding balance of the Convertible Bonds that have not been converted is less than RMB30 million.

The then-current accrued interest shall be determined based on the following formula:

$$IA = B \times i \times t / 365$$

where:

IA represents the interest accrued for the then-current interest period;

B represents the aggregate face value of Convertible Bonds held by the holders and subject to redemption;

i represents the coupon rate of the Convertible Bonds for the then-current interest year; and

t represents the interest accrual days, namely, the actual number of calendar days from the preceding interest payment date to the redemption date (inclusive of the first day but exclusive of the last day).

Where the Conversion Price has been adjusted during the aforementioned 30-trading-day period, the calculation shall be based on the Conversion Price and the closing price in effect before the adjustment for the trading days preceding the adjustment, and on the adjusted Conversion Price and the adjusted closing price for the trading days following the adjustment

HISTORY AND CORPORATE STRUCTURE

Conditional Put Option

The holders of the Convertible Bonds shall have the option to request our Company to repurchase all or part of their Convertible Bond at its face value plus the accrued interest for the then-current interest period if, during the last two interest-bearing years of the Convertible Bonds, the closing prices of the A Shares of any 30 consecutive trading days are lower than 70% of the prevailing conversion price

Additional Put Option

If there is a material change in the implementation of the investment project of the Convertible Bonds compared to the commitment in the offering document, and if such change is deemed by the CSRC as a change in the use of the proceeds, the holders of the Convertible Bonds shall have the option to request our Company to repurchase all or part of their Convertible Bonds at a price equal to the face value plus the accrued interest for the then-current interest period. After the conditions of the additional put option are satisfied, the holders may exercise their put option during the additional put option period as announced by our Company. If no put option is implemented during the additional put option period, the additional put option may not be exercised thereafter.

The then-current accrued interest shall be determined based on the following formula:

$$IA = B \times i \times t / 365$$

(as defined in “—Convertible Bonds—Conditional Redemption”)

Listing

The Convertible Bonds are listed on the Shenzhen Stock Exchange under the bond code of 128136

As of the Latest Practicable Date, 29,983,799 Convertible Bonds remained outstanding, of which 53,571,197 A Shares may be issued upon the full exercise of the conversion rights (based on the Conversion Price of RMB55.97 per Share).

ACQUISITIONS, DISPOSALS AND MERGERS

For the purpose of expanding our business and deepening our industrial footprint, we acquire targets whose resources and capabilities align with our own core capabilities and integrate them into our overall business in the ordinary and usual course of our business. Completed acquisitions prior to the Track Record Period include, but not limited to, the acquisitions of Asap Technology (Jiangxi) Co., Ltd. (博碩科技(江西)有限公司) and Lanto Electronic Limited (昆山聯滔電子有限公司) in 2011, the acquisition of Suk Kunststofftechnik GmbH in 2013, the acquisition of Speed Tech Technology Co., Ltd. (宣德科技股份有限公司) in 2013 and 2015 (the “**Taiwan Acquisition**”), the acquisition of Meite Technology (Suzhou) Co., Ltd. (美特科技(蘇州)有限公司) in 2016, the acquisition of Merry Electronics (Huizhou) Co., Ltd. (美律電子(惠州)有限公司) in 2017 and the acquisition of Luxcase Precision Technology (Yancheng) Co., Ltd. (立鎧精密科技(鹽城)有限公司) in 2021. During the Track Record Period, we completed the following major acquisitions:

HISTORY AND CORPORATE STRUCTURE

Acquisition of the Wingtech Subsidiaries

On January 23, 2025, we entered into an equity transfer agreement (“**ODM Transfer Agreement**”) with Wingtech Communications Co., Ltd. (聞泰通訊股份有限公司) (“**Wingtech Communications**”), a wholly-owned subsidiary of Wingtech Technology, pursuant to which we acquired the entire equity interests in certain subsidiaries of Wingtech Technology (the “**Wingtech ODM Business**”), including Jiaxing Yongrui Electronics Technology Co., Ltd. (嘉興永瑞電子科技有限公司), Shanghai Wingtech Information Technology Co., Ltd. (上海聞泰信息技術有限公司) (now known as Shanghai Luxshare Information Technology Co., Ltd. (上海立訊信息技術有限公司)) and Shanghai Wingtech Electronics Technology Co., Ltd. (上海聞泰電子科技有限公司) (now known as Shanghai Luxshare Electronics Technology Co., Ltd. (上海立訊電子科技有限公司)), which were primarily engaged in ODM business for consumer electronics products, from Wingtech Communications at a consideration of approximately RMB676.45 million which was determined based on the audited net asset value of Wingtech ODM Business as of December 31, 2024 and was fully settled on November 21, 2025. In addition, we shall be responsible for settling the payables which amounted to RMB1,080.50 million due by Wingtech ODM Business and its wholly-owned subsidiaries to Wingtech Communications and its related parties (excluding Wingtech ODM Business and its wholly-owned subsidiaries) under the ODM Transfer Agreement, which was fully settled. The acquisition of the aforesaid equity interests was completed on January 26, 2025.

On March 20, 2025, we entered into an equity transfer agreement (the “**Wingtech OEM Transfer Agreement**”), and an equity and asset transfer agreement (the “**Wingtech Consumer Electronics Transfer Agreement**”) with Wingtech Technology, and further entered into a supplemental agreement to each of Wingtech OEM Transfer Agreement and Wingtech Consumer Electronics Transfer Agreement with Wingtech Technology on May 16, 2025, pursuant to which we acquired (i) Wingtech Technology’s OEM business for consumer electronics products, which comprised the entire equity interest in Luxshare Kunming; and (ii) Wingtech Technology’s remaining consumer electronics business, which include, among others, the entire equity interest in Huangshi Wingtech Communications Co., Ltd. (黃石聞泰通訊有限公司) (now known as Huangshi Zhitong Technology Co., Ltd. (黃石智通電子有限公司)), Wingtech Technology (Shenzhen) Co., Ltd. (聞泰科技(深圳)有限公司) (now known as Shenzhen Luxshare Zhitong Technology Co., Ltd. (深圳立訊智通技術有限公司)), Kunming Wenyao Electronics Technology Co., Ltd. (昆明聞耀電子科技有限公司) (now known as Kunming Zhitong Technology Co., Ltd. (昆明智通電子有限公司)), PT. Wingtech Technology Indonesia and Wingtech Group (Hong Kong) Limited (collectively, the “**Wingtech Other Consumer Electronics Businesses**”) from Wingtech Technology at a total consideration of approximately RMB4,389.46 million. The consideration was determined on an arm’s length basis based on the audited net asset value of Wingtech Other Consumer Electronics Businesses and was fully settled on November 21, 2025. The acquisition of the Wingtech Other Consumer Electronics Businesses was completed on September 16, 2025.

The acquisitions of the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses enhances our core competitiveness in consumer electronics customization business, optimizes our product portfolio and enriches our business and customer structure. Each of Wingtech Communications and Wingtech Technology is an Independent Third Party.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisition of the Wingtech ODM Business and the acquisition of Wingtech Other Consumer Electronics Businesses exceeds 25%. Accordingly, the relevant pre-acquisition financial information of the Wingtech ODM Business and the Wingtech Other Consumer Electronics Businesses are not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

HISTORY AND CORPORATE STRUCTURE

Acquisition of Leoni Business

On September 16, 2024 and September 17, 2024, we entered into a share purchase agreement with each of L2-Beteiligungs GmbH and Leoni AG, respectively, pursuant to which our Company acquired 50.1% equity interest in Leoni AG (“**Leoni AG**”) from L2-Beteiligungs at a consideration of EUR205.41 million and 100% equity interest in Leoni Kabel GmbH (“**Leoni K**”), a wholly-owned subsidiary of Leoni AG, at a consideration of EUR320 million, which was determined after arm’s length negotiation by the parties taking into account of the industry positions, technical expertise and business prospects of Leoni AG and Leoni K as well as the expected synergies with our Group and was fully paid on July 10, 2025. Upon completion of the acquisition on the same date, Leoni AG became held as to 50.1% by our Group and 49.9% by L2-Beteiligungs, and each of Leoni AG and Leoni K became our subsidiary.

Leoni AG is a supplier of integrated automotive wiring harness system products and solutions, while Leoni K operates automotive cable products. The acquisitions of Leoni AG and Leoni K further strengthen our strategic presence in the automotive sector. Each of L2-Beteiligungs and its sole ultimate shareholder, Stefan Pierer, is an Independent Third Party.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisition of Leoni AG and Leoni K exceeds 25%. Accordingly, the relevant pre-acquisition financial information of Leoni AG and Leoni K are not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

Other Acquisitions

We have applied to the Stock Exchange, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules in relation to our acquisitions after the Track Record Period. See “Waivers and Exemptions—Acquisitions after the Track Record Period” for details.

Save for the aforesaid acquisitions, during the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider material to us.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company has been listed on the Shenzhen Stock Exchange since September 2010. Since our listing on the Shenzhen Stock Exchange and as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors and having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisors are of the view that for the years ended December 31, 2024 and 2025 and up to the Latest Practicable Date, we have complied with the relevant laws and regulations on A-share listing applicable to us in all material respects. Based on the view of our PRC Legal Advisors as disclosed above and the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

HISTORY AND CORPORATE STRUCTURE

Our Company seeks to [REDACTED] H Shares and [REDACTED] on the Stock Exchange in order to further advance our global strategic footprint, enhance overseas financing capabilities, and further improve the transparency and standardization of corporate governance. For details, see “Business—Our Strategies” and “Future Plans and Use of [REDACTED].”

PUBLIC FLOAT

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

Accordingly, based on the maximum [REDACTED] of HK\$[REDACTED], the portion of H Shares that will be held by the public at the time of [REDACTED] must not be less than [REDACTED] H Shares, representing at least [REDACTED]% of the total number of issued Shares.

On the basis that no H Shares will be allocated under the [REDACTED] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, it is expected that immediately following the completion of the [REDACTED] (assuming the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), all the H Shares, representing [REDACTED]% of the total number of issued Shares and with an expected [REDACTED] of HK\$[REDACTED] (based on the maximum [REDACTED] of HK\$[REDACTED]), will be counted towards the public float, which will satisfy the public float requirement under Rule 19A.13A of the Listing Rules.

FREE FLOAT

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

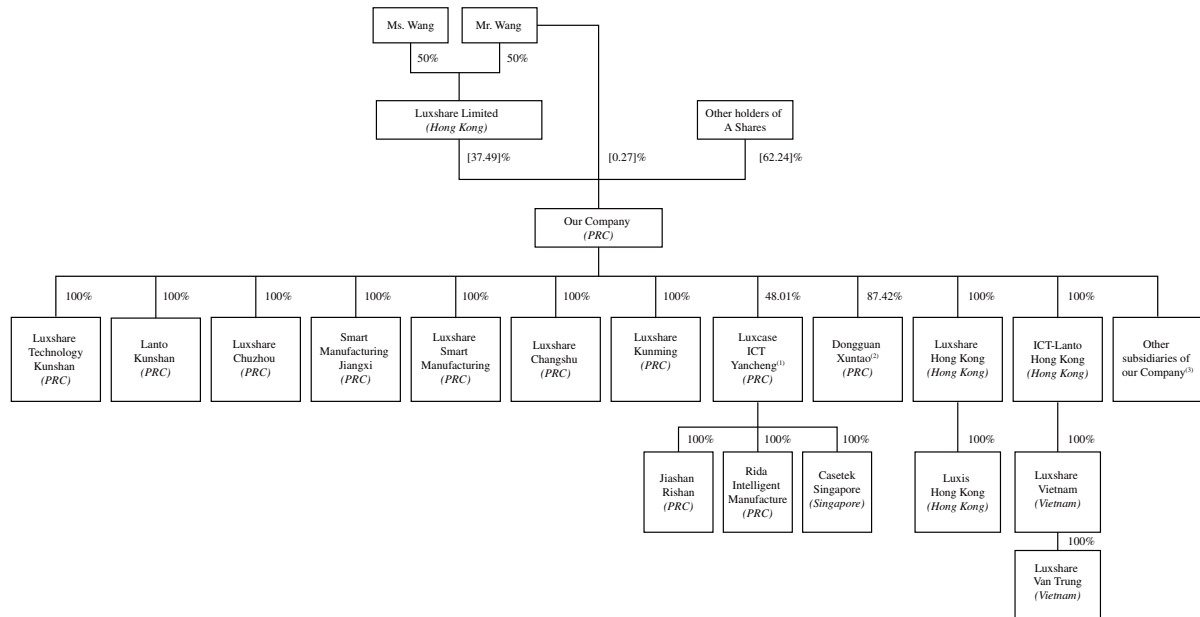
On the basis that no H Shares will be allocated under the [REDACTED] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, assuming the [REDACTED] is not exercised and based on the maximum [REDACTED] of HK\$[REDACTED], it is expected that [REDACTED] H Shares, which will be all the [REDACTED] not being subscribed by the cornerstone investors, with an expected market value in excess of HK\$600,000,000, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the [REDACTED], which will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

HISTORY AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately before the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group immediately before the completion of the [REDACTED], assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]:



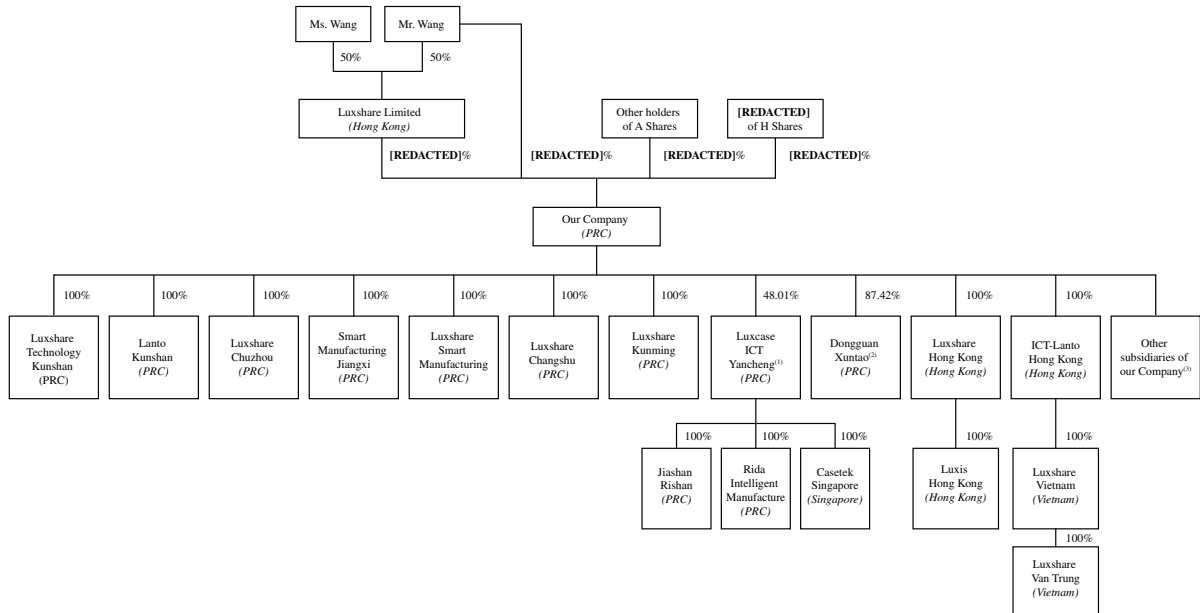
Notes:

- (1) Luxcase ICT Yancheng was held as to 48.01% by our Company, 46.49% by Rih Li International, 3.50% by Changshu Likai and 2% by Zimu Limited. According to the articles of association of Luxcase ICT Yancheng, the shareholders of Luxcase ICT Yancheng shall exercise their voting rights in proportion to their paid-in capital contributions. Save for Changshu Likai which has not yet paid in its subscribed registered capital, the other shareholders of Luxcase ICT Yancheng have fully paid in their subscribed registered capital in Luxcase ICT Yancheng. Accordingly, our Company, Rih Li International and Zimu Limited are entitled to exercise 49.75%, 48.17% and 2.07% of the voting rights of Luxcase ICT Yancheng, respectively. As of the Latest Practicable Date, (i) Rih Li International was an indirect wholly-owned subsidiary of Pegatron Corporation, a company whose shares are listed on the Taiwan Stock Exchange (stock code: 4938); (ii) the general partner of Changshu Likai was the supervisor of Luxcase ICT Yancheng, and none of the limited partners of Changshu Likai held 30% or more interest therein; and (iii) Zimu Limited was wholly owned by the spouse of the general manager of one of our Major Subsidiaries.
- (2) As of the Latest Practicable Date, Dongguan Xuntao was wholly owned by Luxshare Technology, which was owned as to (i) 85.63% by our Company; (ii) 1.79% by Dongguan Luxshare Holdings Limited (a wholly-owned subsidiary of our Company); (iii) 3.15% by Dongguan Zhanyong Enterprise Management Consulting Enterprise (Limited Partnership), the general partner of which was Dongguan Xuntong Enterprise Management Co., Ltd. which was owned as to 50% by Mr. Xue Haigao, the director of Smart Manufacturing Jiangxi; (iv) 0.98% by Mr. Xue Haigao; (v) 0.19% by Mr. Chen Zhaofei, the director of Smart Manufacturing Jiangxi; and (vi) 8.26% by nine other shareholders who are Independent Third Parties.
- (3) To support the development of our Company's business in various categories and various regions, we had more than 200 subsidiaries as of the Latest Practicable Date.

HISTORY AND CORPORATE STRUCTURE

Shareholding and Corporate Structure upon Completion of the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group upon completion of the [REDACTED], assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]:



Notes:

Please refer to the notes contained in the preceding page.

BUSINESS

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 cm³)

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:

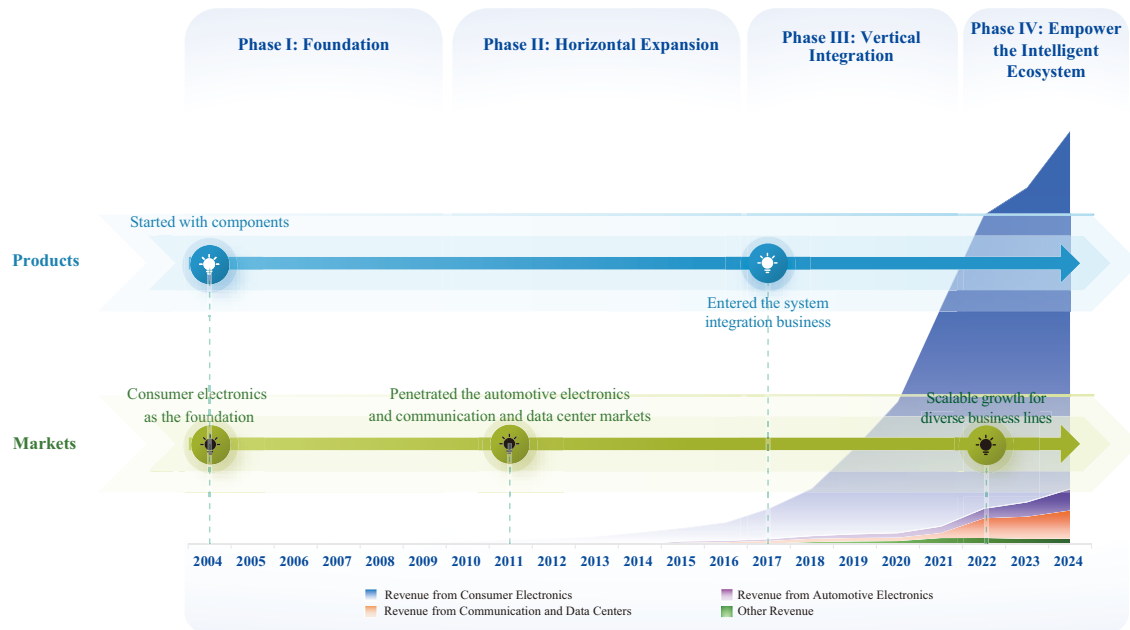
- (1) As of the Latest Practicable Date
- (2) Categorized under the Harmonized System Codes

BUSINESS

- (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.

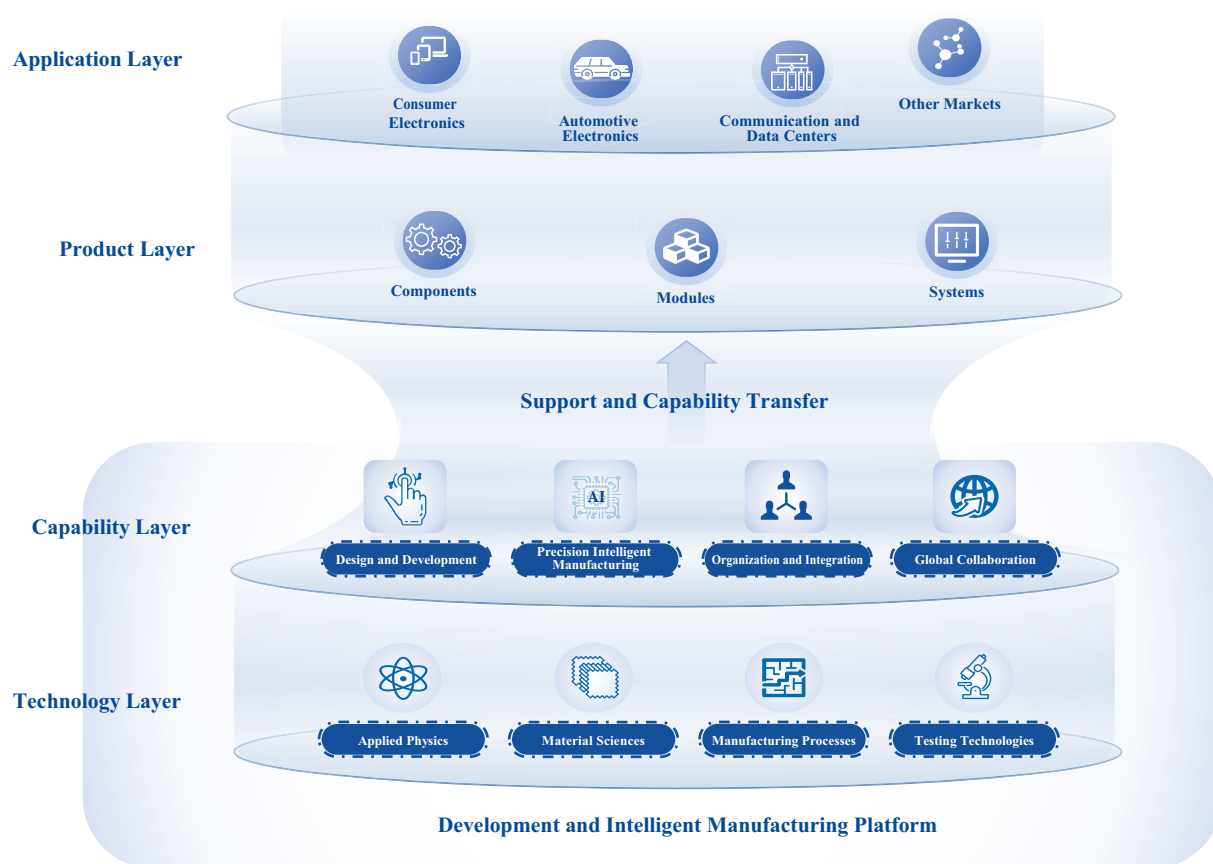
The following chart visualizes our development history:



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.

BUSINESS



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.

BUSINESS

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.

BUSINESS

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.

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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

BUSINESS

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:

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- **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.

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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 globalization 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.

BUSINESS

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 Globalized 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 globalized service needs of overseas clients. We are committed to furthering our globalization in the following ways:

BUSINESS

- 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.

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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	
 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	Components, modules and systems for various medical devices and industrial equipments, among others
 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	

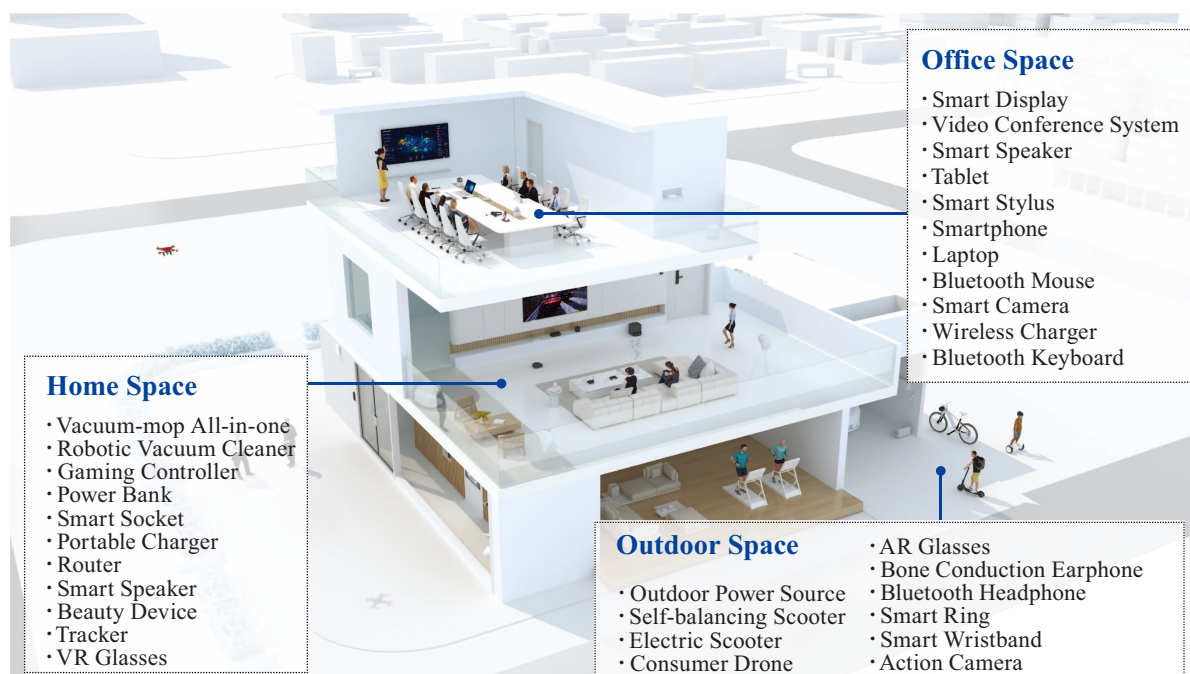
BUSINESS

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.

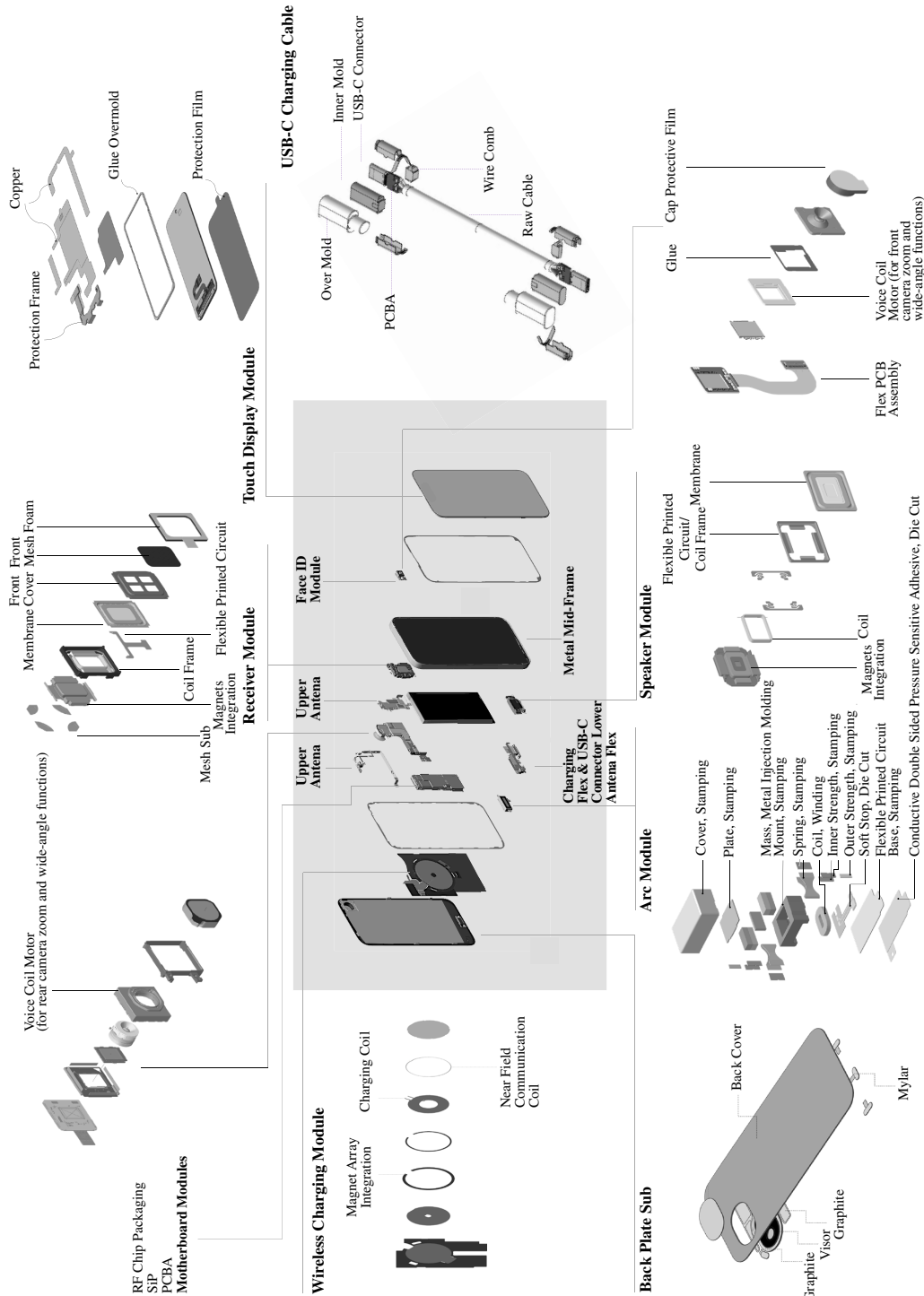
The following image illustrates the application scenarios for major consumer electronics containing our products and solutions:



BUSINESS

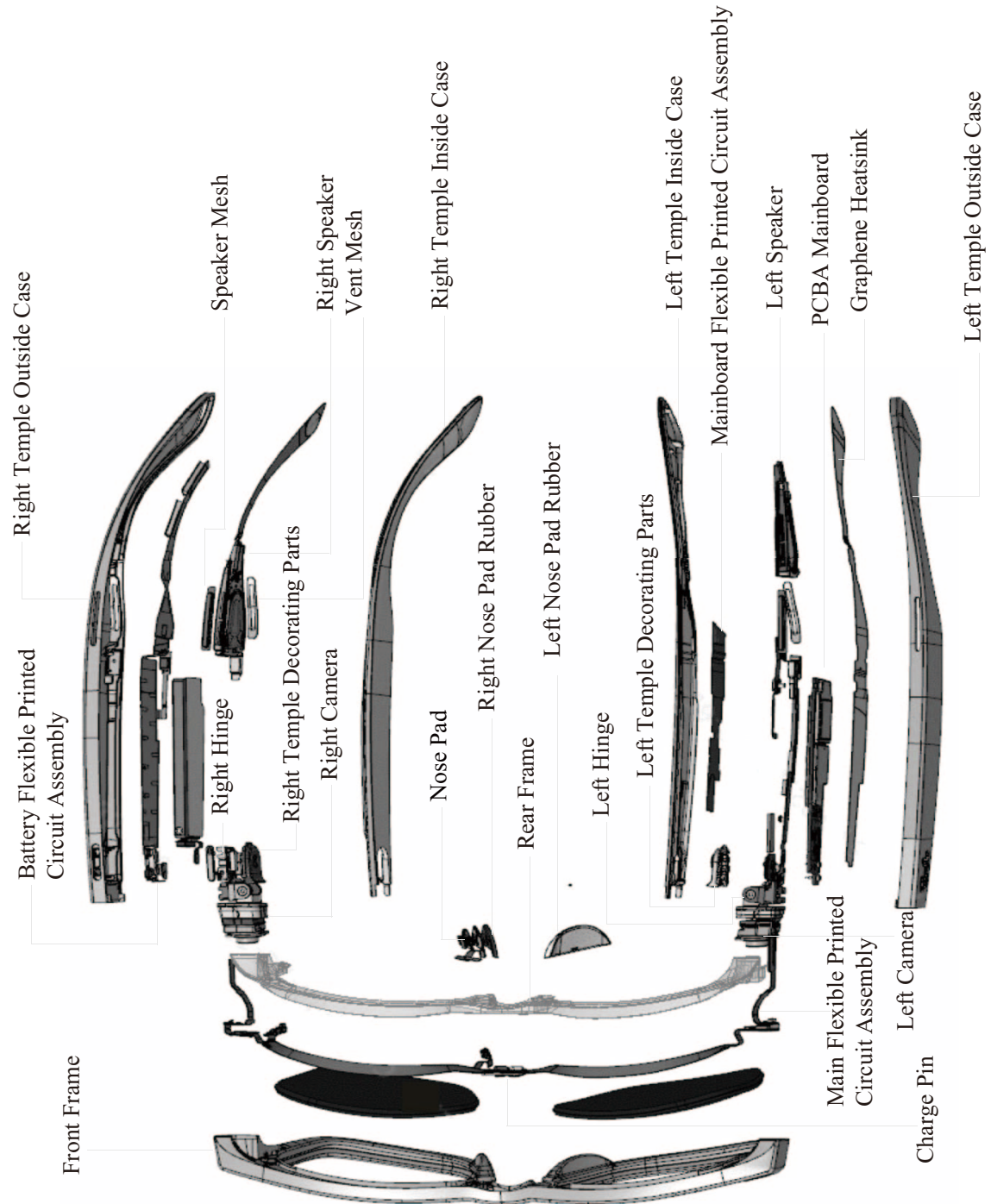
The following images illustrate the composition of our representative system integration products with in-house manufactured components and modules annotated.

Smartphone



BUSINESS

AR Glasses



BUSINESS

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

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



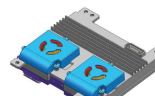
Airbag controller

12



ADAS domain controller

13



Wireless power consortium

14



USB module

15



Multi-screen display

16



AR-HUD

17



Instrument cluster

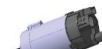
Smart chassis system: Controls vehicle driving, steering and braking to improve handling .

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



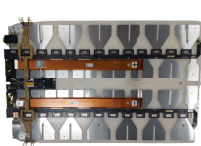
Ultra-wideband digital key

22



Hidden door handle

BUSINESS

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

Communication and Data Centers

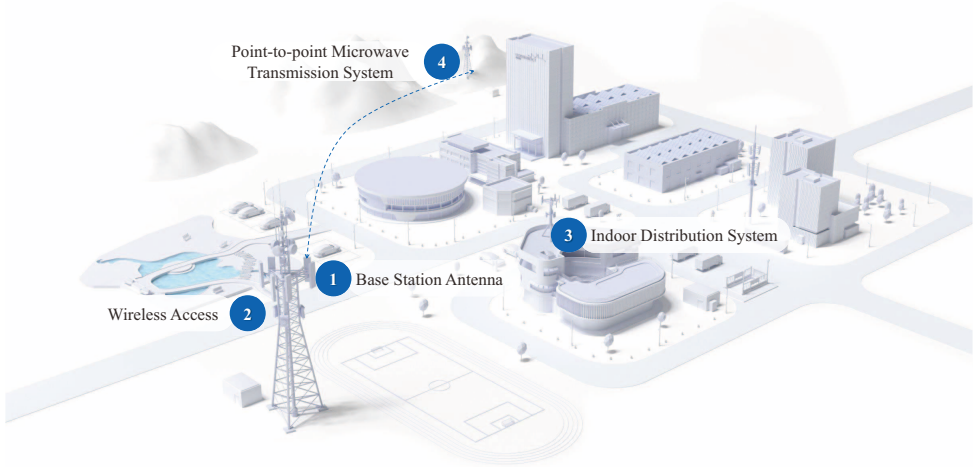
With the acceleration of digital transformation, global data volumes have grown explosively, leading to a surge in demand for high-performance communication equipment. With the widespread adoption of AI applications globally, data centers are simultaneously seeing exponential growth in demand for computing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

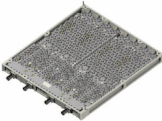
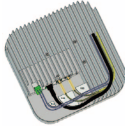
Our PIMS for communication and data centers are engineered to meet the exacting demands of modern communication and data center infrastructure, delivering precision, reliability and efficiency for communication base stations and data centers. By seamlessly integrating next-generation technologies like 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.

BUSINESS



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.

BUSINESS

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



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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	

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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

BUSINESS

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.

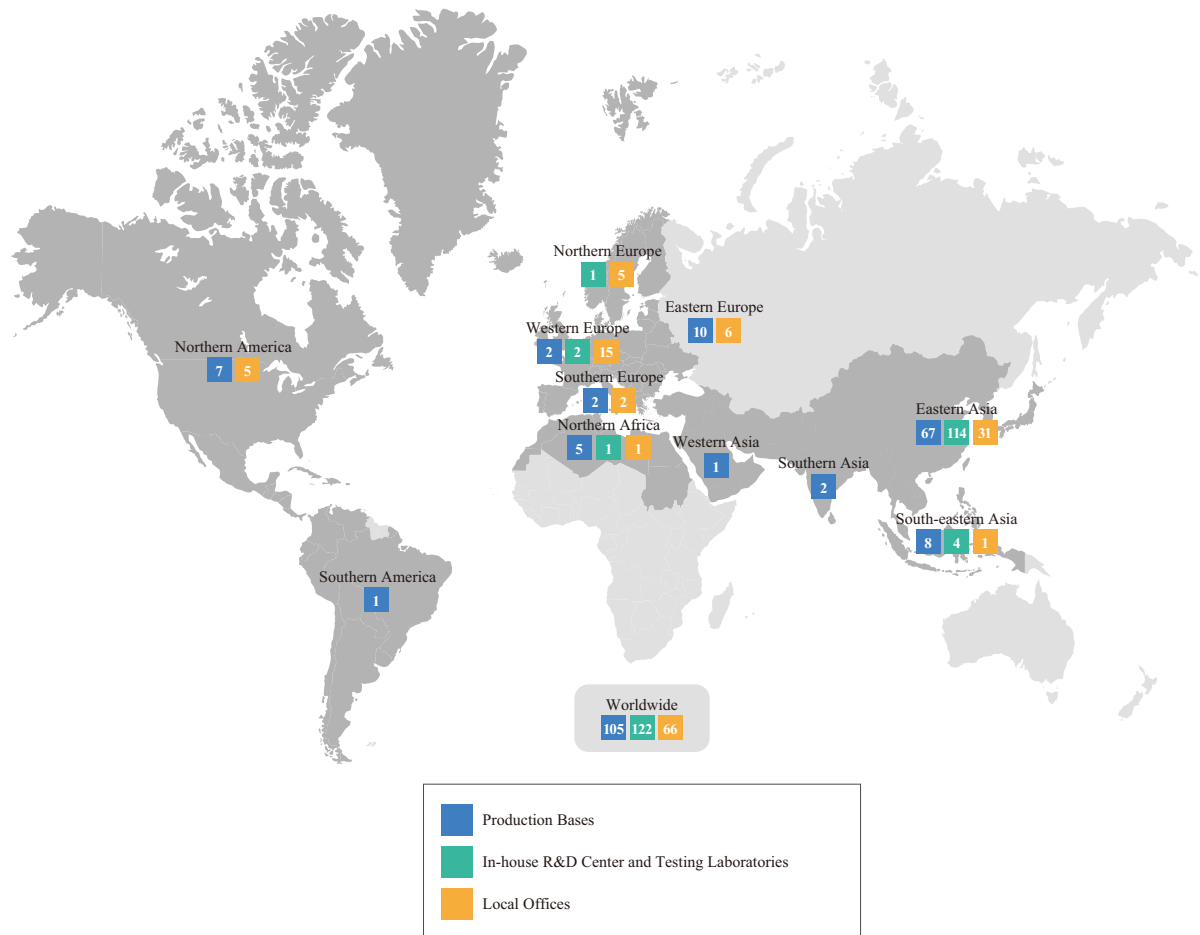
OUR GLOBAL PRESENCE

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:

BUSINESS



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.

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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:

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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.

BUSINESS

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.

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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.

BUSINESS

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.

BUSINESS

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.

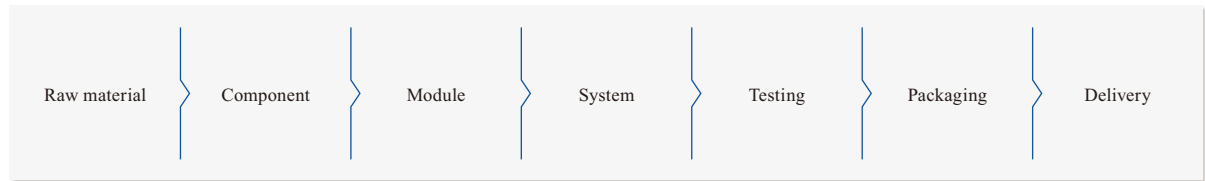
Manufacturing Process and Capabilities

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

BUSINESS

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.

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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 actual work 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)

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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 (國家稅務總局)
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.

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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	

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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.

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- (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.

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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.

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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

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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.

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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.”

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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 (RMB'000)	% of our total purchases	Commencement year of business relationship
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	

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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	

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For the Nine Months Ended September 30, 2025

Supplier	Main materials purchased	Purchase costs (RMB'000)	% of our total purchases	Commencement year of business relationship
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.

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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,

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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.

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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

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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.

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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.”

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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.”

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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).

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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;

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- 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 NO_x, SO_x, VOCs, particulate matter and tin-related compounds. Third-party testing confirms compliance with applicable emission standards.

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

Classification	Unit	Year Ended December 31,		
		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:

Resource classification	Unit	For the Years Ended December 31,		
		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.

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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.

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

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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.

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

Metrics	Employee type (person)	Year Ended December 31,		
		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.

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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

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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.

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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.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors comprises eight Directors, including five executive Directors and three independent non-executive Directors. The powers and duties of our Board include determining our business and investment plans, and exercising other powers, functions and duties as conferred by the Articles.

The table below sets out the key information of our Directors:

Our Directors

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Ms. Wang Laichun (王來春)	58	May 24, 2004	May 24, 2004	Chairlady of our Board, executive Director and general manager	Responsible for the overall strategic planning and major business decisions of our Group	Sister of Mr. Wang
Mr. Wang Laisheng (王來勝)	61	May 24, 2004	October 31, 2008	Vice chairman of our Board and executive Director	Responsible for participating in strategic planning and major decision-making of our Group	Brother of Ms. Wang
Mr. Qian Jiwen (錢繼文)	51	April 18, 2016	June 27, 2024	Executive Director and vice general manager	Responsible for the management and operations of the consumer electronics terminal antenna business department of our Group	None
Mr. Hao Jie (郝杰)	43	October 19, 2017	June 27, 2024	Executive Director and vice general manager	Responsible for the management and operations of the system-in-package business department of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Chen Weihang (陳蔚航)	30	September 28, 2021	August 8, 2025	Executive Director (Employee Director) and the securities affairs representative	Responsible for the information disclosure management, regulatory communication and compliance of our Group	None

Independent Non-executive Directors

Dr. Hou Lingling (侯玲玲)	50	June 27, 2024	June 27, 2024	Independent non-executive Director	Responsible for supervising and providing independent judgment and professional advice to our Board	None
Mr. Liu Zhonghua (劉中華) (with a former Chinese name 劉忠華) . . .	60	May 18, 2021	May 18, 2021	Independent non-executive Director	Responsible for supervising and providing independent judgment and professional advice to our Board	None
Ms. Song Yuhong (宋宇紅)	54	May 18, 2021	May 18, 2021	Independent non-executive Director	Responsible for supervising and providing independent judgment and professional advice to our Board	None

Executive Directors

Ms. Wang Laichun (王來春), aged 58, is our chairlady of the Board, executive Director and general manager. Ms. Wang founded our Group together with her brother Mr. Wang in May 2004. She has been serving as the Director and general manager since then and the chairlady of our Board since October 31, 2008. In addition, she also serves as the director and legal representative of certain subsidiaries of our Group. Ms. Wang has over 30 years of experience in the precision manufacturing industry. She is primarily responsible for the overall strategic planning and major business decisions of our Group.

Since April 2022, she has been serving as the chairlady of the board and a non-executive director of Time Interconnect, where she is primarily responsible for the overall strategic management and corporate development of the company. Since March 2024, she has also been serving as a non-executive

DIRECTORS AND SENIOR MANAGEMENT

director of Chery Automobile Co Ltd (奇瑞汽車股份有限公司), a passenger vehicle company headquartered in Wuhu, China, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9973), where she is responsible for high level supervision on the management and operations of the group.

Ms. Wang has been serving as a vice chairlady of the 13th Executive Committee of Guangdong Federation of Industry & Commerce (廣東省工商業聯合會(總商會)第十三屆執委會) since August 2022, a member of the 14th National Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議第十四屆全國委員會) since January 2023 and a vice chairlady of the Chamber of Commerce for Women Entrepreneurs of the All-China Federation of Industry and Commerce (全國工商業聯合會女企業家商會) since April 2024.

Mr. Wang Laisheng (王來勝), aged 61, is our vice chairman of the Board and executive Director. Mr. Wang founded our Group together with his sister Ms. Wang in May 2004. He was appointed as the vice chairman of our Board on October 31, 2008. In addition, he also serves as the director and legal representative of certain subsidiaries of our Group. He is primarily responsible for participating in strategic planning and major decision-making of our Group.

Mr. Wang possesses decades of extensive experience in the precision manufacturing industry and corporate management. In connection with our business-segment realignment and early-stage transformation, since 2005, Mr. Wang has been serving as a director at certain of our Major Subsidiaries, such as Luxshare Chuzhou, Lanto Kunshan and Smart Manufacturing Jiangxi, among others. During his tenure, he spearheaded key optimisation initiatives that shifted their operations from low-value-added consumer digital products to high-barrier precision-connector sector. In driving the global expansion strategy of our Group, Mr. Wang led the site selection, due diligence and establishment of our production facilities in multiple countries and regions. Since December 2024, Mr. Wang has been serving as a director of Chery Holding Group Co., Ltd. (奇瑞控股集團有限公司).

Mr. Qian Jiwen (錢繼文), aged 51, is our executive Director and vice general manager. He joined our Group on April 18, 2016 as the head of the consumer electronics terminal antenna business department, established the business unit 17 of our Group, taking full responsibility of the management and operations of the antennas and flexible printed circuit board surface-mount-technology (SMT). was appointed as a Director and the vice general manager on June 27, 2024. He is primarily responsible for the management and operations of the consumer electronics terminal antenna business department of our Group.

Mr. Qian has nearly 30 years of experience in management, with over two decades of which serving as senior management at multinational corporations. He possesses a profound professional background in precision manufacturing as well as exceptional general management proficiency. Prior to joining our Group, he began his career at Procter & Gamble, primarily responsible for the production management of Olay production line. Then he joined the Hangzhou facility of Motorola, Inc., progressing to a plant operations head, mainly responsible for overseeing the manufacturing of smartphones, base stations and set-top boxes. Later, he served as the head of a provider of high-technology interconnect, sensor and antenna solutions, where he was mainly responsible for managing the antenna business unit.

Mr. Qian obtained his bachelor’s degree in metal materials from Southeast University (東南大學) in the PRC in June 1996, and his master of business administration degree from Alexander University in the United States in 2004.

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Mr. Hao Jie (郝杰), aged 43, is our executive Director and vice general manager. He joined our Group on October 19, 2017 as the head of the system-in-package business (SIP) department and the chairman of the SMT technical committee, was appointed as a Director and the vice general manager on June 27, 2024. He is primarily responsible for the management and operations of the SIP and SMT business department of our Group.

Mr. Hao possesses solid knowledge of operations and management and extensive experience in the consumer electronics industry. Prior to joining our Group, he worked at Sony’s mobile phone manufacturing plant in Beijing, serving as the smartphones SMT engineering director and the site leader of SMT technical committee, where he was mainly responsible for new product and new technology validation, and quality management of the contract manufacturing supply chain.

Mr. Hao obtained his bachelor’s degree in economics from Inner Mongolia University of Finance and Economics (內蒙古財經學院) in the PRC in July 2005 and his master’s degree in administration from Renmin University of China (中國人民大學) in the PRC in June 2011.

Mr. Chen Weihang (陳蔚航), aged 30, is our executive Director (employee Director) and the securities affairs representative. He joined our Group on September 28, 2021 as the securities affairs specialist, has been serving as the securities affairs representative since July 2024, and was appointed as our executive Director (employee Director) on August 8, 2025. He is primarily responsible for the information disclosure management, regulatory communication and compliance of our Group.

Prior to joining our Group, he successively worked at a property management company and an information technology company from June 2017 to August 2021.

Mr. Chen obtained his bachelor’s degree in accounting from Sun Yat-sen University (中山大學) in the PRC in June 2017.

Independent non-executive Directors

Dr. Hou Lingling (侯玲玲), aged 50, was appointed as our independent non-executive Director on June 27, 2024. She is primarily responsible for supervising and providing independent judgment and professional advice to our Board.

Dr. Hou has successively served as an associate professor and a professor in the Law School of Shenzhen University (深圳大學). Prior to that, Dr. Hou was appointed as a lecturer in the Law School of Zhongnan University of Economics and Law (中南財經政法大學) in September 2002 and the Law School of South China University of Technology (華南理工大學) in September 2006, respectively. In addition, Dr. Hou has been serving as an independent non-executive director at Shenzhen Dobot Corp Ltd (深圳市越疆科技股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2432) since December 2022.

Dr. Hou obtained her bachelor’s degree and her master’s degree in economic law from Zhongnan University of Economics and Law (中南財經政法大學) (formerly known as Zhongnan Institute of Economics and Law (中南政法學院)) in the PRC in June 1997 and June 2000, respectively. She further obtained her doctor’s degree in international trade from Hunan University (湖南大學) in the PRC in June 2006. She obtained the Lawyer Qualification Certificate (律師資格證書) issued by the Lawyer Qualification Review Committee of the Ministry of Justice of the People’s Republic of China (中華人民共和國司法部律師資格審查委員會) in May 1999 and the Independent Director Qualification Certificate (獨立董事資格證書) issued by the Shenzhen Stock Exchange in April 2021.

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Dr. Hou served as an arbitrator of Shenzhen Court of International Arbitration (深圳國際仲裁院) (also known as Shenzhen Arbitration Commission (深圳仲裁委員會)) since February 2019 and Dongguan Arbitration Commission (東莞仲裁委員會) since April 2022.

Mr. Liu Zhonghua (劉中華) (with a former Chinese name 劉忠華), aged 60, was appointed as our independent non-executive Director on May 18, 2021. He is primarily responsible for supervising and providing independent judgment and professional advice to our Board.

Mr. Liu served as the professor in the School of Accounting of Lanzhou Commercial College (蘭州商學院) (now known as Lanzhou University of Finance and Economics (蘭州財經大學)) previously and the School of Accounting of Guangdong University of Foreign Studies (廣東外語外貿大學) since September 2005.

In addition to the working experience above, Mr. Liu also served as an independent director of GEM Co., Ltd. (格林美股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002340), from March 2019 to April 2025, and has been serving as an independent director of Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000987)), since July 2022, and Guangdong Guangzhou Daily Media Co., Ltd. (廣東廣州日報傳媒股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002181)) since August 2025.

Mr. Liu obtained a bachelor’s degree in financial accounting from Lanzhou Commercial College (蘭州商學院) (now known as Lanzhou University of Finance and Economics (蘭州財經大學)) in the PRC in July 1985, completed the postgraduate program in accounting at Tianjin University of Finance and Economics (天津財經學院) in the PRC in July 1988 and obtained a master’s degree in software engineering from Huazhong University of Science and Technology (華科技大學) in the PRC in June 2009. Mr. Liu holds the Certified Practising Accountants Certificate issued by CPA Australia in June 2016, and was honored as Nanyue Outstanding Educator (南粵優秀教師) in September 2018 by the Department of Education of Guangdong Province (廣東省教育廳), the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) and Guangdong Provincial Federation of Trade Unions (廣東省總工會).

Ms. Song Yuhong (宋宇紅), aged 54, was appointed as our independent non-executive Director on May 18, 2021. She is primarily responsible for supervising and providing independent judgment and professional advice to our Board.

Ms. Song has extensive legal practice experience and is deeply involved in the field of finance and securities legal services, specializing in the legal field of financial and securities. She is a partner and lawyer at DeHeng Law Offices (Shenzhen) (北京德恒(深圳)律師事務所), where she mainly provides litigation and non-litigation legal services in the field of finance and securities, including financial and securities litigation and arbitration, domestic and overseas listings and mergers and acquisitions, asset management, collection and disposal, company capital operation and investment mergers and acquisitions, corporate bankruptcy reorganization and liquidation, family property trust and wealth management.

Ms. Song obtained her bachelor’s degree in law from Southwest University of Political Science and Law (西南政法大學) in the PRC in July 1992, her master’s degree in law from Wuhan University (武漢大學) in the PRC in December 2001 and in business administration from Ecole Supérieure de Gestion Paris in France in February 2002, the Lawyer Qualification (律師資格) issued by the Ministry

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of Justice of the People’s Republic of China (中華人民共和國司法部) in July 1994 and Lawyer’s Practice Certificate (律師執業證) issued by the Department of Justice of Guangdong Province (廣東省司法廳) and Guangdong Lawyers Association (廣東省律師協會) in May 1995.

Save as disclosed above and in this document, each of our Directors has confirmed that he/she has no other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company and none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this document.

Save as disclosed above, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Each of our Directors has confirmed that he/she obtained the legal advice on July 23, 2025 or July 28, 2025 with regard to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of our independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his/her independence at the time of his/her appointment.

SENIOR MANAGEMENT

Our executive Directors and our senior management members are responsible for the day-to-day operations and management of our business. The table below sets out the key information of our senior management:

Name	Age	Date of joining our Group	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Ms. Wang Laichun (王來春)	58	May 24, 2004	Chairlady of our Board, executive Director and general manager	Responsible for the overall strategic planning and major business decisions of our Group	Sister of Mr. Wang
Mr. Qian Jiwen (錢繼文)	51	April 18, 2016	Executive Director and vice general manager	Responsible for the management and operations of the consumer electronics terminal antenna business department of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Date of joining our Group	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Hao Jie (郝杰)	43	October 19, 2017	Executive Director and vice general manager	Responsible for the management and operations of the system-in-package business department of our Group	None
Ms. Xiao Yunxi (肖雲兮)	38	September 10, 2009	Board secretary	Responsible for the corporate governance, investor relations and company secretarial matters of our Group	None
Mr. Wu Tien-sung (吳天送)	55	June 1, 2011	Financial director	Responsible for the financial management of our Group	None

For the biography of Ms. Wang, Mr. Qian Jiwen and Mr. Hao Jie, see “—Board of Directors —Executive Directors” above.

Ms. Xiao Yunxi (肖雲兮), aged 38, joined our Group on September 10, 2009 as a strategic procurement specialist. She then served as the global marketing business head from June 2013 to December 2021, the securities affairs director from December 2021 to September 2022, the investor relations manager from September 2022 to June 2024, and was appointed as our Board secretary on July 5, 2024. She is primarily responsible for the corporate governance, investor relations and company secretarial matters of our Group.

Ms. Xiao obtained her bachelor’s degree in economics from Shanghai Institute of Foreign Trade (上海對外貿易學院) (now known as Shanghai University of International Business and Economics (上海對外經貿大學)) in the PRC in July 2009.

Mr. Wu Tien-sung (吳天送), aged 55, joined our Group on June 1, 2011 as the head of financial department and was appointed as the financial director on April 15, 2019. He is primarily responsible for the financial management of our Group.

Mr. Wu has extensive experience in financial and accounting industry. Prior to joining our Group, from July 1996 to July 1999, Mr. Wu worked at Deloitte Taiwan (勤業眾信會計師事務所). From August 1999 to March 2009, he successively worked at Yuanta Securities (元大證券), P-Two Industries Inc. (禾昌興業股份有限公司) (a company trading on the Taipei Exchange (stock code: 6158)), Uniwill Computer Corp., (志合電腦股份有限公司) and Ichia Technologies, Inc (毅嘉科技股份有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wu obtained his bachelor’s degree in management from Taiwan Industrial Technology Institute (台灣工業技術學院) in the PRC in June 1994.

JOINT COMPANY SECRETARIES

Ms. Xiao Yunxi (肖雲兮) was appointed as a joint company secretary of our Company on July 23, 2025. For details of her background, please refer to “—Senior Management” above.

Ms. Leung Wai Yan (梁慧欣) was appointed as a joint company secretary of our Company on July 23, 2025. Ms. Leung currently serves as a manager of corporate services of Vistra Corporate Services (HK) Limited. She has over 17 years of experience in providing company secretarial services and compliance services to listed companies and private companies.

Ms. Leung is currently serving as the company secretary at Akeso, Inc. (康方生物科技(開曼)有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9926), and a joint company secretary at Cryofocus Medtech (Shanghai) Co., Ltd. (康禮生物科技(上海)股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6922), Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1238) and Powerlong Commercial Management Holdings Limited (寶龍商業管理控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9909).

Ms. Leung obtained a master of laws majoring in corporate and financial law from The University of Hong Kong in July 2024 and graduated from University of South Australia in Australia with a bachelor’s degree in business (administrative management) in April 2004. Ms. Leung has been an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute in the United Kingdom since October 2009.

BOARD COMMITTEES

We have established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic Committee under the Board in accordance with the relevant laws and regulations in the PRC, the Articles of Association and the Listing Rules, and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group’s activities.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with code provision D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three members, namely Mr. Liu Zhonghua, Dr. Hou Lingling and Ms. Song Yuhong. The chairman of our Audit Committee is Mr. Liu Zhonghua, who is our independent non-executive Director and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee include, but are not limited to, (i) monitoring and evaluating our internal audit work; (ii) making recommendations to our Board on the appointment, reappointment and change of the external auditor, and the remuneration and terms of engagement of external auditor; (iii) overseeing our financial reporting system, risk management and internal control systems; (iv) reviewing the financial information and its disclosure of our Company, reviewing and providing advice and comments on our financial reports; (v) communication and coordination among

DIRECTORS AND SENIOR MANAGEMENT

our management team, internal audit department and related departments and external auditors; and (vi) performing other duties and responsibilities as assigned by our Board and/or required by the relevant laws and regulations.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with code provision E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three members, namely Ms. Song Yuhong, Mr. Liu Zhonghua and Dr. Hou Lingling. Ms. Song Yuhong is the chairlady of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, (i) researching, reviewing and formulating the remuneration plans, policies or schemes of Directors and senior management; (ii) establishing the assessment criteria for Directors and senior management; (iii) making recommendations to our Board on the overall remuneration policies and structure of the Directors and senior management, and the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (iv) making recommendations to our Board on the remuneration of non-executive Directors; and (v) making recommendations to our Board on formulating or amending the share option incentive plans, employee stock ownership plans, options to be granted and fulfillment of the exercise conditions.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with code provision B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three members, namely Dr. Hou Lingling, Ms. Wang Laichun and Mr. Liu Zhonghua. Dr. Hou Lingling is the chairlady of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to, (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually, assist the board in maintaining a board skills matrix and make recommendations to our Board regarding any proposed changes to the composition of our Board in support of our Company's strategies; (ii) identifying, selecting qualified individuals for directorship, reviewing and assessing the suitability of the proposed Directors and senior management candidates and their eligibility; (iii) assessing the independence of our independent non-executive Directors; (iv) making recommendations to our Board on relevant matters relating to the nomination, appointment, re-appointment and removal of our Directors, succession planning for our Directors and appointment or removal of the senior management members; and (v) supporting the regular evaluation of our Board's performance.

Strategic Committee

We have established the Strategic Committee with written terms of reference in compliance with the Articles of Association. The Strategic Committee consists of three members, namely Dr. Hong Lingling, Ms. Wang Laichun and Mr. Liu Zhonghua. Dr. Hong Lingling is the chairlady of the Strategic Committee.

The primary duties of the Strategic Committee include, but are not limited to, (i) studying and advising on long term development plans, business objectives, development strategies and business strategies of our Company; (ii) studying and advising on major investment and financing proposals that are subject to Board approval as stipulated by the Articles of Association; (iii) studying and advising on

DIRECTORS AND SENIOR MANAGEMENT

major capital operations and financing schemes that are subject to Board approval as stipulated by the Articles of Association; (iv) studying and advising on any other significant events that affect the development of Company; and (v) monitoring the implementation of the aforesaid matters.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve and maintain diversity of our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, location, industry experience, knowledge and years of service. All Board appointments will be based on meritocracy and candidates will be considered against appropriate conditions, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of genders, age, knowledge, skills and experience, including but not limited to overall management and strategic development, business administration, economics, accounting and law. We have three independent non-executive Directors with economics, law and accounting backgrounds and qualifications. Furthermore, our Directors are of a wide range of age, from 30 years old to 61 years old.

Our Nomination Committee is responsible for reviewing the board diversity policy. After [REDACTED], our Nomination Committee will evaluate and report the composition of our Board, monitor and report the implementation of the board diversity policy and disclose in our corporate governance report together with the summary of the board diversity policy and any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code and the associated Listing Rules after the [REDACTED] save for the deviation as mentioned below. Any deviation from the code provisions shall be carefully considered, and the reasons for any deviation and explanation of how good corporate governance was achieved by means other than strict compliance with the code provisions shall be given in the interim report and the annual report in respect of relevant period.

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Wang is currently the chairlady of our Board and general manager of our Company. In view of the fact that Ms. Wang has been assuming the responsibilities in the overall strategic planning, business direction and operational management of our Group since our establishment, our Board believes that it is in the best interest of our Group to have Ms. Wang taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate

DIRECTORS AND SENIOR MANAGEMENT

safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

As Ms. Wang, the chairlady of the Board, is not an independent non-executive Director, pursuant to paragraph C.1.8 of Part 2 of the Corporate Governance Code, our Company has designated Dr. Hou Lingling as the lead independent non-executive Director. The role is not an executive position in our Company and does not have any management role in our Group. As a lead independent non-executive Director, Dr. Hou will (a) serve as an intermediary for the other Directors and Shareholders; and (b) be available to other Directors and Shareholders where normal communication channels with the chairlady or management are inadequate.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Group in the form of fees, wages and salaries, discretionary bonuses, social security costs, housing benefits and employee welfare and share-based compensation expenses.

The total amount of remuneration recorded for our Directors in respect of the three years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 was RMB13.0 million, RMB15.3 million, RMB22.2 million and RMB20.7 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The aggregate amount of wages, salaries and bonuses, share-based compensation expenses, pension obligations, housing funds, medical insurances and other social insurances recorded for our Company’s five highest paid individuals (including two, two, two and three Directors) in respect of the three years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 was RMB16.3 million, RMB30.5 million, RMB30.7 million and RMB37.6 million, respectively.

No remuneration was paid by our Company to, or receivable by our Directors and senior management or the five highest paid individuals as an inducement to join or upon joining our Company as a compensation for loss of office in respect of the three years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind and discretionary bonuses) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB22 million.

Further, none of our Directors or senior management had waived or agreed to waive any remuneration during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [REDACTED], receive recommendation from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and performance of our Group.

DIRECTORS AND SENIOR MANAGEMENT

COMPETITION

Each of our Directors (excluding our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

FURTHER INFORMATION

We operate a number of business lines in various countries and regions around the world, our executive Directors and our senior management members are responsible for the day-to-day operations and management of our business.

Our rapid development resulted in competition with industry peers in Taiwan. During the Track Record Period, certain Director and senior management faced investigations and allegations of breach of local regulations from relevant Taiwan authorities in connection with certain business activities of our subsidiaries and related parties in Taiwan, primarily concerned the Taiwan Acquisition. It was alleged that prior to the Taiwan Acquisition, we had acquired shares of the target company in Taiwan (the “**Taiwan Company**”) through other third parties for the purpose of bypassing regulatory approvals. Please see “History and Corporate Structure—Acquisitions, Disposals and Mergers” for the Taiwan Acquisition. The Taiwan Acquisition was an investment decision of our Company after considering the competitive strengths and business prospects of the Taiwan Company at the time of the acquisition. None of our Company, Directors or senior management has, directly or indirectly, acquired shares of the Taiwan Company through any third party. During the Track Record Period, up to the Latest Practicable Date and going forward, we were entitled and will still be entitled to all shareholder’s and economic rights derived from our shareholding in the Taiwan Company.

During the Track Record Period, the asset, revenue and net profit contributed by the Taiwan Company accounted for less than 4% of our asset, revenue and net profit. Having considered the regulatory framework in Taiwan as disclosed in the “Regulatory Overview—Laws and regulations relating to our business operations in Taiwan” and the relatively small scale of the Taiwan Company to our Group, our Directors are of the view that, during the Track Record Period, up to the Latest Practicable Date and going forward, such investigations and allegations had not had, nor will they have, any material impact on our business, financial condition and results of operations, and such investigations and allegations do not impugn our Company’s suitability for listing under Rule 8.04 of the Listing Rules or any Director’s suitability under Rules 3.08 and 3.09 of the Listing Rules. Based on the due diligence conducted, nothing material has come to the Joint Sponsors’ attention that would reasonably cause the Joint Sponsors to disagree with our Directors’ view.

COMPLIANCE ADVISOR

We have appointed Frontpage Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;
- where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues, sales or transfers of treasury shares and share repurchases;

DIRECTORS AND SENIOR MANAGEMENT

- where our Company proposes to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the [REDACTED] or [REDACTED] volume of our Shares.

The term of the appointment shall commence on the [REDACTED] and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED].

SHARE OPTION INCENTIVE PLANS

Our Company and its subsidiaries may, from time to time, adopt share option incentive plans. For details of the Share Option Incentive Plans which involve the issuance of new A Shares, see section headed “Appendix IV—Statutory and General Information—D. Share Option Incentive Plans.”

CONNECTED TRANSACTIONS

OVERVIEW

Our Group has entered into a number of agreements with parties who will, upon completion of [REDACTED], become our connected persons, and the transactions disclosed in this section will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon [REDACTED].

OUR CONNECTED PERSONS

Our Group has entered into agreements with the following connected persons, the transactions contemplated under such agreements will constitute our continuing connected transactions upon [REDACTED]

Connected persons	Connected relationship
Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates)	Luxshare Limited is one of our Controlling Shareholders.
Hsin Hong (for itself and on behalf of the Hsin Hong Group)	Hsin Hong is wholly owned by Ms. Wang Laijiao (王來嬌), a sister of Ms. Wang and Mr. Wang, who are our Controlling Shareholders and executive Directors.
Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group)	Luxvisions Innovation is a 48.06%-owned subsidiary of Luxvisions Innovation Limited (立景創新有限公司), which in turn is owned as to 56.34% by Mr. Wang Laixi, a brother of Ms. Wang and Mr. Wang, and 43.66% by Luxsan Limited (景汕有限公司), which is owned as to 34% by Ms. Wang, 33% by Mr. Wang and 33% by Ms. Wang Laijiao.
Cowell (for itself and on behalf of the Cowell Group)	As of the Latest Practicable Date, Cowell was owned as 69.96% by Luxvisions Innovation.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions	Applicable Listing Rules	Waiver sought	Proposed annual caps for the years ending December 31,		
			2026	2027	2028
(RMB in million)					
A. Fully-exempt continuing connected transactions					
1. Property Leasing Framework Agreement	14A.76(1)	N/A	15.0	16.5	18.1
2. Tenancy Framework Agreements	14A.76(1)	N/A	90.0	99.0	108.9
3. Provision of Labor Services Framework Agreements	14A.76(1)	N/A	113.1	124.3	136.8
4. Receipt of Labor Services Framework Agreement	14A.76(1)	N/A	12.7	14.0	15.4

CONNECTED TRANSACTIONS

Continuing connected transactions	Applicable Listing Rules	Waiver sought	Proposed annual caps for the years ending December 31,		
			2026	2027	2028

(RMB in million)

B. Non-exempt continuing connected transactions (subject to the reporting, annual review and announcement requirements)

1. Products Purchase Framework Agreements	14A.76(2)	Announcement	3,132.9	3,446.2	3,790.9
2. Products Supply Framework Agreements	14A.76(2)	Announcement	7,024.3	7,730.8	8,487.3

A. CONTINUING CONNECTED TRANSACTIONS FULLY EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT, CIRCULAR AND INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

1. Property Leasing Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a property leasing framework agreement (the “**Property Leasing Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to lease certain premises to the Luxshare Limited Associates for office and/or production uses.

The Property Leasing Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate property leasing agreements setting out the specific terms and conditions based on the principles provided in the Property Leasing Framework Agreement.

Consideration and pricing policies

The fees, which shall include rental fee and water and electricity charges to be paid to third party water and electricity suppliers on behalf of Luxshare Limited Associates, to be paid by the Luxshare Limited Associates to the Luxshare Precision Group under the Property Leasing Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group for the lease of the premises, the prevailing market rent of comparable properties in the proximity of the premises and the water and electricity charges as promulgated by relevant local regulatory authorities.

Historical transaction amounts

The Luxshare Precision Group commenced to lease premises to the Luxshare Limited Associates in 2025. For the nine months ended September 30, 2025, the total transaction amount for the lease of the premises paid by the Luxshare Limited Associates to the Luxshare Precision Group was RMB9.0 million.

CONNECTED TRANSACTIONS

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Associates to the Luxshare Precision Group under the Property Leasing Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB15.0 million, RMB16.5 million and RMB18.1 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group for the lease of premises and water and electricity charges during the Track Record Period. In particular, the Luxshare Precision Group began leasing more premises to the Luxshare Limited Associates in May 2025;
- the geographical locations of the premises rented to the Luxshare Limited Associates and the prevailing market rent of comparable properties in the proximity of the premises; and
- the estimated demand of the premises rent to the Luxshare Limited Associates and the water and electricity charges for the three years ending December 31, 2028.

Reasons for the transaction

Having considered (i) the leasing of premises can expand the source of revenue of our Group and optimize our Group’s resources utilization; and (ii) the continuing friendly business relationship between the Luxshare Limited Associates and our Group, we believe that the entering into of the Property Leasing Framework Agreement and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

Listing Rules implications

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps under the Property Leasing Framework Agreement is expected to be less than 0.1% on an annual basis, the transactions contemplated under the Property Leasing Framework Agreement will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the [REDACTED], be fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. Tenancy Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a tenancy framework agreement (the “**Tenancy Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group will lease certain premises from the Luxshare Limited Associates for office and/or production uses (excluding such leases that will be recognized as a right-of-use asset in the consolidated statement of financial position of the Luxshare Precision Group pursuant to IFRS 16).

The Tenancy Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the

CONNECTED TRANSACTIONS

Listing Rules. Relevant members of both parties shall enter into separate tenancy agreements setting out the specific terms and conditions based on the principles provided in the Tenancy Framework Agreement.

Consideration and pricing policies

The fees, which shall include rental fee and water and electricity charges to be paid to third party water and electricity suppliers on behalf of the Luxshare Precision Group, to be paid by the Luxshare Precision Group to the Luxshare Limited Associates for the lease of premises under the Tenancy Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the historical transaction amounts paid by the Luxshare Precision Group to the Luxshare Limited Associates for the lease of the premises, the prevailing market rent of comparable properties in the proximity of the premises and the water and electricity charges as promulgated by relevant local regulatory authorities.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the lease of the premises and water and electricity charges paid by the Luxshare Precision Group to the Luxshare Limited Associates (excluding such leases that were recognized as a right-of use asset in the consolidated statement of financial position of the Luxshare Precision Group pursuant to IFRS 16) were RMB15.7 million, RMB39.9 million, RMB57.4 million and RMB63.6 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Luxshare Limited Associates under the Tenancy Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB90.0 million, RMB99.0 million and RMB108.9 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Precision Group to the Luxshare Limited Associates for the lease of premises and water and electricity charges during the Track Record Period;
- the geographical locations of the premises rent by the Luxshare Limited Associates to the Luxshare Precision Group and the prevailing market rent of comparable properties in the proximity of the premises; and
- the estimated demand of the premises rent by the Luxshare Limited Associates to the Luxshare Precision Group and water and electricity charges under the Tenancy Framework Agreement for the three years ending December 31, 2028.

Reasons for the transaction

We have historically leased certain premises from the Luxshare Limited Associates. Compared with Independent Third Parties, Luxshare Limited Associates have a better understanding of our property requirements in relation to office and/or production uses and provide stable lease services. In

CONNECTED TRANSACTIONS

addition, as the premises are leased from the Luxshare Limited Associates at a comparable rent, relocating our offices and/or production premises to other premises in the vicinity will not provide economic benefits, and will instead cause unnecessary disruptions to our normal business operation and incur unnecessary costs. We believe that the entering into of the Tenancy Framework Agreement and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

Listing Rules implications

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual caps under the Tenancy Framework Agreement is expected to be less than 0.1% on an annual basis, the transactions contemplated under the Tenancy Framework Agreement will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the [REDACTED], be fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

3. Provision of Labor Services Framework Agreements

(1) Luxshare Limited Provision of Labor Services Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a provision of labor services framework agreement (the “**Luxshare Limited Provision of Labor Services Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to provide to the Luxshare Limited Associates certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the support of operation, technical consulting and equipment and system maintenance services, as required by the Luxshare Limited Associates from time to time. The demand for the labor services are primarily based on the plan of the Luxshare Limited Associates to accelerate process automation to upgrade its production capacity and the procurement of automated machines and systems from the Luxshare Precision Group in specific projects and the service periods depend on the progress of projects. All the service personnel providing such labor services are our employees who are managed by the Luxshare Precision Group. As advised by our PRC Legal Advisors, the Luxshare Precision Group is not required to obtain any licenses or permits to provide such labor services.

The Luxshare Limited Provision of Labor Services Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate provision of labor services agreements setting out the specific terms and conditions based on the principles provided in the Luxshare Limited Provision of Labor Services Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Luxshare Limited Associates to the Luxshare Precision Group under the Luxshare Limited Provision of Labor Services Framework Agreement shall be mainly determined on the basis of the costs and expenses for providing such labor services according to the techniques and experience required for the relevant work tasks, plus a service markup of 6% of such costs and expenses.

CONNECTED TRANSACTIONS

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the provision of labor services to the Luxshare Limited Associates were RMB19.1 million, RMB18.7 million, RMB74.4 million and RMB63.1 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Associates to the Luxshare Precision Group under the Luxshare Limited Provision of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB90.1 million, RMB99.1 million and RMB109.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group in relation to the labor services provided by the Luxshare Precision Group during the Track Record Period;
- the expected increase of approximately 10% in the demand of labor services from the Luxshare Limited Associates for the three years ending December 31, 2028 due to its plan to accelerate process automation to upgrade its production capacity which requires more technical consulting, equipment and system maintenance services for the automated machines procured from the Luxshare Precision Group; and
- the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

(2) Hsin Hong Provision of Labor Services Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a provision of labor services framework agreement (the “**Hsin Hong Provision of Labor Services Framework Agreement**”) with Hsin Hong (for itself and on behalf of the Hsin Hong Group), pursuant to which the Luxshare Precision Group agreed to provide to the Hsin Hong Group certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the equipment and system maintenance and technical consulting services, as required by the Hsin Hong Group from time to time. The demand for the labor services are primarily based on the plan of the Hsin Hong Group to accelerate process automation to upgrade its production capacity and the procurement of automated machines and systems from the Luxshare Precision Group in specific projects and the service periods depend on the progress of projects. All the service personnel providing such labor services are our employees who are managed by the Luxshare Precision Group. As advised by our PRC Legal Advisors, the Luxshare Precision Group is not required to obtain any licenses or permits to provide such labor services.

The Hsin Hong Provision of Labor Services Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under

CONNECTED TRANSACTIONS

Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate provision of labor services agreements setting out the specific terms and conditions based on the principles provided in the Hsin Hong Provision of Labor Services Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Hsin Hong Group to the Luxshare Precision Group under the Hsin Hong Provision of Labor Services Framework Agreement shall be mainly determined on the basis of the costs and expenses for providing such labor services according to the techniques and experience required for the relevant work tasks, plus a service markup of 6% of such costs and expenses.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the provision of labor services to the Hsin Hong Group were nil, RMB0.4 million, RMB4.4 million and RMB3.3 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Hsin Hong Group to the Luxshare Precision Group under the Hsin Hong Provision of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB4.9 million, RMB5.3 million and RMB5.9 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Hsin Hong Group to the Luxshare Precision Group in relation to the labor services provided by the Luxshare Precision Group during the Track Record Period;
- the expected increase of approximately 10% in the labor services demand from the Hsin Hong Group for the three years ending December 31, 2028 due to its operation needs; and
- the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

(3) Cowell Provision of Labor Services Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a provision of labor services framework agreement (the “**Cowell Provision of Labor Services Framework Agreement**”) with Cowell (for itself and on behalf of the Cowell Group), pursuant to which the Luxshare Precision Group agreed to provide to the Cowell Group certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the equipment and system maintenance and technical consulting services, as required by the Cowell Group from time to time. The demand for the labor services are primarily based on the plan of the Cowell Group to accelerate process automation to upgrade its production capacity and the procurement of automated machines and systems from the Luxshare Precision Group in specific projects and the service periods depend on the progress of projects. All the service personnel providing such labor services are

CONNECTED TRANSACTIONS

our employees who are managed by the Luxshare Precision Group. As advised by our PRC Legal Advisors, the Luxshare Precision Group is not required to obtain any licenses or permits to provide such labor services.

The Cowell Provision of Labor Services Framework Agreement has a term commencing from January 1, 2026 to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate provision of labor services agreements setting out the specific terms and conditions based on the principles provided in the Cowell Provision of Labor Services Framework Agreement.

Consideration and pricing policies

The fees to be paid by Cowell Group to the Luxshare Precision Group under the Cowell Provision of Labor Services Framework Agreement shall be mainly determined on the basis of the costs and expenses for providing such labor services according to the techniques and experience required for the relevant work tasks, plus a service markup of 6% of such costs and expenses.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the provision of labor services to the Cowell Group were nil, RMB0.1 million, RMB7.6 million and RMB9.8 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Cowell Group to the Luxshare Precision Group under the Cowell Provision of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB18.1 million, RMB19.9 million and RMB21.9 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Cowell Group to the Luxshare Precision Group in relation to the labor services provided by the Luxshare Precision Group during the Track Record Period;
- the increase in the demand of labor services in the second half of 2025 and the expected increase of approximately 10% in the demand of labor services including equipment and system maintenance from the Cowell Group for the three years ending December 31, 2028 due to its plan to accelerate process automation to upgrade its production capacity which requires more equipment and system maintenance and technical consulting services for the automated machines procured from the Luxshare Precision Group;
- the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

CONNECTED TRANSACTIONS

Aggregation

Since the Luxshare Limited Provision of Labor Services Framework Agreement, the Hsin Hong Provision of Labor Services Framework Agreement and the Cowell Provision of Labor Services Framework Agreement (the “**Provision of Labor Services Framework Agreements**”) are similar in nature, the transactions under the Provision of Labor Services Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2028 in respect of the Provision of Labor Services Framework Agreements are as follows:

	For the year ending December 31,		
	2026	2027	2028
	RMB million	RMB million	RMB million
Annual caps			
Luxshare Limited Provision of Labor Services Framework Agreement	90.1	99.1	109.0
Hsin Hong Provision of Labor Services Framework Agreement	4.9	5.3	5.9
Cowell Provision of Labor Services Framework Agreement	18.1	19.9	21.9
Aggregate	113.1	124.3	136.8

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Provision of Labor Services Framework Agreements is expected to be less than 0.1% on an annual basis, the transactions contemplated under the Provision of Labor Services Framework Agreements will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the [REDACTED], be fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Reasons for the transaction

The transactions contemplated under the Provision of Labor Services Framework Agreements enable our Group to utilize our surplus labor capacity to optimize our labor utilization, provide necessary equipment and system maintenance supports to customers after the sale of our automaton equipment and system and broaden the revenue base of our Group.

Having considered that the Provision of Labor Services Framework Agreements serve as the framework to save the negotiation time and cost for the supply of labor services by the Luxshare Precision Group to the Luxshare Limited Associates, the Hsin Hong Group and the Cowell Group, utilize the Luxshare Precision Group’s part of surplus labor capacity to optimize our labor utilization, provide necessary equipment and system maintenance supports to customers after the sale of our automaton equipment and system and broaden the revenue based of our Group, we believe that the entering into of the Provision of Labor Services Framework Agreements and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole. Our Directors are of the view that the transactions contemplated under the Provision of Labor Services Framework Agreements would not impugn our operational independence from our Controlling Shareholders, given that (i) the labor services provided by the Luxshare Precision Group are primarily supporting services for non-key positions in the Luxshare Limited Associates, the Hsin Hong Group and

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the Cowell Group using our surplus labor capacity; (ii) each of the applicable percentage ratios under the Listing Rules in respect of the aggregated annual caps under the Provision of Labor Services Framework Agreements is expected to be less than 0.1% on an annual basis; and (iii) such transactions are conducted on normal commercial terms and not prejudicial to the interests of our Company and our Shareholders as a whole.

4. Receipt of Labor Services Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a receipt of labor services framework agreement (the “**Receipt of Labor Services Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group will receive from the Luxshare Limited Associates certain labor supporting services, including but not limited to labor of certain non-key positions in connection with the maintenance and management services for factories and warehouses, and consulting services for smart warehousing solutions, as required by the Luxshare Precision Group from time to time.

The Receipt of Labor Services Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate receipt of labor services agreements setting out the specific terms and conditions based on the principles provided in the Receipt of Labor Services Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Luxshare Precision Group to the Luxshare Limited Associates under the Receipt of Labor Services Framework Agreement shall be mainly determined on the basis of the costs and expenses for providing such labor services according to the techniques and experience required for the relevant work tasks, plus a service markup of 6% of such costs and expenses.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the receipt of labor services from the Luxshare Limited Associates were nil, RMB9.4 million, RMB11.6 million and RMB7.6 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to Luxshare Limited Associates under the Receipt of Labor Services Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB12.7 million, RMB14.0 million and RMB15.4 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Precision Group to Luxshare Limited Associates in relation to the labor services provided by Luxshare Limited Associates during the Track Record Period;

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- the expected increase of approximately 10% in the labor services demand from the Luxshare Precision Group each year for the three years ended December 31, 2028 due to our operation needs; and
- the estimated costs and expenses of labor services according to, among other things, the level of techniques and experience required.

Reasons for the transaction

We are committed to providing cross-domain, end-to-end precision intelligent manufacturing solutions to our customers. Based on the potential orders under negotiation with our customers, the Luxshare Precision Group will regularly monitor our operational efficiency and evaluate the need for additional skilled and experienced labor with relevant technical and operational skills in order to meet the demand of such potential orders from time to time.

Having considered that the Receipt of Labor Services Framework Agreement can allow our Group to operate efficiently with additional labor services from skilled and experienced labor with relevant technical and operational skills as and when needed while saving the costs and time to search for, hire and handle direct employment of relevant talents in the long run when the actual demand of such labor services is yet to ascertain and/or no suitable candidates are readily available, we believe that the entering into of the Receipt of Labor Services Framework Agreement and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole. Our Directors are of the view that the transactions contemplated under the Receipt of Labor Services Framework Agreement would not impugn our operational independence from our Controlling Shareholders, given that (i) the labor services provided by the Luxshare Limited Associates to the Luxshare Precision Group are primarily supporting services for non-key positions in the Luxshare Precision Group; (ii) there is no reliance of the Luxshare Precision Group on such labor services as they are readily available in the market from independent third party suppliers; (iii) each of the applicable percentage ratios under the Listing Rules in respect of the aggregated annual caps under the Receipt of Labor Services Framework Agreement is expected to be less than 0.1% on an annual basis; and (iv) such transactions are conducted on normal commercial terms and not prejudicial to the interests of our Company and our Shareholders as a whole.

Listing Rules implications

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Receipt of Labor Services Framework Agreement is expected to be less than 0.1% on an annual basis, the transactions contemplated under the Receipt of Labor Services Framework Agreement will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will, upon the [REDACTED], be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

B. CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM THE CIRCULAR AND INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

1. Products Purchase Framework Agreements

(1) *Luxshare Limited Products Purchase Framework Agreement*

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products purchase framework agreement (the “**Luxshare Limited Products Purchase Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to purchase certain products from the Luxshare Limited Associates according to the specifications as requested by the Luxshare Precision Group, including but not limited to automotive control switches, sensors and finished watch straps in relation to our production from time to time.

The Luxshare Limited Products Purchase Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products purchase agreements setting out the specific terms and conditions based on the principles provided in the Luxshare Limited Products Purchase Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Luxshare Precision Group to the Luxshare Limited Associates for the purchases under the Luxshare Limited Products Purchase Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products to be purchased by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Limited Associates to their independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the purchase of products from the Luxshare Limited Associates were RMB1,415.9 million, RMB1,236.2 million, RMB1,279.8 million and RMB786.9 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Luxshare Limited Associates under the Luxshare Limited Products Purchase Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB1,436.9 million, RMB1,580.6 million and RMB1,738.7 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Precision Group to the Luxshare Limited Associates for the purchase of products during the Track Record Period;

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- the historical transaction amount of RMB786.9 million for the nine months ended September 30, 2025 and our purchases of the relevant products from the Luxshare Limited Associates in the second half of the financial year are typically higher than those in the first half of the financial year;
- the expected increase of approximately 10% in the demand of the relevant products required by the Luxshare Precision Group each year for the three years ending December 31, 2028 which is based on the current discussion between the Luxshare Precision Group and our customers and the business and production plan of the Luxshare Precision Group;
- the estimated costs of production of the required products; and
- the estimated market price of the required products.

(2) Hsin Hong Products Purchase Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products purchase framework agreement (the “**Hsin Hong Products Purchase Framework Agreement**”) with Hsin Hong (for itself and on behalf of the Hsin Hong Group), pursuant to which the Luxshare Precision Group agreed to purchase certain products from the Hsin Hong Group according to the specifications as requested by the Luxshare Precision Group, including but not limited to leather watch straps, leather case components and plastic components in relation to our products from time to time.

The Hsin Hong Products Purchase Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products purchase agreements setting out the specific terms and conditions based on the principles provided in the Hsin Hong Products Purchase Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Luxshare Precision Group to the Hsin Hong Group for the purchases under the Hsin Hong Products Purchase Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products to be purchased by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Hsin Hong Group to their independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the purchase of products from the Hsin Hong Group were RMB2.9 million, RMB42.1 million, RMB152.7 million and RMB596.2 million, respectively.

CONNECTED TRANSACTIONS

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Hsin Hong Group under the Hsin Hong Products Purchase Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB1,650.0 million, RMB1,815.0 million and RMB1,996.5 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Precision Group to the Hsin Hong Group for the purchase of products during the Track Record Period;
- the historical transaction amount for the nine months ended September 30, 2025 and the increase in the transaction amount in the second half of the financial year;
- the expected increase in the demand of the relevant products required by the Luxshare Precision Group which is based on the current discussion between the Luxshare Precision Group and our customers and the business and production plan of the Luxshare Precision Group. In particular, the Luxshare Precision Group has obtained new orders from its customers to produce new products since the third quarter of 2025, which will lead to substantial increasing demand for raw materials such as leather products from the Hsin Hong Group for the year ending December 31, 2026 as compared to the historical demand during the Track Record Period, and a further increase of 10% each year for the years ending December 31, 2027 and 2028;
- the estimated costs of production of the required products; and
- the estimated market price of the required products.

(3) Luxvisions Innovation Products Purchase Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products purchase framework agreement (the “**Luxvisions Innovation Products Purchase Framework Agreement**”) with Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group), pursuant to which the Luxshare Precision Group agreed to purchase certain products from the Luxvisions Innovation Group according to the specifications as requested by the Luxshare Precision Group, including but not limited to smart camera module and XR modules in relation to our production from time to time.

The Luxvisions Innovation Products Purchase Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products purchase agreements setting out the specific terms and conditions based on the principles provided in the Luxvisions Innovation Products Purchase Framework Agreement.

CONNECTED TRANSACTIONS

Consideration and pricing policies

The fees to be paid by the Luxshare Precision Group to the Luxvisions Innovation Group for the purchases under the Luxvisions Innovation Products Purchase Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products purchased by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxvisions Innovation Group to their independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the purchase of products from the Luxvisions Innovation Group were RMB0.6 million, RMB0.5 million, RMB9.1 million and RMB22.5 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Precision Group to the Luxvisions Innovation Group under the Luxvisions Innovation Products Purchase Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB46.0 million, RMB50.6 million and RMB55.7 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Precision Group to the Luxvisions Innovation Group for the purchase of products during the Track Record Period;
- the historical transaction amount for the nine months ended September 30, 2025 and the increase in the transaction amount in the second half of the financial year;
- the expected demand of the relevant products required by the Luxshare Precision Group which is based on the current discussion between the Luxshare Precision Group and our customers and the business and production plan of the Luxshare Precision Group and is expected to increase due to the mass production of new products. In particular, the Luxshare Precision Group has been procuring substantial volume of XR modules from the Luxvisions Innovation Group since June 2025 for our production of XR smart devices, which will lead to substantial increasing demand for the relevant products for the year ending December 31, 2026 as compared to the historical demand and a further increase of 10% each year for the years ending December 31, 2027 and 2028;
- the estimated costs of production of the required products; and
- the estimated market price of the required products.

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Aggregation

Since the Luxshare Limited Products Purchase Framework Agreement, the Hsin Hong Products Purchase Framework Agreement and the Luxvisions Innovation Products Purchase Framework Agreement (the “**Products Purchase Framework Agreements**”) are similar in nature, the transactions under the Products Purchase Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2028 in respect of the Products Purchase Framework Agreements are as follows:

	For the year ending December 31,		
	2026	2027	2028
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Annual caps			
Luxshare Limited Products Purchase Framework Agreement	1,436.9	1,580.6	1,738.7
Hsin Hong Products Purchase Framework Agreement	1,650.0	1,815.0	1,996.5
Luxvisions Innovation Products Purchase Framework Agreement	46.0	50.6	55.7
Aggregate	3,132.9	3,446.2	3,790.9

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Products Purchase Framework Agreements is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Products Purchase Framework Agreements constitute continuing connected transactions for our Company which will, upon the [REDACTED], be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Reasons for the transactions

Having considered (i) the Luxshare Precision Group has been purchasing the relevant products from the Luxshare Limited Associates, the Hsin Hong Group, and the Luxvisions Innovation Group for our production; (ii) the products purchased from the Luxshare Limited Associates, the Hsin Hong Group, and the Luxvisions Innovation Group are of high and stable quality; and (iii) the continuing friendly business relationship between the Luxshare Limited Associates, the Hsin Hong Group, the Luxvisions Innovation Group and the Luxshare Precision Group, we believe that the entering into of the Products Purchase Framework Agreements and the transactions contemplated thereunder enable the Luxshare Precision Group to procure the relevant products in high and stable quality standards that meet our specific requirements through a reliable source, thereby saving time and costs for us in sourcing such products as required, and are in the interest of our Company and our Shareholders as a whole.

CONNECTED TRANSACTIONS

2. Products Supply Framework Agreements

(1) *Luxshare Limited Products Supply Framework Agreement*

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the “**Luxshare Limited Products Supply Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Associates), pursuant to which the Luxshare Precision Group agreed to supply to the Luxshare Limited Associates certain products according to the specifications as requested by the Luxshare Limited Associates, including but not limited to wireless charging modules, vehicle cables, vehicle connectors and automated machines in relation to their production from time to time.

The Luxshare Limited Products Supply Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products supply agreements setting out the specific terms and conditions based on the principles provided in the Luxshare Limited Products Supply Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Luxshare Limited Associates to the Luxshare Precision Group for the purchases under the Luxshare Limited Products Supply Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products to be supplied by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the supply of products by the Luxshare Precision Group to the Luxshare Limited Associates were RMB1,110.8 million, RMB1,576.1 million, RMB1,744.9 million and RMB3,567.1 million, respectively. The rapid increase in the historical transaction amount for the nine months ended September 30, 2025 was primarily due to the increase in the transaction amounts of the supply of products by the acquired Wingtech subsidiaries to the Luxshare Limited Associates as a result of our acquisition of the Wingtech subsidiaries.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Associates to the Luxshare Precision Group under the Luxshare Limited Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB3,620.0 million, RMB3,982.0 million and RMB4,380.2 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxshare Limited Associates to the Luxshare Precision Group for the purchase of products during the Track Record Period;

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- the rapid increase in the historical transaction amount for the nine months ended September 30, 2025 due to our acquisition of the Wingtech subsidiaries. It is anticipated that certain transactions between the acquired Wingtech subsidiaries and the Luxshare Limited Associates will be optimized and adjusted after the acquisition;
- the expected increase of approximately 10% of the demand of the relevant products required by the Luxshare Limited Associates for each of the three years ending December 31, 2028 based on the expected production plan and new products to be launched by the Luxshare Limited Associates;
- the estimated costs of production of the required products; and
- the estimated market price of the required products.

(2) Hsin Hong Products Supply Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the “**Hsin Hong Products Supply Framework Agreement**”) with Hsin Hong (for itself and on behalf of the Hsin Hong Group), pursuant to which the Luxshare Precision Group agreed to supply to the Hsin Hong Group certain products according to the specifications as requested by the Hsin Hong Group, including but not limited to automated machines, press key modules, molds and fixtures in relation to their production from time to time.

The Hsin Hong Products Supply Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products supply agreements setting out the specific terms and conditions based on the principles provided in the Hsin Hong Products Supply Framework Agreement.

Consideration and pricing policies

The fees to be paid by the Hsin Hong Group to the Luxshare Precision Group for the purchases under the Hsin Hong Products Supply Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products to be supplied by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the supply of products by the Luxshare Precision Group to the Hsin Hong Group were RMB0.1 million, RMB2.5 million, RMB12.6 million and RMB31.9 million, respectively.

CONNECTED TRANSACTIONS

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Hsin Hong Group to the Luxshare Precision Group under the Hsin Hong Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB95.0 million, RMB104.5 million and RMB115.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Hsin Hong Group to the Luxshare Precision Group for the purchase of products during the Track Record Period;
- the historical transaction amount for the nine months ended September 30, 2025 and the increase in the transaction amount in the second half of the financial year;
- the expected production plan and new products to be launched by the Hsin Hong Group for the three years ending December 31, 2028;
- the expected increase in the demand of the relevant products required by the Hsin Hong Group for the three years ending December 31, 2028. In particular, the Luxshare Precision Group has obtained new orders from its customers to produce new products from the third quarter of 2025, which will lead to substantial increasing demand for raw materials such as key press modules from the Hsin Hong Group for the year ending December 31, 2026 as compared to the historical demand during the Track Record Period, and a further increase of 10% each year for the years ending December 31, 2027 and 2028;
- the estimated costs of production of the required products; and
- the estimated market price of the required products.

(3) Cowell Products Supply Framework Agreement

On September 29, 2025, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the “**Cowell Products Supply Framework Agreement**”) with Cowell (for itself and on behalf of the Cowell Group), pursuant to which the Luxshare Precision Group agreed to supply to the Cowell Group certain products according to the specifications as requested by the Cowell Group, including but not limited to voice coil motors and automated machines in relation to their production from time to time.

The Cowell Products Supply Framework Agreement has a term commencing from January 1, 2026 to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products supply agreements setting out the specific terms and conditions based on the principles provided in the Cowell Products Supply Framework Agreement.

CONNECTED TRANSACTIONS

Consideration and pricing policies

The fees to be paid by Cowell Group to the Luxshare Precision Group for the purchases under the Cowell Products Supply Framework Agreement shall be mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products to be supplied by the Luxshare Precision Group and the prevailing market price of similar products to be sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the supply of products by the Luxshare Precision Group to the Cowell Group were RMB118.9 million, RMB55.5 million, RMB1,712.2 million and RMB1,611.9 million, respectively. The increase in the transaction amount since 2024 was primarily attributable to the launch of new products which led to an increase in the demand for voice coil motors.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Cowell Group to the Luxshare Precision Group under the Cowell Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB3,027.2 million, RMB3,330.0 million and RMB3,663.0 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Cowell Group to the Luxshare Precision Group for the purchase of products during the Track Record Period. In particular, the increase in the transaction amount since 2024 was primarily attributable to the launch of new products which led to an increase in the demand for voice coil motors;
- the historical transaction amount for the supply of products of RMB1,611.9 million for the nine months ended September 30, 2025 and the increase in the transaction amount in the second half of the financial year;
- the expected production plan and new products to be launched by the Cowell Group for the three years ending December 31, 2028;
- the expected increase in the demand of the relevant products including voice coil motors and automated machines required by the Cowell Group based on the latest product design, development and production plan of the Cowell Group for the three years ending December 31, 2028. The increase is mainly attributable to the further increase in the supply units of voice coil motor products for the production of front-end and rear-end camera modules of approximately 10% for the year ending December 31, 2026 as compared with that for the year ending December 31, 2025, and a further increase of 10% each year for the years ending December 31, 2027 and 2028;
- the estimated costs of production of the required products;
- the estimated market price of the required products; and

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- a buffer of 10% was applied to the estimated transaction amounts for the three years ending December 31, 2028 to accommodate any unexpected increase in the demands on the products, unexpected increase in the costs of the products and any unexpected change such as advancement of the product launch cycle of the customers of the Cowell Group.

(4) Luxvisions Innovation Products Supply Framework Agreement

On [•], 2026, our Company (for ourselves and on behalf of the Luxshare Precision Group) entered into a products supply framework agreement (the “**Luxvisions Innovation Products Supply Framework Agreement**”) with Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group), pursuant to which the Luxshare Precision Group agreed to supply to the Luxvisions Innovation Group certain products according to the specifications as requested by the Luxvisions Innovation Group, including but not limited to automated machines, cables and connectors in relation to their production from time to time.

The Luxvisions Innovation Products Supply Framework Agreement has a term commencing from the [REDACTED] to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products supply agreements setting out the specific terms and conditions based on the principles provided in the Luxvisions Innovation Products Supply Framework Agreement.

Consideration and pricing policies

The fees to be paid by Luxvisions Innovation Group to the Luxshare Precision Group for the purchases under the Luxvisions Innovation Products Supply Framework Agreement were mainly determined based on arm’s length negotiations between the parties and with reference to, among others, the number and specifications of products supplied by the Luxshare Precision Group and the prevailing market price of similar products sold by independent third party vendors or by the Luxshare Precision Group to independent third party customers.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the supply of products by the Luxshare Precision Group to the Luxvisions Innovation Group were RMB4.2 million, RMB132.9 million, RMB199.6 million and RMB166.7 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxvisions Innovation Group to the Luxshare Precision Group under the Luxvisions Innovation Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed RMB262.1 million, RMB288.3 million and RMB317.1 million, respectively.

In arriving at the above annual caps, our Directors have considered the following reasonable factors:

- the historical transaction amounts paid by the Luxvisions Innovation Group to the Luxshare Precision Group for the purchase of products during the Track Record Period;

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- the historical transaction amount of RMB166.7 million for the nine months ended September 30, 2025 and the increase in the transaction amount in the second half of the financial year;
- the expected production plan and new products to be launched by the Luxvisions Innovation Group for the three years ending December 31, 2028;
- the expected increase in the demand of the relevant products required by the Luxvisions Innovation Group for the three years ending December 31, 2028. In particular, the demand of automated machines is estimated to increase due to the plan of the Luxvisions Innovation Group to accelerate process automation to upgrade its production capacity;
- the estimated costs of production of the required products; and
- the estimated market price of the required products.

(5) Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement

On May 6, 2025, Time Interconnect (for itself and on behalf of the Time Interconnect Group) entered into a products supply framework agreement (the “**Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement**”) with Luxvisions Innovation (for itself and on behalf of the Luxvisions Innovation Group), pursuant to which the Time Interconnect Group agreed to supply to the Luxvisions Innovation Group certain products according to the specifications as requested by the Luxvisions Innovation Group, including but not limited to fiber optic jumper, from time to time.

The Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement has a term commencing from May 6, 2025 to December 31, 2027, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products supply agreements setting out the specific terms and conditions based on the principles provided in the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement.

Consideration and pricing policies

The terms of the sales shall be determined with reference to prevailing market terms and be on terms no less favorable to the Time Interconnect Group than those made available to Independent Third Parties for similar products. In particular, the prices will be determined based on the standard price range of the relevant products set by the Time Interconnect Group in accordance with its pricing policy. If a standard price range does not exist, pricing should be determined on a cost-plus basis, which is determined by the direct costs of producing the products (including materials, labor, utilities, equipment depreciation and subcontracting fees, if any) plus a profit margin to be agreed upon. In order to ensure the terms of sales and profit margin are in line with prevailing market rates and conditions, the Time Interconnect Group will compare selling prices of similar products sold to other customers, which are Independent Third Parties, not less frequently than on a quarterly basis. The Time Interconnect Group shall have the right to accept or reject the orders from the Luxvisions Innovation Group and would accept orders only if the Time Interconnect Group will profit from the sales and would consider the Time Interconnect Group’s capacity to undertake purchase orders which are more profitable.

CONNECTED TRANSACTIONS

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the supply of products by the Time Interconnect Group to the Luxvisions Innovation Group were nil, nil, RMB0.09 million and RMB0.6 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxvisions Innovation Group to the Time Interconnect Group under the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement for each of the two years ending December 31, 2027 will not exceed HK\$10.0 million and HK\$15.0 million, respectively.

In arriving at the above annual caps, our Directors have considered: (i) the expected demand of the relevant products including fiber optic jumper required by the Luxvisions Innovation Group in 2025; (ii) the expected substantial increase in the demand of the relevant products from 2026 based on the latest product design, development and production plan of the Luxvisions Innovation Group and its customers; and (iii) the expected prices of the relevant products, exchange rate as well as the inflation.

(6) Time Interconnect and Luxshare Limited Products Supply Framework Agreement

On November 12, 2025, Time Interconnect (for itself and on behalf of the Time Interconnect Group) entered into a products supply framework agreement (the “**Time Interconnect and Luxshare Limited Products Supply Framework Agreement**”) with Luxshare Limited (for itself and on behalf of the Luxshare Limited Group), pursuant to which Time Interconnect Group agreed to supply to the Luxshare Limited Group certain products according to the specifications as requested by the Luxshare Limited Group, including but not limited to cable products, medical equipment cables, copper wire products and server products, from time to time.

The Time Interconnect and Luxshare Limited Products Supply Framework Agreement has a term commencing from January 1, 2026 to December 31, 2028, which may be renewed for a further term of not exceeding three years as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules. Relevant members of both parties shall enter into separate products supply agreements setting out the specific terms and conditions based on the principles provided in the Time Interconnect and Luxshare Limited Products Supply Framework Agreement.

Consideration and pricing policies

The terms of the sales shall be determined with reference to prevailing market terms and be on terms no less favorable to the Time Interconnect Group than those made available to Independent Third Parties for similar products. In particular, the prices will be determined based on the standard price range of the relevant products set by the Time Interconnect Group in accordance with its pricing policy. If a standard price range does not exist, pricing should be determined on a cost-plus basis, which is determined by the direct costs of producing the products (including materials, labor, utilities, equipment depreciation and subcontracting fees, if any) plus a profit margin to be agreed upon. In order to ensure the terms of sales and profit margin are in line with prevailing market rates and conditions, the Time Interconnect Group will compare selling prices of similar products sold to other customers, which are Independent Third Parties, not less frequently than on a quarterly basis. The Time Interconnect Group

CONNECTED TRANSACTIONS

shall have the right to accept or reject the orders from the Luxshare Limited Group and would accept orders only if the Time Interconnect Group will profit from the sales and would consider the Time Interconnect Group’s capacity to undertake purchase orders which are more profitable.

Historical transaction amounts

For each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, the total transaction amounts for the supply of products by the Time Interconnect Group to the Luxshare Limited Group were RMB1.0 million, RMB1.2 million, RMB1.8 million and RMB3.4 million, respectively.

Annual caps

Our Directors estimate that the maximum transaction amount payable by the Luxshare Limited Group to the Time Interconnect Group under the Time Interconnect and Luxshare Limited Products Supply Framework Agreement for each of the three years ending December 31, 2028 will not exceed HK\$10.0 million, HK\$11.0 million and HK\$12.0 million, respectively.

In arriving at the above annual caps, our Directors have considered: (i) the substantial increase in the demand of the relevant products required by the Luxshare Limited from 2025 as the Luxshare Limited Group continues to periodically require certain cable and server products for their telecommunication systems during new factory setups; (ii) it is expected that the demand from the Luxshare Group will be HK\$10,000,000 for the year ending 31 December 2026 based on the estimation of the usage of the relevant products for the development plan of the Luxshare Limited Group, and an approximately 10% organic year-on-year growth in the amount of the relevant products to be purchased by the Luxshare Limited Group for the year ending 31 December 2027 and 2028; and (iii) the expected prices of the relevant products, exchange rate as well as the inflation.

Aggregation

Since the Luxshare Limited Products Supply Framework Agreement, the Hsin Hong Products Supply Framework Agreement, the Cowell Products Supply Framework Agreement, the Luxvisions Innovation Products Supply Framework Agreement, the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement and the Time Interconnect and Luxshare Limited Products Supply Framework Agreement (the “**Products Supply Framework Agreements**”) are similar in nature, the transactions under the Products Supply Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2028 in respect of the Products Supply Framework Agreements are as follows:

CONNECTED TRANSACTIONS

	For the year ending December 31,		
	2026	2027	2028
	RMB million	RMB million	RMB million
Annual caps			
Luxshare Limited Products Supply Framework Agreement	3,620.0	3,982.0	4,380.2
Hsin Hong Products Supply Framework Agreement	95.0	104.5	115.0
Cowell Products Supply Framework Agreement	3,027.2	3,330.0	3,663.0
Luxvisions Innovation Products Supply Framework Agreement	262.1	288.3	317.1
Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement . . .	10.0 ⁽¹⁾	15.0 ⁽¹⁾	N/A
Time Interconnect and Luxshare Limited Products Supply Framework Agreement . . .	10.0 ⁽¹⁾	11.0 ⁽¹⁾	12.0 ⁽¹⁾
Aggregate	7,024.3	7,730.8	8,487.3

Note:

- (1) The amounts of annual caps under the Time Interconnect and Luxvisions Innovation Products Supply Framework Agreement and the Time Interconnect and Luxshare Limited Products Supply Framework Agreement are in Hong Kong dollars, which are included in the aggregated annual cap amounts without taking into account of exchange rate between HKD and RMB due to the fluctuations in exchange rate.

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Products Supply Framework Agreements is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Products Supply Framework Agreements constitute continuing connected transactions for our Company which will, upon the [REDACTED], be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Reasons for the transactions

Having considered (i) the supply of products can expand the source of revenue of our Group and broaden our customer base as well as the sale networks for our products; and (ii) the continuing friendly business relationship between the Luxshare Limited Associates, the Hsin Hong Group, the Cowell Group, the Luxvisions Innovation Group and our Group, we believe that the entering into of the Products Supply Framework Agreements and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

APPLICATION FOR WAIVER

The transactions described in “—B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders’ Approval Requirements” in this section constitutes our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders’ approval requirements of the Listing Rules.

CONNECTED TRANSACTIONS

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], waivers exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “—B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders’ Approval Requirements” in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

Apart from the above waivers sought on the strict compliance of the announcement requirement, we will comply with the relevant requirements under Chapter 14A of the Listing Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transaction referred to in this document, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

DIRECTORS’ VIEWS

Our Directors (including our independent non-executive Directors) consider that all the non-exempt continuing connected transactions as set out above have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the non-exempt continuing connected transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

JOINT SPONSORS’ VIEW

Based on (i) the relevant documents and information provided by our Company in relation to the aforesaid non-exempt continuing connected transactions, (ii) the confirmation from our Directors disclosed above, and (iii) their participation in the due diligence and discussions with the management of our Company, the Joint Sponsors are of the view (i) that the non-exempt continuing connected transactions described in the paragraph headed “B. Continuing Connected Transactions subject to the Reporting, Annual Review and Announcement Requirements but exempt from the Circular and Independent Shareholders’ Approval Requirements” above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that the proposed annual caps (where applicable) of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, our Company was held as to (i) approximately 37.49% by Luxshare Limited, a company owned as to 50% by Ms. Wang and 50% by Mr. Wang; and (ii) approximately 0.27% by Mr. Wang. Immediately upon completion of the [REDACTED], assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED], Ms. Wang, Mr. Wang and Luxshare Limited will control in aggregate approximately [REDACTED] of the total issued share capital of our Company. Accordingly, Ms. Wang, Mr. Wang and Luxshare Limited constitute a group of our Controlling Shareholders under the Listing Rules.

DELINEATION OF BUSINESS

Our Group is principally engaged in provision of 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.

Apart from the business of our Group, Ms. Wang and Mr. Wang also control companies, including Luxshare Limited, Luxvisions Innovation and their subsidiaries, which primarily engage in (i) designing, developing and manufacturing advanced interface solutions for vehicle interiors (the “**BCS Business**”); (ii) providing original equipment manufacturer services for mobile phone assembly (the “**Lizhen Business**”); and (iii) designing, developing and manufacturing precision optical modules and solutions (the “**Luxvisions Business**”, together with the BCS Business and Lizhen Business, the “**Other Businesses**”).

The following sets forth illustration on the differences between our principal business and the Other Businesses:

BCS Business

BCS Business focuses on the provision of human-machine interaction interface solutions for vehicle interiors. The main products of BCS Business are application systems include automotive switches, control panels and rain/light sensor systems, serving functions such as lighting, visual effects and intelligent control. These products, which are visible or touchable by the end-user within and outside the vehicle cabin, normally require strict specifications for actuation feel, appearance and noise. The primary manufacturing processes of BCS Business include injection moulding, lubrication application, clip pressing, electric resistance welding, mechanical key force and displacement testing, touch calibration testing and testing of luminous flux for light sources.

In contrast, our automotive electronics business focuses on electrical energy transmission and signal interaction in vehicles. Our main products of automotive electronics include (i) components such as vehicle wiring harnesses and connectors, special wiring harnesses and busbars; (ii) modules such as wireless charging modules, ultra-wideband digital keys, airbag control units, smart junction boxes, battery management system; and (iii) systems such as automotive vascular and nervous systems, smart domain control system, intelligent cockpit system, smart chassis system and powertrain system. These components, modules and systems, which normally are not visible or touchable by the end-user, serve functions like blood vessels and nerves within the vehicle cabin. Accordingly, the requirements of actuation feel, appearance and noise for such products are limited. Instead, our products such as smart

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

domain control system and intelligent cockpit system require highly complex software control logic. The primary manufacturing processes of our automotive electronics business include metal casting and processing, screw fastening, precision module lamination, electrical performance testing and aging testing.

Lizhen Business

Lizhen Business focuses on the provision of original equipment manufacturer services for mobile phone assembly. As an original equipment manufacturer services provider, Lizhen Business primarily builds products based on the customers’ designs and specifications, with little involvement in product design and R&D services.

After the acquisition of Wingtech ODM Business, the business of our Group involves in original design manufacturer services for mobile phone assembly. As an original design manufacturer services provider, we offer design, R&D and manufacturing capabilities for our customers. We are not involved in provision of original equipment manufacturer services for mobile phone assembly. Due to the different business natures, the customers and pricing models between Lizhen Business and our business in terms of mobile phone assembly are distinctive as well.

Luxvisions Business

Luxvisions Business focuses on the provision of cross-sector, customized precision optical solutions encompassing camera modules, optical components and system integration that realize critical optical functions, and strives to empower global smart device customers with a superior visual and imaging experience. The key technologies of Luxvisions Business encompass optical module simulation, glue research and development, equipment automation and active alignment technologies, emphasizing the technical depth of precision optical systems.

As our business are not involved in the provision of optical solutions to realize optical functions, Luxvisions Business is distinctive and separate from our business based on their business nature, product types and functions as well as technologies applied.

Based on the above, our Directors are of the view that there is a clear business delineation between our Group and the Other Businesses, which will not and is unlikely to compete with the business of our Group.

As of the Latest Practicable Date, none of our Controlling Shareholders and their close associates had any interest in a business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETE UNDERTAKINGS

For the purpose of the listing of our A Shares on the Shenzhen Stock Exchange, our Controlling Shareholders provided certain non-competition undertakings in favor of our Company on July 30, 2010, pursuant to which Controlling Shareholders have undertaken that, among others:

- (i) they had not been engaged in any business that had been the same as or similar to our business;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) for so long as they retain control over our Company, they will strictly comply with the applicable laws and regulations, and will not, directly or indirectly, engage in any business that is the same as, similar to or substantially in competition with our business, or have substantial or relative control over any other entity engaging in any business that is the same as, similar to or substantially in competition with our business;
- (iii) they will use their control over the other entities controlled by them to cause such entities to fulfill the undertakings above in the same manner; and
- (iv) if they breach any undertaking above, they agree to assume the relevant legal liabilities, including without limitation to, indemnify our Company and our minority shareholders for all losses arising therefrom.

For the purpose of subsequent fund-raising activities, Luxshare Limited further provided certain non-competition undertakings in favor of our Company on October 15, 2014 and November 13, 2022, pursuant to which it has undertaken that, among others:

- (i) it and all other entities controlled by it will not, directly or indirectly, engage in any business or activities that competes or is likely to compete for potentially compete with our main business;
- (ii) if any amendment to applicable laws or change in applicable policy results in any actual or potential competition between it or entities controlled by it and our Company, our Company shall have the preemptive right on the same terms in respect of management or acquisition of such business; and
- (iii) for so long as it remains as the controlling shareholder of our Company, the undertakings above shall be unconditional and irrevocable. If it breaches any undertaking above, it will fully, timely and adequately indemnify the losses of our Company arising therefrom.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates (other than our Group) after the [REDACTED] for the following reasons:

Management Independence

Our business is managed and conducted by our Board and senior management. Each of our Directors and members of our senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see “Directors and Senior Management” in this document.

Our Board comprises five executive Directors and three independent non-executive Directors. Save for Ms. Wang and Mr. Wang, our Controlling Shareholders and executive Directors, who are currently holding non-executive directorships in the Other Businesses in which they hold investments, none of our Directors or senior management holds any position in our Controlling Shareholders or their close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Despite their overlapping roles, Ms. Wang and Mr. Wang have a track record of devoting sufficient time and energy to discharge their duties as our Directors and senior management and they will continue to focus on our Group’s business. When performing their duties, they have been and will continue to be supported by the separate senior management team of our Group, which are independent from our Controlling Shareholders and their respective close associates. Our executive Directors and senior management team have adequate relevant experience to manage our business and operations independently from our Controlling Shareholders and their respective close associations.

Each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Our Board comprises eight Directors, including three independent non-executive Directors. Our independent non-executive Directors have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review.

In addition, as an A-share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shenzhen Stock Exchange. We have also adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders that would support our independent management. See “—Corporate Governance Measures” in this section.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

We have full rights to make all decisions on, and carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the [REDACTED].

We hold and enjoy the benefit of all relevant licenses and permits material to the operation of our business. We also have independent access to our customers and suppliers as well as our business partners. Our administration and operation are carried out by a full-time independent management team and staff which carried out all key administrative functions without reliance on our Controlling Shareholders and their respective close associates.

We have our own production bases all around the globe, including in Asia, Europe, Americas and Africa. We have our own production team dedicated to our production and operating process and the production bases have been and will be operated by our own production team. Save for certain premises with a total GFA of approximately 194,980 sq.m. leased from certain close associates of our Controlling Shareholders on terms which are comparable to market terms for our production and other commercial uses, all the properties, facilities and equipment necessary to our business operations are independent from our Controlling Shareholders and their respective associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The section headed “Connected Transactions” in this document sets out the continuing connected transactions between our Group and our Controlling Shareholders or their respective associates which will continue after [REDACTED]. The terms of all such transactions are determined after arm’s length negotiations and on normal commercial terms. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole.

Based on the reasons above, our Directors are of the view that we have full rights to make all decisions on, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the [REDACTED].

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. We also have our own internal control and accounting systems, accounting and finance department for discharging the treasury function, which all are independent from our Controlling Shareholders and their respective close associates. Moreover, our Board has established the Audit Committee comprising solely of independent non-executive Directors to provide independent oversight to, among others, our accounting and financial reporting processes.

As of the Latest Practicable Date, we did not have any outstanding loans granted or guaranteed by any of our Controlling Shareholders or their respective close associates to us. We are capable of obtaining financing from Independent Third Parties without reliance on our Controlling Shareholders or their respective close associates in view of our Group’s strong financial position, steady cash flow generation and level of liquid assets as well as our ability to raise funds on a standalone basis.

Based on the above, our Directors believe that we are able to conduct our business independently from our Controlling Shareholders and their close associates from a financial perspective and are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting in respect of the resolution considering the approval of such contract or arrangement or proposal. In addition, where a general of our Shareholders is to be held for considering proposed transactions in which any of our Controlling Shareholders or their respective close associates has a material interest, the relevant Controlling Shareholders shall abstain from voting on the relevant resolutions;
- (b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

professional advice to our Shareholders. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our [REDACTED]. For details of our independent non-executive Directors, please refer to “Directors and Senior Management—Board of Directors—Independent non-executive Directors” in this document;

- (c) we have appointed Frontpage Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance;
- (d) our Company has established internal control mechanisms to identify connected transactions. Upon and after the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole; and
- (f) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by our Controlling Shareholders and their compliance with such undertakings.

Based on the above, our Directors believe that there are sufficient and adequate corporate governance measures in place to manage existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED] and assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED], the following persons will have interests or short positions (if applicable) in the Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO, or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders’ general meetings of our Company:

Shareholders	Nature of interest	Description of Shares	Number of Shares	Immediately after the [REDACTED]	
				Percentage of the A Shares of our Company	Percentage of the issued Shares of our Company
Luxshare Limited . . .	Beneficial owner	A Shares	2,731,537,636 ²	[37.49]%	[REDACTED]%
Ms. Wang	Interest in controlled corporation ¹	A Shares	2,731,537,636 ²	[37.49]%	[REDACTED]%
Mr. Wang	Interest in controlled corporation ¹	A Shares	2,731,537,636 ²	[37.49]%	[REDACTED]%
	Beneficial owner	A Shares	19,854,147	[0.27]%	[REDACTED]%

Notes:

1. Luxshare Limited is owned as to 50% by Ms. Wang and 50% by Mr. Wang. By virtue of the SFO, each of Ms. Wang and Mr. Wang is deemed to be interested in the Shares in which Luxshare Limited is interested.
2. As of the Latest Practicable Date, out of the 2,731,537,636 A Shares beneficially owned by Luxshare Limited, an aggregate of 1,045,792,000 A Shares were subject to pledges granted under certain loan facilities in favor of certain licensed commercial banks. For further details of the share pledges granted by Luxshare Limited, see “—Share Pledges by Luxshare Limited” below.

Save as disclosed above and in “Appendix IV—Statutory and General Information—C. Further Information about Directors, Chief Executive and Substantial Shareholders of Our Company,” our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE PLEDGES BY LUXSHARE LIMITED

In order to obtain financing for the Other Businesses, Luxshare Limited has from time to time pledged the A Shares it owned to certain licensed commercial banks as collateral. As of the Latest Practicable Date, Luxshare Limited has pledged 1,045,792,000 A Shares, representing approximately 14.35% of the total issued share capital of our Company as security in favor of certain licensed commercial banks which will continue to subsist after [REDACTED]. Luxshare Limited will only pledge additional Shares to the extent permissible under the Listing Rules and further announcement(s) will be made by the Company as and when appropriate and required under the Listing Rules.

To the best knowledge of our Directors, there has not been any adverse credit records against Luxshare Limited in respect of any breach of repayment obligations under its indebtedness.

SHARE CAPITAL

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was 7,285,984,560 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

Description of Shares	Number of Shares	Percentage to total share capital
A Shares	7,285,984,560	100.00%
Total	7,285,984,560	100.00%

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED], assuming (i) the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised; and (ii) no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage to total share capital
A Shares in issue	[7,285,984,560]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED].	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Immediately following the completion of the [REDACTED], assuming (i) the [REDACTED] is fully exercised but the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised; and (ii) no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage to total share capital
A Shares in issue	[7,285,984,560]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED].	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

OUR SHARES

Our H Shares in issue upon completion of the [REDACTED], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and

SHARE CAPITAL

qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares or other forms. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the [REDACTED] of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC are not applicable to companies dual listed on the stock exchanges in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that holders of our A Shares may convert the A Shares held by them into H Shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. Such approval was obtained by us at the Shareholders’ general meeting of our Company held on August 8, 2025 and is subject to the following major conditions:

- (i) *Size of the offer.* The proposed number of H Shares to be offered shall not exceed 5% of the total issued share capital enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be issued pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED]% of the total number of H Shares to be [REDACTED] initially under the [REDACTED].
- (ii) *Method of [REDACTED].* The method of [REDACTED] shall be by way of [REDACTED] and [REDACTED] of new shares.
- (iii) *Target investors.* Institutional investors, enterprises and natural persons outside China, as well as qualified domestic institutional investors and other investors in compliance with regulatory requirements.
- (iv) *[REDACTED] basis.* The [REDACTED] of the H Shares will be determined by the Board and/or its authorized person with the authorization of the Shareholders’ general meetings, together with the [REDACTED], after full consideration of the interests of the Company’s

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existing shareholders, the acceptability of investors, the domestic and overseas capital markets and the issuance risks, and adopting a market-based pricing method according to international practices, market subscriptions, overseas demands for orders and bookkeeping results.

- (v) *Validity period.* The issue and [REDACTED] of H Shares on the Stock Exchange shall be completed within 24 months from the date on which such matters were approved at the Shareholders’ meeting held on August 8, 2025.

There are no other approved [REDACTED] plans for our Shares except the [REDACTED].

SHAREHOLDERS’ GENERAL MEETINGS

For details regarding convening of shareholders’ general meeting, see “Appendix III—Summary of the Articles of Association—Shareholders and Shareholders’ Meetings” to this document.

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You should read the following discussion and analysis in conjunction with our audited consolidated financial information included in the Accountants’ Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

For the purpose of this section, unless the context otherwise requires, reference to the years of 2022, 2023 and 2024 refer to the years ended December 31, 2022, 2023 and 2024, respectively.

OVERVIEW

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.

We achieved robust growth during the Track Record Period. In 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025, our revenue amounted to RMB214.0 billion, RMB231.9 billion, RMB268.8 billion, RMB177.2 billion and RMB220.9 billion, respectively. In particular, revenue from our automotive electronics, and communication and data center business lines experienced faster growth from 2022 to 2024, representing a CAGR of 49.6% and 19.6%, respectively. During the same periods, our net profit amounted to RMB10.5 billion, RMB12.2 billion, RMB14.6 billion, RMB9.8 billion and RMB12.7 billion, respectively. Moreover, in 2022, 2023 and 2024, our return on equity amounted to 22.7%, 21.5% and 21.3%, respectively.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board (“IASB”). In addition, the consolidated financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange. For the purpose of preparing the consolidated financial information, the accounting policies adopted conform with all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, consistently throughout the Track Record Period, unless otherwise stated.

The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets/liabilities at fair value through profit or loss (“FVTPL”) and financial assets at fair value through other comprehensive income (“FVTOCI”).

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KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe our results of operations and financial condition are mainly affected by the following factors:

Global Macroeconomic Trends and Other Factors Affecting the PIMS Industry

We are a global business with operations in multiple regions. Our business and operating results are therefore affected by global economic conditions, including overall global economic growth and the level of per capita disposable income, growth of end markets and international trade policies, among other things. Changes in global economic conditions and consumer and business spending could affect demand for our products and solutions and in turn affect our results of operations. Given our extensive international business operations, we are subject to the economic and social changes that may arise in these jurisdictions. Our activities are regulated by the legal and regulatory frameworks specific to each country or territory where we conduct business. This requires us to maintain a high level of vigilance and adaptability to ensure compliance with local laws and regulations. At the same time, we must actively manage risks associated with political or social shifts that could affect our operations, market presence, or overall stability.

From 2019 to 2024, the global PIMS market expanded steadily from RMB6,946.5 billion to RMB9,016.9 billion, representing a CAGR of 5.4%. This consistent upward trajectory underscores sustained demand for investment in automation, AI-enabled manufacturing processes, and the rising need for high-precision components across diverse end markets. Looking ahead, the global PIMS market is forecast to grow from RMB9,469.1 billion in 2025 to RMB12,182.7 billion in 2029, representing a CAGR of 6.5%, reflecting continued technology upgrades, broader adoption of intelligent components and modules manufacturing solutions, and the deepening digital transformation of global manufacturing value chains. For details, see “Industry Overview.”

Key factors which will impact the global PIMS market include: (i) end-user demand for improvements in functionality, portability, and aesthetics of products, driving the need for precision manufacturing; (ii) the rapid evolution of foundational digital technologies—particularly in AI, computing infrastructure, and industrial automation; (iii) the surge of “future factories” sparking market expansion; (iv) specialized value chain requiring customized solutions; and (v) coordinated policy tailwinds propelling precision manufacturing worldwide. Our success in the global PIMS market will depend on our ability to leverage our strengths and continuously adapt to the constant technological evolution to meet ever-changing customers’ demands.

Product Mix and Pricing

The product and solution mix we provide affects our revenue and profitability. Our business strategy is to offer vertically integrated solutions across a broad array of application scenarios. In line with our strategy, we have been expanding our product and solution offerings along the global PIMS industry value chain, covering components, modules and systems. Our product offerings have expanded from consumer electronics to automotive electronics, and communication and data centers, as well as other markets such as healthcare, continuously broadening our technological and commercial horizons. In 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025, our consumer electronics products and solutions accounted for RMB190.9 billion, RMB204.7 billion, RMB233.1 billion, RMB152.4 billion and RMB176.2 billion, representing 89.2%, 88.3%, 86.7%, 86.0%, and 79.8% of our total revenue in the same periods, respectively. Our automotive electronics, and communication and data center business lines experienced continuous growth in revenue from 2022 to 2024, representing a CAGR of 49.6% and 19.6%, respectively. Our revenue from our automotive

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electronics business line for the nine months ended September 30, 2025 increased by 155.3% from the same period in 2024, and our revenue for our communication and data center business line for the nine months ended September 30, 2025 increased by 38.4% from the same period in 2024. As we diversify our product mix, we expect revenue from business lines other than consumer electronics may account for a larger percentage of our total revenue in the future.

Our wide range of products and solutions have different selling prices and margin profiles. For example, in 2022, 2023 and 2024, and in the nine months ended September 30, 2024 and 2025, our overall gross profit margin was 11.9%, 11.1%, 10.1%, 11.5%, and 11.8%, respectively. For the same periods, our gross profit margin for our automotive electronics business was 16.0%, 15.7%, 15.8%, 15.9% and 15.2%, respectively, and our gross profit margin for communication and data center business was 10.9%, 15.5%, 16.0%, 16.0% and 18.5%, respectively, which was generally higher than our overall gross profit margin for the same periods. Furthermore, the gross profit margins for components and modules are generally higher than those for system products. Therefore, changes in our mix of products and solutions could materially affect our overall profit margin.

Our profitability is also affected by our ability to price our products and solutions to achieve our intended profit margins, which is in turn affected by market competition, pricing of similar products and solutions offered by our peers and our bargaining power.

Ability to Attract New Customers and Retain Existing Customers

Our results of operations depend significantly on customer demand. Our business performance has been, and we expect will continue to be, affected by our ability to attract new customers and maintain our relationship with existing customers. Our increased customer loyalty since our inception has enhanced our overall capabilities, including product precision, the breadth of products we provide, and responsiveness. This has positioned us as an important supplier to our customers. We have been able to provide significant value in technology innovation during the early stages of product development, which helps foster our customer loyalty. We provide products and solutions to end customers with leading positions in their respective industries. We also possess the capabilities to support and empower customers which are emerging and are leaders-to-be in their respective fields.

End markets of the global PIMS industry are characterized by intense competition and price fluctuations in recent years. As our customers seek to launch new products at competitive prices, we must in turn (i) advance our technological and R&D capabilities that meet their required features and specifications, and (ii) optimize our production efficiency to reduce costs. Our deep technological expertise and robust R&D capabilities enable us to secure our leadership in a fiercely competitive market, with an advantage to quickly adapt to, or even drive, technological evolution, enhance production efficiency, manage production costs, which will in turn affect our customers’ demand for our products and solutions as well as our profit margins. Moreover, demand for our products and solutions is also affected by our customers’ performance in their respective end markets.

Furthermore, our ability to deepen our relationship with our existing customers is affected by our ability to (i) enhance our R&D to produce new products that meet our customers’ evolving requirements and (ii) cross-sell our products and solutions to our customers, which in turn depends on our ability to adapt, upgrade or transform our technologies to provide products and solutions to suit evolving demands.

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Development in New Markets and New Products and Solutions

Our ability to timely identify new growth markets, strategically enter new markets and sell new products is the key to our continuous growth. We are confident in our ability in horizontal growth, and with our well established technological advantages in providing precision intelligent innovation and manufacturing solutions. We aim to develop products suitable for other emerging markets in addition to the ones we currently operate in.

By leveraging our strong foundational technology, we have been able to expand our business to reach more markets, including automotive electronics, communication and data centers, among others. On top of our technological bedrock and modular capabilities, we have also been able to upgrade and expand our consumer electronics product mix, with new inventions and continuous product iterations.

The successful entry to new markets is dependent on various factors such as market conditions, entry barriers, competition landscape, regulatory environment, supply chain, customer demand, and the positioning of our new products. Our ability to develop, produce and introduce new products beyond our current business that meet customer demand at reasonable cost could affect our business, financial condition and results of operations.

Cost Control and Operational Efficiency

Our ability to control costs and achieve higher operational efficiency is key to improving our profitability. During the Track Record Period, our cost of sales primarily consisted of (i) costs of materials; (ii) production costs; and (iii) staff costs. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our cost of sales amounted to RMB188.5 billion, RMB206.2 billion, RMB241.7 billion, RMB156.8 billion and RMB194.9 billion, respectively, among which costs of materials accounted for the majority. Accordingly, our ability to source key raw materials at competitive prices affects our gross profit margin and profitability. In addition, while a large part of our production equipment and facilities have been automated, staff costs remain a key component of our cost of sales. Fluctuations in staff costs could significantly affect our results of operations and profit margins.

We are committed to continuing scaling up our business operations while effectively managing our cost of sales to achieve higher gross profit margins. We are also constantly exploring ways to improve our operating efficiency in various areas. For instance, we plan to continuously optimize our production efficiency and yield by utilizing intelligent manufacturing in our production base and our business.

R&D Efforts and Outcomes

We are a world-leading innovative precision intelligent manufacturing technology company. Since our inception, technological innovation has been embedded in our DNA. We consistently prioritize R&D and innovation in our business development, striving to revolutionize traditional manufacturing processes and continuously enhance automation levels.

We place strong emphasis on long-term investments in foundational materials and innovative production technologies, continuously exploring advanced precision manufacturing techniques and product applications. Since our inception, we have accumulated expertise in core technologies such as acoustic, optical, electrical, thermal, magnetic, RF, and structural technologies. Through systematic research into foundational materials, manufacturing process, and testing technologies, we have achieved comprehensive technical coverage from core components to complex modules and system integration. By combining these capabilities with deep industry understanding, we drive ongoing innovation in new materials and processes, leading the growth of our business.

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We have invested substantially in our R&D. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, we incurred R&D expenses of RMB8,447.0 million, RMB8,188.8 million, RMB8,556.0 million, RMB6,997.1 million and RMB8,170.4 million, representing 56.8%, 53.7%, 51.3%, 56.0%, and 49.9% of our operating expenses (including our selling expenses, general and administrative expenses, and R&D expenses), respectively. As of September 30, 2025, we owned 9,185 patents, including 2,241 invention patents. For details, see “Business—Technologies and R&D.”

Going forward, we will continuously enhance our technologies and optimize our product portfolio in order to strengthen our market position. We will invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities. Whether our R&D efforts will achieve our intended results, and whether we will be able to successfully implement new technologies to achieve our intended benefits, will affect our business and results of operations.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation with regard to the procedures and methods used by our management in making accounting estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. When reviewing our financial information, you should consider: (i) our selection of accounting policies as disclosed in Note 2 of the Accountants’ Report in Appendix I to this document; and (ii) the results to changes in conditions and assumptions.

We believe that the (i) material accounting information in relation to revenue cognition, contract fulfillment costs, business combinations, property, plant and equipment, investment properties, goodwill, as detailed in Note 2 of the Accountants’ Report in Appendix I to this document and (ii) accounting judgments and estimates including the estimation of fair value of financial assets at FVTPL and financial assets at FVTOCI, inventory provision, provision of expected credit losses for financial assets at amortized cost, impairment assessment of non-financial assets, share-based compensations, impairment of goodwill and uncertain tax position and recognition of current and deferred income tax assets, as set forth in details in Note 4 to the Accountants’ Report in Appendix I to this document are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000) (Unaudited)	% of revenue	(RMB'000)	% of revenue
Revenue	214,028,394	100.0	231,905,460	100.0	268,794,738	100.0	177,176,885	100.0	220,914,628	100.0
Cost of sales	(188,542,117)	(88.1)	(206,167,687)	(88.9)	(241,725,138)	(89.9)	(156,838,764)	(88.5)	(194,859,579)	(88.2)
Gross profit	25,486,277	11.9	25,737,773	11.1	27,069,600	10.1	20,338,121	11.5	26,055,049	11.8
Other income	631,069	0.3	912,857	0.4	1,046,027	0.4	599,034	0.3	696,654	0.3
Other (losses)/gains, net	(313,556)	(0.1)	(221,658)	(0.1)	1,847,996	0.7	761,853	0.4	2,261,138	1.0
Impairment losses under ECL model, net of reversal	(47,182)	— ⁽¹⁾	23,274	— ⁽¹⁾	(10,088)	— ⁽¹⁾	8,133	— ⁽¹⁾	(79,310)	— ⁽¹⁾
Selling expenses	(831,398)	(0.4)	(889,024)	(0.4)	(1,059,677)	(0.4)	(753,469)	(0.4)	(1,043,997)	(0.5)
General and administrative expenses .	(5,581,209)	(2.6)	(6,162,485)	(2.7)	(7,052,941)	(2.6)	(4,740,493)	(2.7)	(7,174,978)	(3.2)
R&D expenses	(8,447,039)	(3.9)	(8,188,768)	(3.5)	(8,555,957)	(3.2)	(6,997,131)	(3.9)	(8,170,442)	(3.7)
Operating profit	10,896,962	5.1	11,211,969	4.8	13,284,960	4.9	9,216,048	5.2	12,544,114	5.7
Finance income	504,344	0.2	1,005,581	0.4	968,280	0.4	793,164	0.4	836,250	0.4
Finance cost	(1,038,071)	(0.5)	(1,376,870)	(0.6)	(1,462,653)	(0.5)	(1,120,676)	(0.6)	(1,419,636)	(0.6)
Finance costs—net	(533,727)	(0.2)	(371,289)	(0.2)	(494,373)	(0.2)	(327,512)	(0.2)	(583,386)	(0.3)
Share of profits of associates	770,982	0.4	2,028,502	0.9	3,301,007	1.2	1,632,839	0.9	2,250,613	1.0
Share of profits of joint venture . . .	23,778	— ⁽¹⁾	15,860	— ⁽¹⁾	17,145	— ⁽¹⁾	10,959	— ⁽¹⁾	16,913	— ⁽¹⁾
Profit before income tax	11,157,995	5.2	12,885,042	5.6	16,108,739	6.0	10,532,334	5.9	14,228,254	6.4
Income tax expense	(667,318)	(0.3)	(641,829)	(0.3)	(1,529,695)	(0.6)	(745,623)	(0.4)	(1,500,025)	(0.7)
Profit for the year/period	10,490,677	4.9	12,243,213	5.3	14,579,044	5.4	9,786,711	5.5	12,728,229	5.8
Profit for the year/period attributable to:										
Owners of the Company	9,163,105	4.3	10,952,657	4.7	13,365,651	4.9	9,074,955	5.1	11,518,291	5.2
Non-controlling interests	1,327,572	0.6	1,290,556	0.6	1,213,393	0.5	711,756	0.4	1,209,938	0.6
	10,490,677	4.9	12,243,213	5.3	14,579,044	5.4	9,786,711	5.5	12,728,229	5.8

Note:

(1) Less than 0.1%

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Revenue

During the Track Record Period, we derived revenue from four business lines, including sales of (i) consumer electronics products and solutions; (ii) automotive electronics products and solutions; (iii) communication and data center products and solutions; and (iv) others, mainly consisting of components and modules for medical devices and industrial equipment.

Revenue by Business Line

The following table sets forth a breakdown of our revenue generated from four different business lines in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000) (Unaudited)	% of revenue	(RMB'000)	% of revenue
Consumer electronics	190,946,783	89.2	204,675,728	88.3	233,096,020	86.7	152,445,640	86.0	176,224,003	79.8
— components and modules . . .	118,349,847	55.3	126,160,256	54.4	147,756,874	55.0	95,975,987	54.1	114,653,627	51.9
— systems	72,596,936	33.9	78,515,472	33.9	85,339,146	31.7	56,469,653	31.9	61,570,376	27.9
Automotive electronics	6,149,360	2.9	9,252,369	4.0	13,757,629	5.1	9,277,066	5.2	23,688,466	10.7
Communication and data centers . .	12,834,368	6.0	14,538,256	6.3	18,359,940	6.8	12,875,013	7.3	17,818,030	8.1
Others ⁽¹⁾	4,097,883	1.9	3,439,107	1.5	3,581,149	1.3	2,579,166	1.5	3,184,129	1.4
Total	214,028,394	100.0	231,905,460	100.0	268,794,738	100.0	177,176,885	100.0	220,914,628	100.0

Note:

(1) Mainly consisting of components and modules for medical devices and industrial equipment.

Our total revenue increased by 8.4% from RMB214.0 billion in 2022 to RMB231.9 billion in 2023, primarily attributable to a steady increase in sales of consumer electronics products and solutions and communication and data center products and solutions, and a significant increase in sales of automotive electronics products and solutions. Our total revenue increased by 15.9% from RMB231.9 billion in 2023 to RMB268.8 billion in 2024, primarily attributable to an overall increase in all of our business lines, mainly driven by the increase in customers’ demand for our products, which was primarily affected by factors such as our efforts in providing integrated solutions, industry trends, end-users’ demand, and general economic and market conditions, among others. Our total revenue increased by 24.7% from RMB177.2 billion for the nine months ended September 30, 2024 to RMB220.9 billion for the nine months ended September 30, 2025, reflecting broad-based growth across all business lines.

Consumer Electronics

Our consumer electronics products and solutions primarily consisted of a range of components, modules and system solutions for end products used in multiple scenarios, including office, home and outdoor spaces.

Revenue from our sales of consumer electronics products and solutions increased by 7.2% from RMB190.9 billion in 2022 to RMB204.7 billion in 2023, primarily due to the increase in ASP, driven by the increased contribution of our system products. Revenue from our sales of consumer electronics products and solutions increased by 13.9% from RMB204.7 billion in 2023 to RMB233.1 billion in 2024, primarily due to (i) an increase in sales volume of our existing products due to increased orders

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from new and existing customers; (ii) our offering of new products, such as new smart home products; and (iii) our acquisition of the Qorvo Business in May 2024. Revenue from our sales of consumer electronics products and solutions increased by 15.6% from RMB152.4 billion for the nine months ended September 30, 2024 to RMB176.2 billion for the nine months ended September 30, 2025, primarily due to (i) an increase in sales volume, driven by our continuous success in vertical integration in consumer electronics, providing more components, modules and systems for consumer electronics for products in application scenarios such as office, home and outdoor spaces; and (ii) increased sales volume resulting from our acquisition of the Wingtech Businesses.

Automotive Electronics

Our automotive electronics products and solutions primarily consisted of automotive nervous and vascular system, intelligent cockpit and ADAS, intelligent chassis system, vehicle entry system and powertrain system.

Revenue from our sales of automotive electronics products and solutions increased by 50.5% from RMB6.1 billion in 2022 to RMB9.3 billion in 2023, primarily due to (i) increased purchases from existing customers as we diversified our product portfolio; and (ii) orders from new OEM customers. Revenue from our sales of automotive electronics products and solutions increased significantly by 48.7% from RMB9.3 billion in 2023 to RMB13.8 billion in 2024, primarily due to (i) increased purchases by existing customers as we diversified our product portfolio; and (ii) orders from new OEM customers. Revenue from our sales of automotive electronics products and solutions increased by 155.3% from RMB9.3 billion for the nine months ended September 30, 2024 to RMB23.7 billion for the nine months ended September 30, 2025, primarily due to (i) an increase in sales of vehicle wiring harnesses driven by an increase in the sales volume of NEVs in the end market, and (ii) the consolidation of Leoni Business.

Communication and Data Centers

Our communication and data center products and solutions primarily consisted of communication equipment such as base station antenna, wireless access, digital room distribution and point-to-point microwave transmission system, and data center products and solutions such as copper connectivity, optical connectivity, thermal management and power solutions.

Revenue from our sales of communication and data center products and solutions increased by 13.3% from RMB12.8 billion in 2022 to RMB14.5 billion in 2023, primarily due to an increase in demand for system products for communication and data centers, driven by a surge in demand for computing power after the emergence of generative AI toward the end of 2022. Revenue from our sales of communication and data center products and solutions increased by 26.3% from RMB14.5 billion in 2023 to RMB18.4 billion in 2024, primarily due to an increase in demand for components and modules for communication and data centers driven by the increased application of AI technology, in particular our cables, connectors, power supply modules, and thermal management modules. Revenue from our sales of communication and data center products and solutions increased by 38.4% from RMB12.9 billion for the nine months ended September 30, 2024 to RMB17.8 billion for the nine months ended September 30, 2025, primarily due to an increase in the sales of data center related wiring harness and connectors, driven by growing AI computing demand.

Others

During the Track Record Period, we generated revenue from other products and solutions, mainly consisting of sales of components and modules for medical devices and industrial equipment.

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Revenue from our sales of other products and solutions decreased from RMB4.1 billion in 2022 to RMB3.4 billion in 2023, primarily as products and solutions sold in this category are fragmented and fluctuations are subject to customer demand. Revenue from our sales of other products and solutions remained relatively stable at RMB3.4 billion in 2023 and RMB3.6 billion in 2024. Revenue from our sales of other products and solutions increased by 23.5% from RMB2.6 billion for the nine months ended September 30, 2024 to RMB3.2 billion for the nine months ended September 30, 2025, primarily due to an increase in sales of components and modules for medical devices and industrial equipment which have relatively higher ASPs.

Revenue by Geographic Region

During the Track Record Period, we had revenue from both customers incorporated in Chinese Mainland and outside of Chinese Mainland, including Europe, North America, other parts of Asia and other regions. The following table sets forth a breakdown of our revenue by geographic region based on the place of registration of our customers in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000)	% of revenue	(RMB'000) (Unaudited)	% of revenue	(RMB'000)	% of revenue
Europe ⁽¹⁾	96,086,293	44.9	90,987,715	39.2	93,134,443	34.7	58,362,589	32.9	56,799,014	25.7
North America ⁽²⁾	67,501,299	31.5	75,048,479	32.4	85,438,989	31.8	54,973,374	31.0	68,637,966	31.1
Asia (excluding Chinese Mainland) ⁽³⁾	14,932,196	7.0	29,904,124	12.9	47,080,871	17.5	33,566,534	18.9	54,088,325	24.5
Others ⁽⁴⁾	74,327	— ⁽⁵⁾	108,020	— ⁽⁵⁾	125,045	— ⁽⁵⁾	98,884	0.2	137,178	0.1
Sub-total	178,594,115	83.4	196,048,338	84.5	225,779,348	84.0	147,001,380	83.0	179,662,483	81.4
Chinese Mainland	35,434,279	16.6	35,857,122	15.5	43,015,390	16.0	30,175,505	17.0	41,252,145	18.6
Total	214,028,394	100.0	231,905,460	100.0	268,794,738	100.0	177,176,885	100.0	220,914,628	100.0

Notes:

- (1) Primarily includes Ireland and England
- (2) Primarily includes the U.S.
- (3) Primarily includes Singapore, Hong Kong, Taiwan and Vietnam
- (4) Primarily includes Brazil, Australia and New Zealand
- (5) Less than 0.1%

During the Track Record Period, revenue from sales to customers incorporated outside of Chinese Mainland constituted a majority of our total revenue. The total revenue from sales to customers outside of Chinese Mainland for 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025 was RMB178.6 billion, RMB196.0 billion, RMB225.8 billion, RMB147.0 billion and RMB179.7 billion, respectively. This represented 83.4%, 84.5%, 84.0%, 83.0%, and 81.4% of our total revenue during the same periods, respectively, remaining relatively stable during the Track Record Period, representing successful implementation of our strategy to continuously develop and maintain relationships with customers on a global scale.

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Sales Volume and Average Selling Price (ASP)

The following table sets forth a breakdown of our sales volume and ASP for different business lines for the periods indicated:

Unit		Year ended December 31,						Nine months ended September 30,			
		2022		2023		2024		2024		2025	
		Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
		(‘000)	(RMB per piece/per set)	(‘000)	(RMB per piece/per set)	(‘000)	(RMB per piece/per set)	(‘000)	(RMB per piece/per set)	(‘000)	(RMB per piece/per set)
Consumer electronics . . .	pieces	4,379,701	43.6	4,324,488	47.3	7,382,485	31.6	4,583,699	33.3	5,965,016	29.5
Automotive electronics . .	sets	323,444	19.0	289,181	32.0	302,174	45.5	206,529	44.9	369,116	64.2
Communication and data centers	pieces	484,370	26.5	273,342	53.2	446,162	41.2	334,300	38.5	375,835	47.4
Others	pieces	385,129	10.6	358,699	9.6	394,252	9.1	290,877	8.9	298,966	10.7
Total/Overall⁽¹⁾		5,572,644	38.4	5,245,710	44.2	8,525,073	31.5	5,415,405	32.7	7,008,933	31.5

Note:

(1) The overall ASP is calculated by dividing the total revenue by the total sales volume as stated in the table above

Our sales volume decreased by 5.9% from 5.6 billion pieces/sets in 2022 to 5.2 billion pieces/sets in 2023, primarily due to the decreased sales of communication and data center products. In 2023, we sold more integrated products as compared to components. Our overall ASP increased by 15.1% from RMB38.4 per piece/per set in 2022 to RMB44.2 per piece/per set in 2023, primarily due to an increase in ASP for our communication and data center products, as we sold a higher volume of integrated products with higher ASP.

Our sales volume increased by 62.5% from 5.2 billion pieces/sets in 2023 to 8.5 billion pieces/sets in 2024, primarily due to the acquisition of the Qorvo Business in 2024, whose radio frequency (RF) devices were generally sold in larger quantities at lower prices, resulting in increased sales volume for our consumer electronics products and solutions. Our overall ASP decreased by 28.7% from RMB44.2 per piece/per set in 2023 to RMB31.5 per piece/per set in 2024, primarily due to (i) a decrease in ASP from the consumer electronics business line resulting from the acquisition of the Qorvo Business, whose RF devices were generally sold in larger quantities at lower prices; (ii) a decrease in ASP from the communication and data center business line, mainly due to increased sales of components with relatively lower ASP — such as connectors, components for power solutions, and thermal management products, which accounted for a larger proportion in 2024.

Our sales volume increased by 29.4% from 5.4 billion pieces/sets for the nine months ended September 30, 2024 to 7.0 billion pieces/sets for the nine months ended September 30, 2025, primarily due to the acquisition of the Wingtech Businesses, which was consolidated in July 2025. Our overall ASP remained relatively stable at RMB32.7 per piece/per and RMB31.5 per piece/per set for the nine months ended September 30, 2024 and 2025, respectively, which was the combined effect of (i) a decrease in ASP from the consumer electronics business line, primarily impacted by lower-priced RF devices offered by the Qorvo Business; and (ii) an increase in ASP from the automotive electronics business line, mainly driven by automotive cable and wiring harness products offered by the Leoni Business.

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Cost of Sales

Our cost of sales primarily consists of (i) costs of materials; (ii) production costs, which primarily include costs related to our factories, utilities and consumables; and (iii) staff costs relating to our production personnel. The following table sets forth a breakdown of our cost of sales by nature and their corresponding percentages of our total cost of sales for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total
	(Unaudited)									
Costs of materials	159,167,259	84.4	177,555,128	86.1	207,549,200	85.9	133,205,281	84.9	162,935,883	83.6
Production costs	12,434,477	6.6	14,946,181	7.2	19,552,315	8.1	13,701,666	8.7	18,266,924	9.4
Staff costs	13,470,581	7.2	11,243,514	5.5	11,937,354	4.9	8,392,008	5.4	11,430,873	5.9
Others	3,469,800	1.8	2,422,864	1.2	2,686,269	1.1	1,539,809	1.0	2,225,899	1.1
Total	188,542,117	100.0	206,167,687	100.0	241,725,138	100.0	156,838,764	100.0	194,859,579	100.0

Our cost of sales increased by 9.3% from RMB188.5 billion in 2022 to RMB206.2 billion in 2023, primarily due to an increase in costs of materials generally in line with our growth in revenue. Our cost of sales increased by 17.2% from RMB206.2 billion in 2023 to RMB241.7 billion in 2024, primarily due to an increase in cost of materials and production costs, in line with our business growth. Our cost of sales increased by 24.2% from RMB156.8 billion for the nine months ended September 30, 2024 to RMB194.9 billion for the nine months ended September 30, 2025, primarily due to an increase in the cost of materials, in line with our growth in revenue.

Gross Profit and Gross Profit Margin

In 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025, our gross profit amounted to RMB25.5 billion, RMB25.7 billion, RMB27.1 billion, RMB20.3 billion and RMB26.1 billion, respectively. Our overall gross profit margin recorded 11.9%, 11.1%, 10.1%, 11.5%, and 11.8% during the same periods, respectively.

Gross Profit and Gross Profit Margin by Business Line

The following table sets forth our gross profit and gross profit margin by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	(Unaudited)									
Consumer electronics	22,316,737	11.7	21,385,759	10.4	21,274,953	9.1	16,380,785	10.7	18,557,678	10.5
Automotive electronics	983,628	16.0	1,451,088	15.7	2,178,249	15.8	1,476,753	15.9	3,609,155	15.2
Communication and data centers	1,402,145	10.9	2,253,307	15.5	2,940,330	16.0	2,060,942	16.0	3,292,201	18.5
Others	783,767	19.1	647,619	18.8	676,068	18.9	419,641	16.3	596,015	18.7
Total/Overall	25,486,277	11.9	25,737,773	11.1	27,069,600	10.1	20,338,121	11.5	26,055,049	11.8

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Our gross profit margin from sales of consumer electronics products and solutions decreased from 11.7% in 2022 to 10.4% in 2023, primarily due to (i) the increased contribution of system products, which have relatively lower gross profit margins compared to components and modules; and (ii) the higher average cost of materials in 2023 attributable to higher prices for inventories procured at the end of 2022, which was in line with then prevailing market prices. Our gross profit margin for sales of consumer electronics products and solutions decreased from 10.4% in 2023 to 9.1% in 2024, mainly due to (i) an increase in sales of system products, which have lower gross profit margins compared with components and modules; and (ii) certain new products, such as RF devices offered by the Qorvo Business, have relatively lower gross profit margins. Our gross profit margin from sales of consumer electronics products and solutions remained relatively stable at 10.7% and 10.5% for the nine months ended September 30, 2024 and 2025, respectively.

Our gross profit margin from sales of automotive electronics products and solutions remained relatively stable at 16.0%, 15.7% and 15.8% in 2022, 2023 and 2024, respectively. Our gross profit margin from sales of automotive electronics products and solutions decreased slightly from 15.9% for the nine months ended September 30, 2024 to 15.2% for the nine months ended September 30, 2025, mainly as our new automotive electronics products and solutions were still in the ramp-up stage in the nine months ended September 30, 2024.

Our gross profit margin from sales of communication and data center products and solutions increased from 10.9% in 2022 to 15.5% in 2023, driven by (i) an increased contribution from data center-related wiring harness and connectors; and (ii) an increase in orders for products with higher technical specifications. Our gross profit margin from sales of communication and data center products and solutions remained relatively stable at 15.5% and 16.0% in 2023 and 2024, respectively. Our gross profit margin from sales of automotive electronics products and solutions decreased slightly from 15.9% for the nine months ended September 30, 2024 to 15.2% for the nine months ended September 30, 2025, mainly as our new automotive electronics products and solutions were still in the ramp-up stage in the nine months ended September 30, 2024.

Our gross profit margin from sales of other products and solutions maintained relatively stable at 19.1%, 18.8% and 18.9% in 2022, 2023 and 2024, respectively. Our gross profit margin from sales of other products and solutions increased from 16.3% for the nine months ended September 30, 2024 to 18.7% for the nine months ended September 30, 2025, mainly attributable to the increased contributions of components and modules for medical devices and industrial equipment.

Other Income

Our other income consisted of (i) government grants, mainly arising from incentives provided by local government authorities in the PRC; (ii) super-input value-added tax (“VAT”) credit; (iii) compensation income from contract default, primarily including compensation for obsolete materials from suppliers and compensation for losses caused by cancellation of orders by customers; and (iv) others, which primarily includes withholding personal income tax fees. The following table sets forth the breakdown of our other income by nature for the periods indicated:

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	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB'000)			(Unaudited)	
Government grants	596,775	791,099	933,138	518,426	626,126
Super-input VAT credit	—	20,560	50,879	39,356	21,206
Compensation income from contract default	16,377	70,247	39,965	16,385	8,285
Others	17,917	30,951	22,045	24,867	41,037
Total	631,069	912,857	1,046,027	599,034	696,654

The fluctuations in our other income throughout the Track Record Period was primarily driven by the fluctuations in the government grants awarded to us from period to period.

Other (Losses)/Gains, Net

Our other (losses)/gains, net consisted of (i) change in fair value of financial assets/liabilities at FVTPL, related to the fluctuations of fair value of our trading financial assets, such as wealth management products; (ii) foreign currency exchange (loss)/gain; (iii) loss in disposal of financial assets, related to the disposal of our trade and note receivables to financial institutions at a discount for financing purposes; (iv) impairment loss on PPE; (v) gain/(loss) on disposal of/written off PPE and intangible asset; and (vi) others, which mainly include gain on termination of right-of-use assets and bargain purchase gain arising from the acquisition of Leoni Business. See Note 46 to the Accountants' Report in Appendix I to this document. The following table sets forth the breakdown of our other (losses)/gains, net by nature for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB'000)			(Unaudited)	
Change in fair value of financial assets/liabilities at FVTPL	594,288	678,346	1,951,100	1,261,228	1,903,018
Foreign currency exchange (loss)/gain, net	(337,514)	(72,796)	1,010,172	163,128	352,660
Loss in disposal of financial asset	(400,156)	(741,343)	(795,497)	(602,909)	(395,717)
Impairment loss on PPE	(233,585)	(191,676)	(293,338)	(87,427)	(80,860)
Gain/(loss) on disposal of/written off PPE and intangible asset	37,289	105,092	(1,616)	23,413	66
Others	26,122	719	(22,825)	4,420	481,971
Total	(313,556)	(221,658)	1,847,996	761,853	2,261,138

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Impairment Losses Under the ECL Model, Net of Reversals

Our impairment losses under the ECL model, net of reversals primarily consisted of impairment losses on (i) trade receivables; (ii) note receivables; and (iii) other receivables. We recorded impairment losses of RMB47.2 million in 2022, reversal of impairment losses of RMB23.3 million in 2023, impairment losses of RMB10.1 million, reversal of impairment loss of RMB8.1 million for the nine months ended September 30, 2024 and impairment loss of RMB79.3 million for the nine months ended September 30, 2025.

We incurred impairment losses of RMB47.2 million in 2022, primarily due to an increase in trade and note receivables in 2022 compared to the previous year, in line with our business growth. We recorded net reversal of impairment losses of RMB23.3 million in 2023 due to collection of overdue trade and note receivables that were recorded as impairment losses in 2022.

We recorded a net reversal of impairment losses of RMB23.3 million in 2023 due to the collection of overdue trade and note receivables that were recorded as impairment losses in 2022, and we incurred impairment losses of RMB10.1 million in 2024 primarily due to the increase in trade and note receivables in 2024 compared to 2023, in line with our business growth.

We recorded a net reversal of impairment losses under ECL model of RMB8.1 million for the nine months ended September 30, 2024 and net impairment losses under ECL model of RMB79.3 million for the nine months ended September 30, 2025. Such change was primarily due to the increase in trade and note receivables for the nine months ended September 30, 2025 as compared to the same period in 2024, which is in line with our business growth. We recorded a reversal of impairment losses for the nine months ended September 30, 2024, primarily due to the recovery of certain trade receivables during the period.

Selling Expenses

Our selling expenses primarily consisted of (i) employee-related expenses mainly including salary and benefits for our sales staff; (ii) office expenses; (iii) promotion expenses; (iv) consumables and miscellaneous purchases; and (v) warehousing and rental expenses. The following table sets forth the breakdown of our selling expenses by nature and their corresponding percentages of our total selling expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total
	(Unaudited)									
Employee-related expenses	547,517	65.9	598,361	67.3	682,251	64.4	478,440	63.5	650,660	62.3
Office expenses	66,265	8.0	92,917	10.5	124,727	11.8	57,187	7.6	64,975	6.2
Promotion expenses	56,070	6.7	73,453	8.3	82,614	7.8	65,114	8.6	138,417	13.3
Consumables and miscellaneous purchases	42,594	5.1	35,228	4.0	57,922	5.5	65,026	8.6	32,107	3.1
Warehousing and rental expenses . . .	57,766	6.9	39,144	4.4	50,701	4.8	39,773	5.3	67,107	6.4
Others	61,186	7.4	49,921	5.6	61,462	5.8	47,929	6.4	90,731	8.7
Total	831,398	100.0	889,024	100.0	1,059,677	100.0	753,469	100.0	1,043,997	100.0

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Our selling expenses increased by 6.9% from RMB831.4 million in 2022 to RMB889.0 million in 2023, primarily due to an increase in employee-related expenses for our sales and marketing personnel driven by the increase in our headcount. Our selling expenses as a percentage of our total revenue remained stable in 2022 and 2023. Our selling expenses increased by 19.2% from RMB889.0 million in 2023 to RMB1,059.7 million in 2024, primarily due to an increase in employee-related expenses for our sales and marketing personnel. Our selling expenses as a percentage of our total revenue remained stable in 2023 and 2024. Our selling expenses increased by 38.6% from RMB753.5 million for the nine months ended September 30, 2024 to RMB1,044.0 million for the nine months ended September 30, 2025, primarily due to an increase in employee-related expenses for our sales and marketing personnel driven by the increase in our headcount and an increase in promotion expenses, which were in line with our business expansion. Our selling expenses as a percentage of our total revenue remained stable for the nine months ended September 30, 2024 and 2025.

General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee-related expenses mainly including salary and benefits for our administrative staff; (ii) depreciation and amortization; (iii) consumables; (iv) office expenses; (v) rental, repairs and miscellaneous purchases; and (vi) consultancy fees. The following table sets forth the breakdown of our general and administrative expenses by nature and their corresponding percentages of our total general and administrative expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total
	(Unaudited)									
Employee-related expenses	2,752,635	49.3	2,955,301	48.0	3,291,003	46.7	2,392,496	50.5	3,645,510	50.8
Depreciation and amortization	780,607	14.0	1,141,476	18.5	1,313,586	18.6	987,299	20.8	1,002,985	14.0
Consumables	613,927	11.0	436,597	7.1	441,685	6.2	169,974	3.6	322,351	4.5
Office expenses	304,191	5.5	349,690	5.7	427,713	6.1	302,223	6.4	461,161	6.4
Rental, repairs and miscellaneous purchases	247,704	4.5	273,547	4.4	319,497	4.5	178,831	3.8	247,934	3.5
Consultancy fees	142,047	2.5	123,495	2.0	294,529	4.2	96,146	2.0	138,328	1.9
Tax and surcharge	455,070	8.2	513,150	8.3	615,065	8.7	377,852	8.0	545,106	7.6
Others	285,028	5.1	369,227	6.0	349,863	5.0	235,672	4.9	811,603	11.3
Total	5,581,209	100.0	6,162,485	100.0	7,052,941	100.0	4,740,493	100.0	7,174,978	100.0

Our general and administrative expenses increased by 10.4% from RMB5,581.2 million in 2022 to RMB6,162.5 million in 2023, primarily due to an increase in employee-related expenses for our administrative personnel and an increase in depreciation and amortization. Our general and administrative expenses as a percentage of our total revenue remained stable in 2022 and 2023.

Our general and administrative expenses increased by 14.4% from RMB6,162.5 million in 2023 to RMB7,052.9 million in 2024, primarily due to an increase in employee-related expenses for our administrative personnel driven by the increase in our headcount and an increase in depreciation and amortization. Our general and administrative expenses as a percentage of our total revenue remained stable in 2023 and 2024.

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Our general and administrative expenses increased by 51.4% from RMB4,740.5 million for the nine months ended September 30, 2024 to RMB7,175.0 million for the nine months ended September 30, 2025, primarily due to an increase in employee-related expenses for our administrative personnel driven by the increase in our headcount. Our other expense categories under general and administrative expenses generally increased, which were in line with our business expansion and consolidation of Wingtech Businesses and Leoni Business. Our general and administrative expenses as a percentage of our total revenue increased slightly for the nine months ended September 30, 2025 as compared to the same period in 2024, primarily due to the consolidation of Wingtech Businesses and we expect such percentage would decrease as we further integrate and streamline the Wingtech Businesses.

R&D Expenses

Our R&D expenses primarily consisted of (i) employee-related expenses, mainly including salaries and benefits for our R&D staff; (ii) molds, materials and consumables; (iii) depreciation and amortization; (iv) rental, repair and inspection expenses; (v) office expenses; and (vi) technology service fees. The following table sets forth the breakdown of our R&D expenses by nature and their corresponding percentages of our total R&D expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total	(RMB'000)	% of total
	(Unaudited)									
Employee-related expenses	4,296,689	50.9	4,474,219	54.6	4,743,099	55.4	4,119,170	58.9	4,227,311	51.7
Molds, materials and consumables. . .	2,224,401	26.3	1,522,003	18.6	1,947,624	22.8	1,349,614	19.3	1,593,927	19.5
Depreciation and amortization	894,098	10.6	1,071,508	13.1	905,915	10.6	722,973	10.3	878,652	10.8
Rental, repairs and inspection.	405,861	4.8	445,795	5.4	468,940	5.5	354,092	5.1	445,163	5.4
Office expenses.	168,190	2.0	181,630	2.2	165,220	1.9	147,301	2.1	137,100	1.7
Technology service fee	225,595	2.7	206,100	2.5	71,461	0.8	66,268	0.9	212,385	2.6
Others.	232,205	2.7	287,513	3.5	253,698	3.0	237,713	3.4	675,904	8.3
Total	8,447,039	100.0	8,188,768	100.0	8,555,957	100.0	6,997,131	100.0	8,170,442	100.0

Our R&D expenses decreased slightly from RMB8,447.0 million in 2022 to RMB8,188.8 million in 2023, primarily due to a decrease in molds, materials and consumables. Our R&D expenses increased by 4.5% from RMB8,188.8 million in 2023 to RMB8,556.0 million in 2024, primarily due to (i) an increase in employee-related expenses for our R&D personnel driven by the increase in our headcount; and (ii) an increase in molds, materials and consumables driven by the increase in R&D projects we undertook in 2024. Our R&D expenses increased by 16.8% from RMB6,997.1 million for the nine months ended September 30, 2024 to RMB8,170.4 million for the nine months ended September 30, 2025, primarily reflecting an increase in our R&D activities with the consolidation of Wingtech Businesses and Leoni Business during the period.

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Finance Costs, Net

Our finance costs, net represented the result of (i) finance income, being bank interest income from bank balances and term deposits which could be withdrawn or transferred on demand; net of (ii) finance costs, mainly arising from interest expenses on bank borrowings, lease liabilities, short term financing bills, and convertible bonds. The following table sets forth a breakdown of finance costs, net by nature for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)	(Unaudited)	
Finance income	504,344	1,005,581	968,280	793,164	836,250
Finance costs	(1,038,071)	(1,376,870)	(1,462,653)	(1,120,676)	(1,419,636)
Finance costs, net	(533,727)	(371,289)	(494,373)	(327,512)	(583,386)

Share of Profits of Associates

Our share of profits of associates primarily consisted of our investment in associates engaged in the manufacture and sales of flexible printed circuits, board-to-board connectors, smartphone system integration and intelligent in-vehicle devices, among others. Our share of profits of associates was RMB771.0 million, RMB2,028.5 million, RMB3,301.0 million, RMB1,632.8 million and RMB2,250.6 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Such increases were primarily due to an increase in operating profit of our associates.

Income Tax Expense

Chinese Mainland

In accordance with the Enterprise Income Tax Law (“**EIT Law**”), Foreign Investment Enterprises (“**FIEs**”) and domestic companies established in Chinese Mainland are subject to Enterprise Income Tax (“**EIT**”) at a rate of 25%.

Further, certain of our subsidiaries benefit from a preferential tax rate of 15% under the EIT Law if they are qualified as high and new technology enterprises under relevant regulations or located in applicable PRC regions, such as certain western regions and special economic zones, as specified in the relevant catalog of encouraged industries, subject to certain general restrictions described in the EIT Law and the related regulations.

Hong Kong

Our Group’s subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first HK\$2 million and 16.5% for any assessable profits in excess.

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Corporate Income Tax in Other Jurisdictions

Income tax on profit arising from other jurisdictions, such as Vietnam and Singapore, has been calculated on the estimated assessable profit for the year/period at the respective rates prevailing in the relevant jurisdictions, ranging up to 30% for the Track Record Period.

Organization Economic Co-operation and Development (“OECD”) Global Anti-base Erosion Pillar Two Model Rules

We are within the scope of the Pillar Two model rules released by the OECD. The Pillar Two legislation became effective in certain jurisdictions on January 1, 2024 during the Track Record Period. We apply the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12. Under the Pillar Two legislation, we are liable to pay a top-up tax on the difference between its Global Anti-Base Erosion effective tax rate in each jurisdiction and the 15% minimum rate.

Our income tax expense consists of current income tax and deferred income tax. The following table sets forth a breakdown of our income tax expense for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)	(Unaudited)	
Current income tax	657,866	1,024,939	1,318,435	801,970	1,457,326
Deferred income tax	9,452	(383,110)	211,260	(56,347)	42,699
Total	667,318	641,829	1,529,695	745,623	1,500,025

Our income tax expense decreased by 3.8% from RMB667.3 million in 2022 to RMB641.8 million in 2023, primarily due to a decrease in deferred income tax caused by the accelerated depreciation and an increase in pre-tax deductible expenses. Our income tax expense increased significantly from RMB641.8 million in 2023 to RMB1,529.7 million in 2024, primarily due to (i) an increase in our taxable income due to our business expansion, and (ii) an increase in the effective tax rate. Our income tax expense increased significantly from RMB745.6 million for the nine months ended September 30, 2024 to RMB1,500.0 million for the nine months ended September 30, 2025, primarily due to (i) an increase in our taxable income due to our business expansion, and (ii) an increase in the effective tax rate.

In 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025, our effective income tax rate, representing income tax expense divided by profit before income tax, expressed as a percentage, was 6.0%, 5.0%, 9.5%, 7.1%, and 10.5%, respectively. Our effective income tax rate during the Track Record Period was lower than our statutory enterprise income tax rates, primarily as certain of our subsidiaries in the PRC enjoyed tax deductions for eligible R&D expenses. Our effective income tax rate in 2024 was higher than 2022 and 2023, primarily due to the recognition of Pillar Two income tax in 2024 by our subsidiaries in Vietnam. Our effective income tax rate for the nine months ended September 30, 2025 was higher than that for the same period in 2024, primarily due to the recognition of Pillar Two income tax in 2025 by our subsidiaries in Hong Kong.

As of the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

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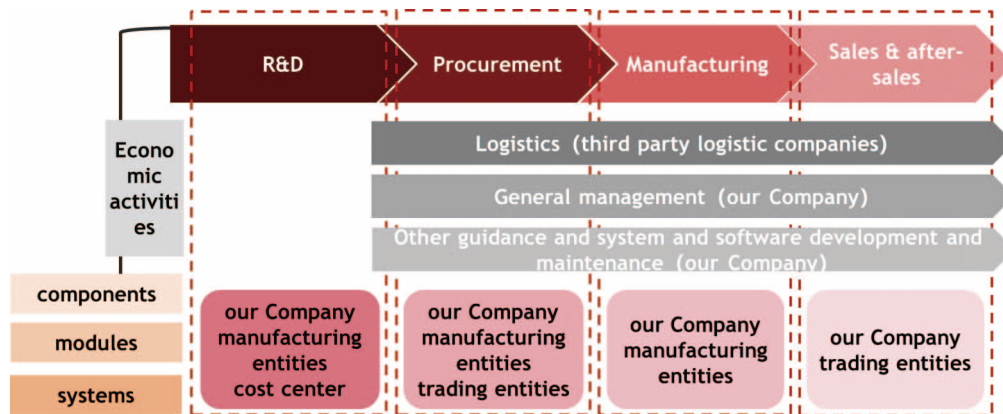
Transfer Pricing

Value Chain and Transaction Flow

Intracompany transactions within our Group are primarily product purchases and sales. The value chain encompasses multiple stages, including technology R&D, manufacturing, logistics, sales, and after-sales service, with the value chain structure being largely similar across various business lines.

Based on their distinct functions and risk exposures within the value chain, the reviewed entities can be categorized into operating headquarters, manufacturing entities, trading entities, and a cost center. Among these, the manufacturing entities are primarily located in the Chinese Mainland and Vietnam.

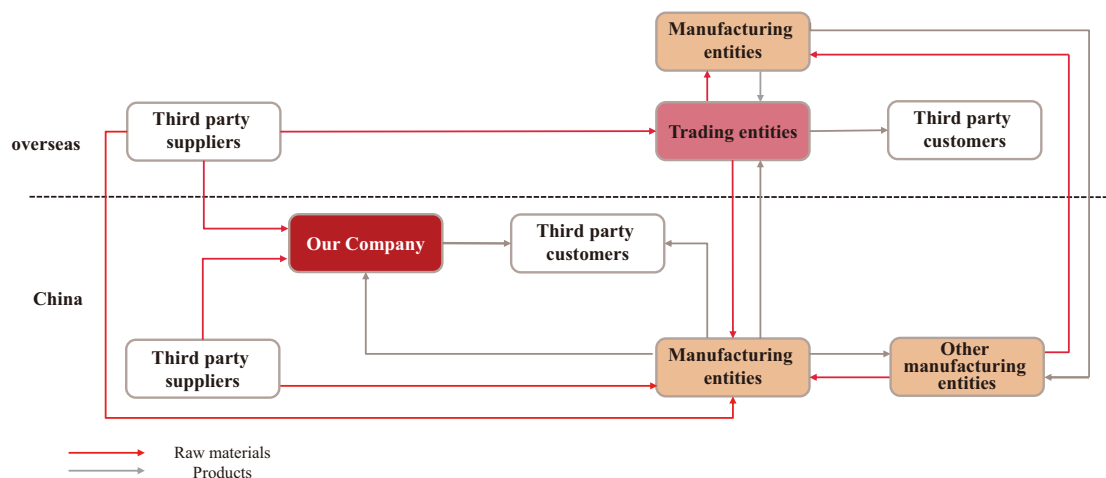
The value chain of our Group is illustrated in the diagram below:



Primary Transaction Flow:

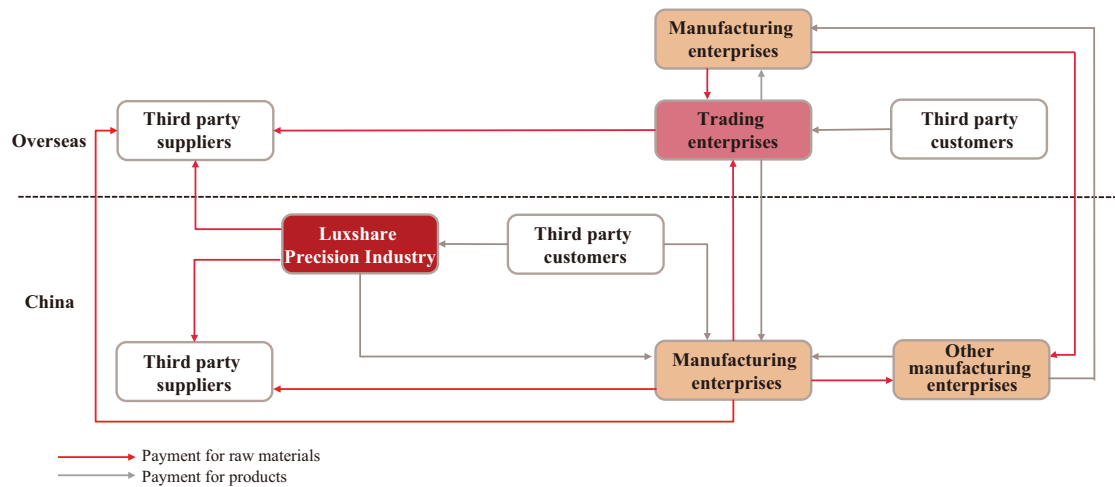
Product sales in China are primarily handled by our Company, which procures from manufacturing entities within China and sells to third-party customers in China. Overseas product sales are primarily handled by trading entities, which procure from manufacturing entities in China or Vietnam and sell to third-party customers outside China.

The diagram below illustrates the flow of orders:



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The diagram below illustrates the flow of funds:



Intra-Group Transactions

The OECD Transfer Pricing Guidelines, issued by the Organization for Economic Co-operation and Development (OECD), represent the most widely accepted international standard in the field of transfer pricing globally and are adopted and followed by the tax authorities of the vast majority of countries in their legislation and practice. According to the OECD Transfer Pricing Guidelines, intra-group transactions should be conducted on an arm’s length basis.

To standardize intra-group transactions and ensure their fairness, our Group has formulated and issued relevant management policies. These explicitly stipulate that transaction pricing should primarily follow the market price. If no market price is available and there is a government-mandated price, that price shall be referenced. If neither a market price nor a government-mandated price is available, cost-plus pricing shall be applied. If none of the above is available or suitable, the price shall be determined by agreement. The transacting parties determine the pricing method based on the specific circumstances of the transaction and specify it in the relevant transaction agreements.

In accordance with the OECD Transfer Pricing Guidelines and the applicable tax laws and regulations of relevant jurisdictions, intra-group transactions must adhere to the arm’s length principle. Entities involved in transfer pricing arrangements are required to comply with the tax laws and regulations of their respective jurisdictions and prepare corresponding transfer pricing documentation. The ultimate holding company of our Group, Luxshare Limited, is required to maintain a master file containing our Group’s organizational structure, business and strategies, significant intangibles, financing activities, and financial and tax status. Our Group is also required to maintain local files, containing transfer pricing analyses based on local tax policies.

Upon review by our transfer pricing consultant, BDO Tax Agency Limited Company Beijing Branch (the “**Transfer Pricing Consultant**”), Luxshare Limited and our Group have prepared the master file and local files respectively, as required. They conduct annual analyses and validations of intra-group transactions. Specifically, based on the requirements of the OECD Transfer Pricing Guidelines and applicable tax laws and regulations in relevant jurisdictions, the Transactional Net Margin Method (TNMM) is selected according to the nature and characteristics of the intra-group

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transactions. The profitability of entities involved in transfer pricing arrangements is compared to the profitability of independent comparable companies to assess whether the intra-group transactions comply with the arm’s length principle.

Our Transfer Pricing Consultant has been engaged to review and evaluate our Group’s transfer pricing arrangements for the years of 2022, 2023 and 2024 (the “**Review Period**”). The Transfer Pricing Consultant reviewed the intra-group transaction documentation, conducted interviews with Group management, selected 16 entities for review, and, based on the OECD Transfer Pricing Guidelines and relevant transfer pricing laws and regulations, assessed and analyzed whether the profit levels of these 16 reviewed entities from their intra-group transactions aligned with the profit levels required by the arm’s length principle.

Based on the above analysis, the Transfer Pricing Consultant concluded that: (i) the reviewed entities comply with applicable laws and regulations in their respective jurisdictions, performed annual analysis and validation of their intra-group transactions, and their methodologies for analysis and validation are reasonable; and (ii) the intra-group transactions of the reviewed entities comply with the arm’s length principle, and the risk of transfer pricing adjustments is low.

During the Review Period, the total value of intra-group transactions within our Group is set out in the table below:

Year	Value of Intra-group Transactions
	<i>(RMB in millions)</i>
2022	396,349.7
2023	393,637.5
2024	451,773.1

The Reviewed Entities

The criteria used by the Transfer Pricing Consultant to select the 16 reviewed entities were: (1) the entity’s average annual transaction volume during the Review Period accounted for more than 5% of the total intra-group transaction value of our Group; (2) the entity’s business type is representative; and (3) to ensure the total transaction value of the selected entities accounted for over 80% of our Group’s total intra-group transactions, some entities were randomly selected as reviewed entities. Details of the reviewed entities are set out in the table below:

No.	Reviewed Entity	Place of Incorporation	Business
1	our Company	Guangdong Province, China	Manufacturing
2	立訊智造(浙江)有限公司	Zhejiang Province, China	Manufacturing
3	立訊精密工業(滁州)有限公司	Anhui Province, China	Manufacturing
4	江西立訊智造有限公司	Jiangxi Province, China	Manufacturing

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No.	Reviewed Entity	Place of Incorporation	Business
5	東莞訊滔電子有限公司.....	Guangdong Province, China	Manufacturing
6	立訊智造科技(常熟)有限公司.....	Jiangsu Province, China	Manufacturing
7	Luxshare — ICT (Vietnam) Company Limited..	Vietnam	Manufacturing
8	Luxshare — ICT (Van Trung) Co., Ltd.	Vietnam	Manufacturing
9	立訊精密有限公司.....	Hong Kong	Trading
10	台灣立訊精密有限公司.....	Taiwan	Sales support and R&D
11	立鎧精密科技(鹽城)有限公司.....	Jiangsu Province, China	Manufacturing
12	日善電腦配件(嘉善)有限公司.....	Zhejiang Province, China	Manufacturing
13	Casetek Singapore Pte. Ltd..	Singapore	Trading and sales support
14	日達智造科技(如皋)有限公司.....	Jiangsu Province, China	Manufacturing
15	威訊聯合半導體(北京)有限公司.....	Beijing, China	Manufacturing
16	Luxshare — ICT (Nghe An) Company Limited..	Vietnam	Manufacturing
17	昆明聞訊實業有限公司.....	Yunnan Province, China	Processing and Manufacturing

Profit for the Year/Period

As a result of the foregoing, we recorded a net profit of RMB10,490.7 million, RMB12,243.2 million, RMB14,579.0 million, RMB9,786.7 million and RMB12,728.2 million for 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025, respectively, achieving a net profit margin of 4.9%, 5.3%, 5.4%, 5.5%, and 5.8% in the respective periods.

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DISCUSSION OF CERTAIN KEY ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants’ Report set out in Appendix I to this document:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Non-current assets				
PPE	47,944,920	47,803,519	54,783,290	68,802,418
Investment properties	92,782	23,354	35,665	36,686
Intangible assets	497,297	450,310	430,451	1,556,245
Right-of-use assets	2,727,531	2,435,194	2,816,641	4,963,446
Goodwill	1,730,047	1,729,243	1,885,827	2,214,487
Deferred tax assets	1,208,582	872,944	817,693	2,317,887
Prepayments and other receivables	1,676,260	1,568,638	1,695,904	2,621,682
Investment in associates	1,880,941	4,100,064	7,343,629	10,037,554
Investment in joint ventures	119,067	132,878	144,667	157,564
Financial assets at FVTOCI	440,107	249,122	112,765	224,125
Financial assets at FVTPL	35,700	35,700	39,312	41,548
Term deposits	1,739,252	8,363,006	15,176,496	10,378,936
Total non-current assets	60,092,486	67,763,972	85,282,340	103,352,578
Current assets				
Inventories	37,265,651	29,407,482	31,487,096	51,578,965
Contract fulfillment costs	97,679	350,449	215,580	417,808
Income tax recoverable	69,528	61,579	66,691	197,939
Trade and note receivables	26,993,122	23,765,555	32,910,872	51,993,186
Prepayments and other receivables	3,037,925	2,957,840	3,790,796	5,284,856
Financial assets at FVTOCI	—	587,585	1,106,284	1,782,061
Financial assets at FVTPL	1,353,267	1,720,764	1,403,111	3,335,263
Derivative financial instruments	—	—	—	98,373
Restricted bank deposits	2,054,791	3,935,387	1,092,553	2,239,868
Term deposits	107,450	1,757,335	19,205,160	25,773,824
Cash and cash equivalents	17,312,418	29,684,152	47,267,103	54,207,158
Total current assets	88,291,831	94,228,128	138,545,246	196,909,301
Total assets	148,384,317	161,992,100	223,827,586	300,261,879

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	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Current liabilities				
Trade and note payables	44,424,833	42,498,591	57,712,870	82,603,046
Other payables and accruals	9,318,474	7,229,761	12,493,850	13,469,435
Contract liabilities	501,765	243,567	262,508	837,582
Borrowings	15,740,739	23,202,679	37,415,654	68,640,430
Lease liabilities	179,282	129,208	153,947	598,429
Income tax payable	357,553	561,049	640,604	1,265,583
Convertible bonds	224,131	49,592	—	—
Short-term financing bills	3,840,115	802,722	5,039,812	3,216,283
Financial liabilities at FVTPL	44,318	117,942	155,279	458,097
Derivative financial instruments	—	—	—	30,824
Long term payable	—	—	—	59,433
Total current liabilities	74,631,210	74,835,111	113,874,524	171,179,142
Net current assets	13,660,621	19,393,017	24,670,722	25,730,159
Total assets less current liabilities	73,753,107	87,156,989	109,953,062	129,082,737
Non-current liabilities				
Borrowings	9,205,313	12,038,771	19,619,742	16,910,745
Convertible bonds	2,689,624	2,799,500	3,305,437	3,427,254
Medium-term notes	—	—	—	3,039,198
Lease liabilities	800,739	552,489	727,983	2,224,677
Deferred tax liabilities	1,606,645	883,925	955,821	1,429,010
Deferred income	665,910	595,324	649,109	1,026,476
Other payables and accruals	1,007	2,115	7,845	1,942,238
Long term payables	—	—	—	40,715
Total non-current liabilities	14,969,238	16,872,124	25,265,937	30,040,313
Total liabilities	89,600,448	91,707,235	139,140,461	201,219,455
Net assets	58,783,869	70,284,865	84,687,125	99,042,424
Capital and reserves				
Share capital	7,099,909	7,148,168	7,236,462	7,270,606
Other equity instrument	527,320	527,289	527,271	527,195
Reserves	4,775,793	6,458,992	9,165,942	10,711,153
Other comprehensive income	651,459	148,763	(703,805)	(1,489,306)
Cash flow hedge reserve	—	—	—	46,683
Retained earnings	32,288,416	42,026,973	53,101,140	63,210,323
Capital and reserves attributable to				
owners of the Company	45,342,897	56,310,185	69,327,010	80,276,654
Non-controlling interests	13,440,972	13,974,680	15,360,115	18,765,770
Total equity	58,783,869	70,284,865	84,687,125	99,042,424

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Property, Plant and Equipment (PPE)

Our PPE consisted of (i) machinery and equipment; (ii) land and buildings; (iii) other equipment, such as production support equipment, office equipment and computer equipment; (iv) construction in progress, mainly in relation to the construction of our new R&D center; (v) molds and tooling; (vi) leasehold improvements; and (vii) others. The following table sets forth a breakdown of the net carrying amount of our PPE as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Machinery and equipment	21,567,017	20,966,181	24,182,826	30,684,701
Land and buildings	11,348,610	12,028,202	12,812,848	19,139,794
Other equipment	7,884,468	9,039,465	8,466,501	9,057,835
Construction in progress	2,695,377	2,226,216	5,379,184	5,396,099
Molds and tooling	3,595,092	2,912,102	3,119,997	2,746,599
Leasehold improvements	683,276	470,325	574,479	806,302
Transportation vehicles	43,442	41,086	51,932	77,972
Others	127,638	119,942	195,523	893,116
Total	47,944,920	47,803,519	54,783,290	68,802,418

Our PPE remained relatively stable at RMB48.0 billion as of December 31, 2022 and RMB47.8 billion as of December 31, 2023. Our PPE increased by 14.6% from RMB47.8 billion as of December 31, 2023 to RMB54.8 billion as of December 31, 2024, primarily due to (i) an increase in machinery and equipment; (ii) an increase in construction in progress, which is related to the upgrade of existing production lines due to product iteration, new production lines for new products, and new R&D centers, and (iii) the acquisition of the Qorvo Business. Our PPE increased by 25.6% from RMB54.8 billion as of December 31, 2024 to RMB68.8 billion as of September 30, 2025, primarily due to (i) an increase in machinery and equipment; and (ii) an increase in land and buildings. Such increases were mainly due to the acquisition of Wingtech Businesses and Leoni Business and the additions of overseas production lines.

Intangible Assets

Our intangible assets primarily comprised software, patent rights and non-patented technology, among others.

Our intangible assets decreased by 9.4% from RMB497.3 million as of December 31, 2022 to RMB450.3 million as of December 31, 2023, and further decreased by 4.4% to RMB430.5 million as of December 31, 2024, primarily due to the amortization of intangible assets. Our intangible assets significantly increased from RMB430.5 million as of December 31, 2024 to RMB1,556.2 million as of September 30, 2025, primarily due to the acquisition of Wingtech Businesses.

Right-of-Use Assets

Our right-of-use assets consisted of leased buildings, machinery and equipment, and transportation vehicles, and land use right.

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Our right-of-use assets decreased by 10.7% from RMB2,727.5 million as of December 31, 2022 to RMB2,435.2 million as of December 31, 2023, primarily as we replaced certain rented factories with our self-owned factories. Our right-of-use assets increased by 15.7% from RMB2,435.2 million as of December 31, 2023 to RMB2,816.6 million as of December 31, 2024, primarily due to (i) an increase in leased buildings; and (ii) an increase in right-of-use assets from newly acquired companies such as Cosmo Corporation Cayman Limited (the “**Cosmo Business**”) and the Qorvo Business. Our right-of-use assets increased by 76.2% from RMB2,816.6 million as of December 31, 2024 to RMB4,963.4 million as of September 30, 2025, primarily due to an increase in right-of-use assets from the acquisition of the Leoni Businesses.

Goodwill

Goodwill is recognized in connection with business acquisitions. Our goodwill increased from RMB1,729.2 million as of December 31, 2023 to RMB1,885.8 million as of December 31, 2024, primarily due to the acquisition of the Qorvo Business and Cosmo Business. Our goodwill increased from RMB1,885.8 million as of December 31, 2024 to RMB2,214.5 million as of September 30, 2025, primarily due to the acquisition of the Wingtech Businesses. For details, see Note 21 to the Accountants’ Report in Appendix I to this document.

Investment in Associates

Our investment in associates increased from RMB1,880.9 million as of December 31, 2022 to RMB4,100.1 million as of December 31, 2023, to RMB7,343.6 million as of December 31, 2024, and further to RMB10,037.6 million as of September 30, 2025, primarily due to an increase in share of post-acquisition profits, other equity movements, and other comprehensive income from the associates.

Investment in Joint Ventures

Our investment in joint ventures increased from RMB119.1 million as of December 31, 2022, to RMB132.9 million as of December 31, 2023, and further to RMB157.6 million as of December 31, 2024 and as of September 30, 2025, primarily due to an increase in investment income accrued according to the equity method based on our shareholding percentage.

Financial Assets at FVTOCI

Our financial assets at FVTOCI include (i) equity investments, and (ii) note receivables measured at FVTOCI.

The following table sets forth our financial assets at FVTOCI as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30,
				2025
	(RMB’000)			
Non-current assets				
Equity investments	440,107	249,122	112,765	224,125
	440,107	249,122	112,765	224,125
Current assets				
Note receivables measured at FVTOCI . .	—	587,585	1,106,284	1,782,061
	—	587,585	1,106,284	1,782,061

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Our financial assets at FVTOCI that were classified as non-current assets decreased from RMB440.1 million as of December 31, 2022 to RMB249.1 million as of December 31, 2023, to RMB112.8 million as of December 31, 2024, primarily due to our disposal of some of our equity investments, and the decreases in the prices of equity investments that we invested in. Our financial assets at FVTOCI that were classified as non-current assets increased to RMB224.1 million, primarily due to the increase in equity investments in certain listed companies.

Our financial assets at FVTOCI that were classified as current assets increased from nil as of December 31, 2022 to RMB587.6 million as of December 31, 2023, to RMB1,106.3 million as of December 31, 2024, and further to RMB1,782.1 million as of September 30, 2025, primarily due to the increase in note receivables which was in line with our business growth.

Financial Assets at FVTPL

Our financial assets at FVTPL include: (i) equity investments that are held for trading and for which the entity has not elected to recognize FVTOCI; (ii) wealth management products; and (iii) derivative financial assets for which the USD/CNY forward exchange contracts.

The following table sets forth our financial assets at FVTPL as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current assets				
Financial assets at FVTPL				
—Equity investments	35,700	35,700	39,312	41,548
	35,700	35,700	39,312	41,548
Current assets				
Financial assets at FVTPL				
—Wealth management products	1,326,227	1,628,279	1,300,228	3,286,689
—Derivative financial assets	27,040	92,485	102,883	48,574
	1,353,267	1,720,764	1,403,111	3,335,263

Our financial assets at FVTPL that were classified as non-current assets maintained relatively stable at RMB35.7 million, RMB35.7 million, RMB39.3 million and RMB41.5 million as of December 31, 2022, 2023 and 2024, and September 30, 2025, respectively.

Our financial assets at FVTPL that were classified as current assets increased from RMB1,353.3 million as of December 31, 2022 to RMB1,720.8 million as of December 31, 2023, then decreased to RMB1,403.1 million as of December 31, 2024, and then increased to RMB3,335.3 million as of September 30, 2025, primarily due to the fluctuations in our investment in wealth management products.

During the Track Record Period, substantially all of our financial assets at FVTPL were wealth management products. Wealth management products at FVTPL represent the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The wealth management products can be purchased or disposed of at any date during the open days. In order to improve the efficiency and returns on the utilization of idle funds, while ensuring

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our normal production and operations, we utilize idle funds to invest in wealth management products from time to time. The investment shall be limited to principal-guaranteed or low-risk wealth management products with high safety, good liquidity, and short-term (not exceeding one year), issued by commercial banks. Our Board of Directors authorizes our Chairlady to exercise the investment decision-making power and sign relevant legal documents. Our Chief Financial Officer shall be responsible for implementation of investments, with specific execution handled by our finance department. We have implemented the following internal control measures to control risks: (1) Investment shall be limited to principal-guaranteed or low-risk commercial bank wealth management products with a term not exceeding one year; (2) Our finance department shall promptly analyze and monitor wealth management product investments. Should any adverse factors potentially affecting the safety of our funds be identified, appropriate protective measures shall be taken promptly to control investment risks; (3) Our audit department shall be responsible for auditing and supervising the use and custody of wealth management funds; (4) Independent directors shall have the discretion to inspect the use of funds; (5) Our board of supervisors shall supervise and inspect the use of wealth management funds; and (6) We shall timely fulfill information disclosure obligations in accordance with the relevant regulations of the Shenzhen Stock Exchange. The return of the wealth management products we purchased during the Track Record Period ranged from 1.7% to 3.6% per annum.

Prepayments and Other Receivables

The non-current portion of our prepayments and other receivables primarily consisted of (i) prepayments for acquisition of PPE; (ii) advance payment for equity investment, relating to our acquisition of the Qorvo Business; and (iii) others, primarily consisting of prepaid pension.

The following table sets forth our non-current prepayments and other receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current				
Prepayments for acquisition of PPE . . .	1,663,116	1,416,221	1,688,137	2,476,398
Advance payment for equity investment.	—	141,654	—	82,223
Others	13,144	10,763	7,767	63,061
	1,676,260	1,568,638	1,695,904	2,621,682

Our non-current prepayments and other receivables primarily fluctuate with the balance of our prepayments for acquisition of PPE. Our non-current prepayments and other receivables increased from RMB1,695.9 million as of December 31, 2024 to RMB2,621.7 million as of September 30, 2025, primarily due to an increase in prepayments for acquisition of PPE relating to the acquisition of the Wingtech Businesses.

The current portion of our prepayments and other receivables consisted of (i) input VAT to be deducted; (ii) amount due from the third parties; (iii) prepayments made to the third-party suppliers; (iv) prepayments made to the related-party suppliers; (v) amount due from the related parties; (vi) amount due from associates; and (vii) others, primarily consisting of prepaid custom duties.

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The following table sets forth our current prepayments and other receivables as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Current				
Input VAT to be deducted	2,019,719	2,106,402	2,472,487	2,881,588
Amount due from the third parties ⁽¹⁾ . . .	426,557	313,336	921,313	536,218
Prepayments made to the third-party suppliers	575,817	476,592	378,487	1,192,767
Prepayments made to the related-party suppliers	10,761	10,111	10,713	—
Amount due from the related parties ⁽¹⁾ . .	5,728	13,868	2,759	2,030
Amount due from associates ⁽¹⁾	4,171	54	696	742
Others ⁽²⁾	505	42,328	12,280	677,696
	3,043,258	2,962,691	3,798,735	5,291,683
Less: provision for impairment	(5,333)	(4,851)	(7,939)	(6,827)
	3,037,925	2,957,840	3,790,796	5,284,856

Notes:

- (1) These amounts are trade in nature, unsecured, interest free and repayable on demand.
- (2) Primarily including prepaid custom duties and return charges receivable. The significant increase in others in 2023 was primarily due to increases in prepaid custom duties.

Our current prepayments and other receivables decreased from RMB3,037.9 million as of December 31, 2022 to RMB2,957.8 million as of December 31, 2023, primarily due to decreases in prepayments made to the third-party suppliers and amount due from the third parties, partially offset by an increase in input VAT to be deducted.

Our current prepayments and other receivables increased from RMB2,957.8 million as of December 31, 2023 to RMB3,790.8 million as of December 31, 2024, primarily due to an increase in amount due from the third parties and input VAT to be deducted, partially offset by a decrease in prepayments made to the third-party suppliers.

Our current prepayments and other receivables increased from RMB3,790.8 million as of December 31, 2024 to RMB5,284.9 million as of September 30, 2025, primarily due to an increase in prepayments made to the third-party suppliers, resulting from our increased purchases to support our business needs.

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Inventories

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. The following table sets forth a breakdown of inventories as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30,
				2025
	(RMB'000)			
Finished goods	23,761,428	17,873,073	16,723,010	23,261,901
Raw materials	8,805,902	7,122,403	8,389,250	15,579,908
Work in progress	4,968,546	5,171,213	6,905,616	11,914,848
Consumable supplies	319,287	137,194	441,841	771,479
Goods in transit	112,858	80,403	101,539	927,369
Outsourced processing materials	21,425	7,662	88,904	68,414
Materials in transit	38,828	27,648	45,746	289,857
Less: provision	(762,623)	(1,012,114)	(1,208,810)	(1,234,811)
Total	37,265,651	29,407,482	31,487,096	51,578,965

Depending on the production and shipment schedules, the balance of our inventories may fluctuate from period to period. Our inventories decreased by 21.1% from RMB37.3 billion as of December 31, 2022 to RMB29.4 billion as of December 31, 2023, primarily due to our increased strategic stockpiling in 2022, resulting in a higher inventory opening balance. Our inventories increased by 7.1% from RMB29.4 billion as of December 31, 2023 to RMB31.5 billion as of December 31, 2024, primarily reflecting increase in stock to fulfill the increased orders on hand. Our inventories increased by 63.8% from RMB31.5 billion as of December 31, 2024 to RMB51.6 billion as of September 30, 2025, primarily due to an increase in finished goods driven by business growth and raw materials to fulfill our orders.

We believe the key in inventory control is balancing the risk of excess stock 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 regular basis, which are adjusted based on the production department's production plans, and are 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 supervisor. We review our inventory levels periodically. Our WMS automatically prompts a re-inspection procedures when obsolete stock are identified to ensure the inventory is in good condition.

We review the condition of our inventories at the end of each period during the Track Record Period and make provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with our customers and current market conditions of end markets. Our management estimates the net realizable value for slow-moving inventories based primarily on the latest selling prices and current market conditions. We reassess the estimation at the end of each period. Where the

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actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the provision of inventories recognized in the periods in which such estimates have been changed.

We calculate the inventory turnover days using the average of the opening and ending inventory balances for the period, divided by cost of sales for the relevant period, multiplied by the number of days in the relevant period (i.e. 365 days for each of the years ended December 31, 2022, 2023 and 2024, and 273 days for the nine months ended September 30, 2025). The following table sets forth the number of our inventory turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Inventory turnover days	56	59	46	59

Our inventory turnover days remained relatively stable at 56 days in 2022 and 59 days in 2023. Our inventory turnover days decreased from 59 days in 2023 to 46 days in 2024, mainly due to our improved inventory management and adjustment of customers’ stocking pattern. Our inventory turnover days increased from 46 days in 2024 to 59 days for the nine months ended September 30, 2025, primarily as we increased purchases to fulfill our orders.

The following table sets forth the aging analysis of inventories as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Within one year	37,809,033	30,219,048	32,435,574	52,897,938
One to two years	169,814	156,423	208,198	412,198
Two to three years	49,426	44,125	52,133	112,739
Inventories, gross	38,028,274	30,419,596	32,695,906	53,422,875
Less: provision	(762,623)	(1,012,114)	(1,208,810)	(1,234,811)
Inventories, net	37,265,651	29,407,482	31,487,096	51,578,965

As of January 10, 2026, RMB47.1 billion, or approximately 88.1% of our inventories as of September 30, 2025 had been utilized or sold.

Trade and Note Receivables

Our trade and note receivables primarily represent the outstanding amounts due to us from our customers for our products and solutions. We generally grant our customers credit terms of 30 to 60 days. We seek to maintain strict control over our outstanding receivables to minimize credit risk. Our management regularly reviews our overdue balances. In view of the aforementioned and the fact that our trade and note receivables relate to diversified customers, there is no significant concentration of credit risk. We do not hold any collateral or other credit enhancements over our trade and notes receivable balances.

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The following table sets forth our trade and note receivables as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Trade receivables				
The third parties	25,541,031	22,578,616	29,496,263	47,173,642
The related parties	633,616	1,012,706	3,105,307	4,903,098
Associates	8,839	24,785	80,684	110,174
	26,183,486	23,616,107	32,682,254	52,186,914
Less: loss allowance	(140,131)	(111,626)	(121,155)	(448,274)
	26,043,355	23,504,481	32,561,099	51,738,640
Note receivables				
The third parties	937,993	261,104	234,310	254,569
The related parties	12,072	—	115,605	—
	950,065	261,104	349,915	254,569
Less: loss allowance	(298)	(30)	(142)	—
	949,767	261,074	349,773	254,546
Net carrying amount	26,993,122	23,765,555	32,910,872	51,993,186

Our trade and note receivables decreased by 12.0% from RMB27.0 billion as of December 31, 2022 to RMB23.8 billion as of December 31, 2023, primarily as we applied comprehensive financial strategies for receivable management. Our trade and note receivables increased by 38.5% from RMB23.8 billion as of December 31, 2023 to RMB32.9 billion as of December 31, 2024, which was in line with our business growth. Our trade and note receivables increased by 58.0% from RMB32.9 billion as of December 31, 2024 to RMB52.0 billion as of September 30, 2025, primarily due to our business growth and the consolidation of Wingtech Businesses.

The following table sets forth aging analysis of trade receivables, based on past due date and net of loss allowance, as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Not yet past due	25,384,591	23,209,441	32,170,750	50,347,323
Past due 1–365 days	754,474	370,849	438,702	1,628,672
Past due 1 year to 2 years	11,328	1,807	38,076	52,398
Past due over 2 years	33,093	34,010	34,726	158,521
Total	26,183,486	23,616,107	32,682,254	52,186,914

We calculate the trade and note receivables turnover days using the average of the opening and ending trade and note receivables balances for the period, divided by revenue for the relevant period, multiplied by the number of days in the relevant period (i.e. 365 days for each of the years ended December 31, 2022, 2023 and 2024 and 273 days for the nine months ended September 30, 2025). The following table sets forth the number of our trade and note receivables turnover days for the periods indicated:

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	Year ended December 31,			Nine months ended
	2022	2023	2024	September 30, 2025
Trade and note receivables turnover days	50	40	38	52

Our trade and note receivables turnover days decreased from 50 days in 2022 to 40 days in 2023, and further decreased to 38 days in 2024, primarily as we applied comprehensive financial strategies for trade and note receivables management. Our trade and note receivables turnover days increased from 38 days in 2024 to 52 days as of September 30, 2025, primarily due to the consolidation of the Wingtech Businesses.

As of January 10, 2026, RMB47.9 billion, or approximately 91.4% of our trade and note receivables as of September 30, 2025 were subsequently settled.

Restricted Bank Deposits

Our restricted deposits were mainly denominated in RMB and held in separate designed bank accounts as note payable and letter of credit.

Trade and Note Payables

Our trade and note payables primarily represent liabilities for goods and services provided to us prior to the end of financial year/period which are unpaid. The credit terms for our trade payables are agreed upon with each supplier, which is up to 180 days.

The following table sets forth our trade and note payables as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Trade payables				
The third parties	42,873,140	41,525,608	55,615,844	79,194,881
The related parties	1,006,324	416,821	1,087,329	818,243
The associates	20,356	58,044	126,037	335,191
The joint ventures	9,959	5,532	5,324	1,871
	43,909,779	42,006,005	56,834,534	80,350,186
Note payables	515,054	492,586	878,336	2,252,860
Net carrying amount	44,424,833	42,498,591	57,712,870	82,603,046

Our trade and note payables decreased by 4.3% from RMB44.4 billion as of December 31, 2022 to RMB42.5 billion as of December 31, 2023, primarily due to trade payables arising from our stockpiling toward the end of 2022. Our trade and note payables increased by 35.8% from RMB42.5 billion as of December 31, 2023 to RMB57.7 billion as of December 31, 2024, primarily due to an increase in trade payables, in line with our business growth. Our trade and note payables increased by 43.1% from RMB57.7 billion as of December 31, 2024 to RMB82.6 billion as of September 30, 2025, primarily due to the increased purchases, in line with our business growth.

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The following table sets forth an aging analysis of our trade payables:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Up to 1 year.	43,818,368	41,908,336	56,690,909	79,253,603
1 to 2 years	74,344	78,664	102,710	659,981
2 to 3 years	9,178	12,250	26,054	223,112
Over 3 years	7,889	6,755	14,861	213,490
Total	43,909,779	42,006,005	56,834,534	80,350,186

We calculate the trade and note payables turnover days using the average of the opening and ending trade and note payables balances for the period, divided by cost of sales for the relevant period, multiplied by the number of days in the relevant period (i.e. 365 days for each of the years ended December 31, 2022, 2023 and 2024 and 273 days for the nine months ended September 30, 2025). The following table sets forth the number of our trade and note payables turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Trade and note payables turnover days. .	87	77	76	107

Our trade and note payables turnover days decreased from 87 days in 2022 to 77 days in 2023, primarily due to a higher cost of sales in 2023 in line with our business and growth. Our trade and note payables turnover days remained relatively stable at 77 days, 76 days in 2023 and 2024, respectively. Our trade and note payables turnover days increased from 76 days in 2024 to 107 days for the nine months ended September 30, 2025, primarily due to the acquisition of Wingtech Businesses with better credit terms.

As of January 10, 2026, RMB72.7 billion, or approximately 88.0% of our trade and note payables as of September 30, 2025 were subsequently settled.

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Other Payables and Accruals

Our other payables and accruals primarily comprised (i) other payables for acquisition of PPE; and (ii) payroll and welfare payables.

The following table sets forth our other payables and accruals as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	September 30, 2025
	(RMB'000)			
Non-current				
Provision	683	643	7,088	973,738
Payroll and welfare payable	—	—	—	881,441
Others	324	1,472	757	87,059
	1,007	2,115	7,845	1,942,238
Current				
Other payables for acquisition of PPE . .	5,876,704	3,902,510	8,253,459	6,185,717
Payroll and welfare payables	2,368,136	2,330,319	3,011,324	4,800,124
Other taxes payable	483,832	460,275	597,685	863,665
Amount due to the third parties ⁽¹⁾	457,737	392,072	449,958	831,774
Dividend payable ⁽²⁾	15,089	11,894	52,175	16,503
Amount due to related parties ⁽¹⁾	45	2,711	218	11
Amount due to associates ⁽¹⁾	—	—	19	54
Amount due to joint ventures ⁽¹⁾	9	—	—	—
Others	116,922	129,980	129,012	771,587
	9,318,474	7,229,761	12,493,850	13,469,435

Notes:

- (1) These amounts are trade nature, unsecured, interest free and repayable on demand.
- (2) As of the Latest Practicable Date, all of the dividend payable had been settled, except for RMB8.0 million of distribution payables related to our partnership, which will be distributed upon the expiration of partnership. See Note 35 to the Accountants' Report set out in Appendix I to this document.

The fluctuations of our other payables and accruals were primarily due to fluctuations in payables incurred in relation to equipment for upgrades of existing production lines, construction of new production lines, and new R&D centers. Our other payables and accruals decreased by 22.4% from RMB9,318.5 million as of December 31, 2022 to RMB7,229.8 million as of December 31, 2023, primarily due to decreases in payables for acquisition of PPE. Our other payables and accruals increased by 72.8% from RMB7,229.8 million as of December 31, 2023 to RMB12,493.9 million as of December 31, 2024, primarily due to increases in the other payables for acquisition of PPE, and payroll and welfare payables, other tax payable and amount due to third parties. Our other payables and accruals increased by 7.8% from RMB12,493.9 million as of December 31, 2024 to RMB13,469.4 million as of September 30, 2025, primarily due to the increase in payroll and welfare payables, resulting from the increased headcount.

As of January 10, 2026, RMB10.9 billion of, or approximately 71.0% of our other payables and accruals as of September 30, 2025 were subsequently settled.

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Contract Liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfillment of performance obligations. We generally grant our customers credit terms and may collect advances from customers on a case-by-case basis considering the associated credit risks. As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had contract liabilities of RMB501.8 million, RMB243.6 million, RMB262.5 million and RMB837.6 million, respectively. Fluctuations of our contract liabilities are in line with the fluctuation of pre-sales amount.

As of January 10, 2026, RMB188.4 million, or approximately 22.5% of our contract liabilities as of September 30, 2025 were subsequently recognized as revenue.

Short-term Financing Bills

Our short-term financing bills include up to one year financing bills from commercial banks. These short-term financing bills do not constitute the bill financing activities as described in Chapter 1.2D of the Guide for New Applicants published by the Stock Exchange. Our short-term financing bills as of December 31, 2022, 2023 and 2024 and September 30, 2025 were RMB3,840.1 million, RMB802.7 million, RMB5,039.8 million and RMB3,216.3 million, respectively.

Financial Liabilities at FVTPL

Our financial liabilities at FVTPL consisted of convertible bonds redemption/put options and derivatives. Our financial liabilities at FVTPL as of December 31, 2022, 2023 and 2024 and September 30, 2025 were RMB44.3 million, RMB117.9 million, RMB155.3 million and RMB458.1 million, respectively, primarily due to the fair value fluctuations of derivative financial instruments such as options and forward exchange contracts.

Deferred Income

Our deferred income consisted of government grants related to long-term assets. Our deferred income as of December 31, 2022, 2023 and 2024 and September 30, 2025 amounted to RMB665.9 million, RMB595.3 million, RMB649.1 million and RMB1,026.5 million, respectively, reflecting fluctuations of our government grants.

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NET CURRENT ASSETS

The following table sets forth our current assets, current liabilities, and net current assets as of the dates indicated:

	As of December 31,			As of	As of
	2022	2023	2024	September 30, 2025	January 10, 2026
	(RMB'000)				
					(unaudited)
Current assets					
Inventories	37,265,651	29,407,482	31,487,096	51,578,965	45,970,242
Contract fulfillment costs	97,679	350,449	215,580	417,808	358,126
Income tax recoverable	69,528	61,579	66,691	197,939	274,157
Trade and note receivables . . .	26,993,122	23,765,555	32,910,872	51,993,186	58,227,108
Prepayments and other					
receivables	3,037,925	2,957,840	3,790,796	5,284,856	6,722,045
Financial assets at FVTOCI . . .	—	587,585	1,106,284	1,782,061	1,239,669
Financial assets at FVTPL . . .	1,353,267	1,720,764	1,403,111	3,335,263	12,652,630
Derivative financial					
instruments	—	—	—	98,373	97,712
Restricted bank deposits	2,054,791	3,935,387	1,092,553	2,239,868	1,961,456
Term deposits	107,450	1,757,335	19,205,160	25,773,824	33,540,908
Cash and cash equivalents . . .	17,312,418	29,684,152	47,267,103	54,207,158	52,879,062
Total current assets	88,291,831	94,228,128	138,545,246	196,909,301	213,923,115
Current liabilities					
Trade and note payables	44,424,833	42,498,591	57,712,870	82,603,046	62,256,779
Other payables and accruals . .	9,318,474	7,229,761	12,493,850	13,469,435	14,293,615
Contract liabilities	501,765	243,567	262,508	837,582	772,441
Borrowings	15,740,739	23,202,679	37,415,654	68,640,430	75,660,350
Lease liabilities	179,282	129,208	153,947	598,429	616,163
Derivative financial					
instruments	—	—	—	30,824	40,159
Income tax payable	357,553	561,049	640,604	1,265,583	985,851
Convertible bonds	224,131	49,592	—	—	2,954,096
Short-term financing bills . . .	3,840,115	802,722	5,039,812	3,216,283	6,027,278
Financial liabilities at FVTPL .	44,318	117,942	155,279	458,097	362,297
Long term payable	—	—	—	59,433	36,704
Total current liabilities	74,631,210	74,835,111	113,874,524	171,179,142	164,005,733
Net current assets	13,660,621	19,393,017	24,670,722	25,730,159	49,917,382

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We had net current assets as of RMB49.9 billion as of January 10, 2026, consisting of current assets of RMB213.9 billion and current liabilities of RMB164.0 billion, which represented an increase from the net current assets of RMB25.7 billion as of September 30, 2025. This was primarily due to increases in financial assets at FVTPL and term deposits as we continued to invest our cash from operations, as well as an increase in trade and note receivables.

We had net current assets of RMB25.7 billion as of September 30, 2025, consisting of current assets of RMB196.9 billion and current liabilities of RMB171.2 billion, which represented an increase of RMB1.0 billion from our net current assets of RMB24.7 billion as of December 31, 2024. This was primarily attributable to an increase in trade and note receivables and cash and cash equivalents from our operations partially offset by an increase in borrowings and trade and note payables.

We had net current assets of RMB24.7 billion as of December 31, 2024, consisting of current assets of RMB138.5 billion and current liabilities of RMB113.9 billion, which represented an increase of RMB5.3 billion from our net current assets of RMB19.4 billion as of December 31, 2023. This was primarily attributable to an increase in cash and cash equivalents and term deposits, partially offset by an increase in trade and note payables.

We had net current assets of RMB19.4 billion as of December 31, 2023, consisting of current assets of RMB94.2 billion and current liabilities of RMB74.8 billion, which represented an increase of RMB5.7 billion from our net current assets of RMB13.7 billion as of December 31, 2022. This was primarily attributable to an increase in cash and cash equivalents, partially offset by an increase in borrowings.

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations and bank borrowings. As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had cash and cash equivalents of RMB17.3 billion, RMB29.7 billion, RMB47.3 billion and RMB54.2 billion, respectively.

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Cash Flows

The following table sets forth a summary of our cash flows during the years/periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB'000)			(Unaudited)	
Net cash generated from operating activities	12,727,611	27,605,058	27,116,910	6,675,013	3,478,039
Net cash used in investing activities	(13,326,366)	(19,559,912)	(35,656,073)	(29,266,721)	(13,856,313)
Net cash generated from financing activities	8,156,246	4,070,266	25,890,442	25,785,705	17,305,522
Net increase in cash and cash equivalents	7,557,491	12,115,412	17,351,279	3,193,997	6,927,248
Cash and cash equivalents at the beginning of the year/period	8,921,537	17,312,418	29,684,152	29,684,152	47,267,103
Effect of foreign exchange rate changes, net	833,390	256,322	231,672	(230,693)	12,807
Cash and cash equivalents at the end of the year/period .	17,312,418	29,684,152	47,267,103	32,647,456	54,207,158

Operating Activities

Cash flows from operating activities consist of profit before income tax adjusted for certain non-cash or non-operating activities related items. We derive our cash inflow mainly from operating activities through sales of our products and solutions. Cash outflow from operating activities primarily consisted of costs and operating expenses incurred during our daily operations.

Our net cash generated from operating activities was RMB3,478.0 million for the nine months ended September 30, 2025. This net cash inflow was attributable to (i) profit before income tax of RMB14,228.3 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB9,467.7 million. Such increase was partially offset by a decrease in working capital including (i) an increase in inventories and contract fulfillment costs of RMB13,321.9 million; (ii) a decrease in trade and note payables of RMB10,320.7 million; and (iii) a decrease in other payables and accruals of RMB9,068.8 million.

Our net cash generated from operating activities was RMB27,116.9 million in 2024. This net cash inflow was attributable to (i) profit before tax of RMB16,108.7 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB10,648.2 million; and (ii) an increase in trade and note payables of RMB14,807.3 million.

Our net cash generated from operating activities was RMB27,605.1 million in 2023. This net cash inflow was attributable to (i) profit before tax of RMB12,885.0 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB10,087.1 million; (ii) a decrease in inventories and contract fulfillment costs of RMB5,680.1 million; and (iii) a decrease in trade and note receivables of RMB2,095.8 million. These were partially offset by a decrease in trade and note payables of RMB2,484.6 million.

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Our net cash generated from operating activities was RMB12,727.6 million in 2022. This net cash inflow was attributable to (i) profit before tax of RMB11,158.0 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of depreciation of PPE and investment properties of RMB7,629.2 million; and (ii) an increase in trade and note payables of RMB3,545.3 million. These were partially offset by an increase in inventories and contract fulfillment costs of RMB17,904.3 million.

Investing Activities

Our cash used in investing activities mainly consisted of our cash used in purchase of PPE, intangible assets, and other non-current assets, and net purchase of financial assets. Our cash generated from investing activities mainly consisted of proceeds from net disposal of financial assets and proceeds from disposal of PPE, intangible assets and other non-current assets.

Our net cash used in investing activities was RMB13,856.3 million for the nine months ended September 30, 2025. This net cash outflow was primarily due to the purchase of PPE, intangible assets and other non-current assets of RMB13,212.1 million.

Our net cash used in investing activities was RMB35,656.1 million in 2024. This net cash outflow was primarily due to (i) net purchase of financial assets of RMB22,142.5 million; and (ii) purchase of PPE, intangible assets and other non-current assets of RMB12,110.7 million.

Our net cash used in investing activities was RMB19,559.9 million in 2023. This net cash outflow was primarily due to (i) net purchase of financial assets of RMB9,091.4 million; and (ii) purchase of PPE, intangible assets and other non-current assets of RMB11,387.4 million.

Our net cash used in investing activities was RMB13,326.4 million in 2022. This net cash outflow was primarily due to purchase of PPE, intangible assets and other non-current assets of RMB13,584.1 million.

Financing Activities

Our cash generated from financing activities mainly consisted of proceeds from bank borrowings and proceeds from short term financing bills. Cash used in financing activities mainly consisted of repayments of bank borrowings.

Our net cash generated from financing activities was RMB17,305.5 million for the nine months ended September 30, 2025. This net cash inflow was primarily due to proceeds from bank borrowings of RMB85,942.4 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB68,419.1 million.

Our net cash generated from financing activities was RMB25,890.4 million in 2024. This net cash inflow was primarily due to proceeds from bank borrowings of RMB90,538.7 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB70,178.6 million.

Our net cash generated from financing activities was RMB4,070.3 million in 2023. This net cash inflow was primarily due to proceeds from bank borrowings of RMB91,681.5 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB82,391.7 million.

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Our net cash generated from financing activities was RMB8,156.2 million in 2022. This net cash inflow was primarily due to proceeds from bank borrowings of RMB65,493.2 million. This net cash inflow was partially offset by the repayment of bank borrowings of RMB59,745.7 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations, bank loans and contributions from our shareholders.

Taking into account the financial resources available to us, including cash flow from operating activities and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness consisted of (i) borrowings; (ii) short-term financing bills; (iii) lease liabilities; (iv) convertible bonds; and (v) medium-term notes. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of	As of
	2022	2023	2024	September 30,	January 10,
				2025	2026
			(RMB'000)		(unaudited)
Included in current liabilities					
Borrowings	15,740,739	23,202,679	37,415,654	68,640,430	75,660,350
Short-term financing bills	3,840,115	802,722	5,039,812	3,216,283	6,027,278
Lease liabilities	179,282	129,208	153,947	598,429	616,163
Convertible bonds	224,131	49,592	—	—	2,954,096
Sub-total	19,984,267	24,184,201	42,609,413	72,455,142	85,257,887
Included in non-current liabilities					
Borrowings	9,205,313	12,038,771	19,619,742	16,910,745	19,157,575
Convertible bonds	2,689,624	2,799,500	3,305,437	3,427,254	431,982
Lease liabilities	800,739	552,489	727,983	2,224,677	2,022,484
Medium-term notes	—	—	—	3,039,198	3,057,421
Sub-total	12,695,676	15,390,760	23,653,162	25,601,874	24,669,462
Total	32,679,943	39,574,961	66,262,575	98,057,016	109,927,349

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Borrowings

The following table sets forth our borrowings as of the dates indicated:

	As of December 31,			As of	As of
	2022	2023	2024	September 30, 2025	January 10, 2026
	(RMB'000)				(unaudited)
Unsecured and unguaranteed bank borrowings ⁽¹⁾	16,326,084	28,300,005	50,761,894	69,812,123	77,689,376
Secured and unguaranteed bank borrowings ⁽²⁾	6,917,093	6,284,912	6,130,630	15,534,843	16,773,621
Unsecured and guaranteed bank borrowings ⁽³⁾	1,702,875	656,533	142,872	204,209	354,928
Total	24,946,052	35,241,450	57,035,396	85,551,175	94,817,925

Notes:

- (1) The range of interest rates of unsecured and unguaranteed bank borrowings were 1.24 % to 6.33%, 1.93% to 5.70%, 1.57% to 3.10%, and 0% to 4.17% in December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively.
- (2) The range of interest rates of secured and unguaranteed bank borrowings were 1.34% to 5.73%, 2.50% to 7.90%, 1.10% to 6.03%, and 0.40% to 3.92% in December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively.
- (3) The range of interest rates of unsecured and guaranteed bank borrowings were 1.48% to 4.00%, 1.93% to 3.80%, 2.05% to 3.50%, and 2.05% to 4.63% in December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively.

Our borrowings increased by 41.3% from RMB24.9 billion as of December 31, 2022 to RMB35.2 billion as of December 31, 2023, further increased by 61.8% from RMB35.2 billion as of December 31, 2023 to RMB57.0 billion as of December 31, 2024, further increased by 50.0% from RMB57.0 billion as of December 31, 2024 to RMB85.6 billion as of September 30, 2025 and further to RMB94.8 million as of January 10, 2026, primarily due to increased working capital needs to support our growing business operations, in line with our growth in business scale.

Our Directors confirm that there has been no material change in our indebtedness position since January 10, 2026, being the latest practicable date for the purpose of the indebtedness statement. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank loans, we did not have plans for other material external debt financing.

As of January 10, 2026, we had unutilized credit facilities of RMB98.3 billion. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

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Lease Liabilities

The following table sets forth the carrying amount of our lease liabilities as of the dates indicated:

	As of December 31,			As of	As of
	2022	2023	2024	September 30, 2025	January 10, 2026
	(RMB'000)				
					(unaudited)
Non-current	800,739	552,489	727,983	2,224,677	616,163
Current	179,282	129,208	153,947	598,429	2,022,484
Total	980,021	681,697	881,930	2,823,106	2,638,647

Our lease liabilities decreased from RMB980.0 million as of December 31, 2022 to RMB681.7 million as of December 31, 2023, primarily as we replaced certain rented factories with our self-owned factories. Our lease liabilities increased from RMB681.7 million as of December 31, 2023 to RMB881.9 million as of December 31, 2024, primarily due to an increase in leased buildings and the increase of lease liabilities from newly acquired companies such as the Qorvo Business and Cosmo Business. Our lease liabilities increased from RMB881.9 million as of December 31, 2024 to RMB2,823.1 million as of September 30, 2025, primarily due to the acquisition of the Wingtech Businesses. Our lease liabilities decreased slightly from RMB2,823.1 million as of September 30, 2025 to RMB2,638.6 million as of January 10, 2026, primarily due to the settlement of lease payments during the year.

For a maturity analysis of our lease liabilities, see Note 20 to the Accountants’ Report set out in Appendix I to this document.

Contingent Liabilities

As of January 10, 2026, we did not have any material contingent liabilities undertaken by or impacted on our Company or our Group.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures on purchases of PPE, intangible assets and other non-current assets. In 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025, our capital expenditures were RMB13,584 million, RMB11,387 million, RMB12,111 million, RMB8,540 million and RMB13,212 million, respectively. We expect to incur capital expenditures related to expansion of our production capacity and upgrade of existing production bases. We intend to fund our planned capital expenditures through a combination of the [REDACTED] from the [REDACTED], cash generated from operating activities and debt financings.

Capital Commitments

We did not have any significant capital commitments as of September 30, 2025.

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OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not our related parties and the market price during the relevant period. Upon the completion of this [REDACTED], we will comply with the relevant Listing Rules and adopt a more prudent approach when reviewing and engaging in related party transactions.

Transactions with Related Parties

During the Track Record Period, our transactions with related parties mainly consisted of (i) sales of goods; (ii) purchases of goods; (iii) leased out buildings to related parties, (iv) leased buildings from related parties; (v) provision of labor services and (vi) purchase of labor services. See Note 42 to the Accountants’ Report set out in Appendix I to this document for details of transactions carried out with our related parties during the Track Record Period.

It is the view of our Directors that each of the related party transactions set out in Note 42 of the Accountants’ Report in Appendix I to this document (i) was conducted on normal commercial terms and/or on terms not less favorable than terms available from Independent Third Parties, which are considered fair, reasonable and in the interest of our Shareholders as a whole; and (ii) does not distort our Track Record Period results or make our historical results not reflective of future performance.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the years/periods indicated:

	As of/For the year ended December 31,			As of/For the nine months ended September 30, 2025
	2022	2023	2024	
Profitability ratios				
Gross profit margin (%) ⁽¹⁾	11.9	11.1	10.1	11.8
Net profit margin (%) ⁽²⁾	4.9	5.3	5.4	5.8
Return on equity (%) ⁽³⁾	22.7	21.5	21.3	—
Liquidity ratios				
Current ratio (times) ⁽⁴⁾	1.2	1.3	1.2	1.2
Quick ratio (times) ⁽⁵⁾	0.7	0.9	0.9	0.8

Notes:

- (1) Gross profit margin is calculated based on gross profit for the year/period divided by revenue and multiplied by 100%
- (2) Net profit margin is calculated based on net profit for the year/period divided by revenue and multiplied by 100%
- (3) Return on equity is calculated based on profit for the year/period attributable to owners of our Company divided by the average of the opening and closing balances of equity attributable to owners of our Company and multiplied by 100%
- (4) Current ratio is calculated based on total current assets divided by total current liabilities

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(5) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities

Gross Profit Margin and Net Profit Margin

For details, see “Consolidated Statements of Profit or Loss and Other Comprehensive Income” for a discussion of the factors affecting our gross profit margin and net profit margin during the respective periods.

Return on Equity

Our return on equity remained relatively stable at 22.7% in 2022, 21.5% in 2023 and 21.3% in 2024, respectively. Our return on equity for the nine months ended September 30, 2025 was not meaningful.

Current Ratio

Our current ratio remained stable at 1.2 times, 1.3 times, 1.2 times, and 1.2 times as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

Quick Ratio

Our quick ratio remained stable at 0.7 times, 0.9 times, 0.9 times, and 0.8 times as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including market risk, credit risk and liquidity risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For further details, see Note 3 in the Accountants’ Report set out in Appendix I to this document.

Market Risk

Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Our businesses are principally conducted in RMB, USD and other foreign currencies. Our exchange rate risks mainly arise from financial assets and financial liabilities denominated in U.S. dollars. If the RMB appreciates against U.S. dollar and other factors remain unchanged, our profit before taxation would decrease, and vice versa.

We regularly monitor its foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk. We continuously monitor the scale of foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risk. We may enter into forward foreign exchange contracts or currency swap contracts to hedge against exchange rate risk. For details, see Notes 3.1(a)(i) to the Accountants’ Report in Appendix I to this document.

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Interest Rate Risk

Our interest rate risk primarily arises from borrowings, convertible bonds, financial assets at FVTPL, cash and cash equivalents, term deposits, and restricted bank deposits.

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we were not exposed to significant interest rate risk as all financial instruments were mainly fixed-rate instruments with no floating-rate components. We regularly monitor our interest rate risk to ensure there is no undue exposure to significant interest rate risk.

Other Price Risk

We are exposed to equity price risk mainly arising from investments held by our Group that are classified as FVTOCI. To manage its price risk arising from the investments, we diversifies its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing our Group’s liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Sensitivity analysis is performed by management to assess the exposure of our Group’s financial results to equity price risk of FVTOCI at the end of each reporting period. If prices of the respective instruments held by us had increased/decreased by 10% as at 31 December 2022, 2023 and 2024 and September 30, 2025, with all other variable held constant, other comprehensive income would increase/decrease approximately RMB41,486,700, RMB20,083,000, RMB6,500,000 and RMB15,273,000, respectively, as a result of gains/losses on financial instruments classified as FVTOCI.

Credit Risk

We are exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits, trade receivables and other receivables. The carrying amount of each class of the above assets represents our maximum exposure to credit risk in relation to the corresponding class of assets.

Credit Risk of Cash and Cash Equivalents and Restricted Bank Deposits

To manage this risk, our subsidiaries only make transactions with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

Credit Risk of Trade Receivables

We apply the simplified approach in calculating ECLs for trade receivables. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward-looking information. For customer subjected to individual assessment, the management has fully provided for impairment during the Track Record Period.

The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on aging for groupings of various

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customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit Risk of Other Receivables

Other receivables mainly comprise amount due from associates, amount due from the related parties, amount due from the third parties and input VAT to be deducted. The management of our Group makes individual assessment on the recoverability of amount due from associates, amount due from the related parties, amount due from the third parties and deposits based on historical settlement records and past experiences. We measure credit risk using probability of default, exposure at default and loss given default. See Note 3 to the Accountants’ Report set out in Appendix I to this document for more details in relation to the impairment on other receivables.

The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. Liquidity risk is centrally managed by our finance department. The finance department ensures we maintain sufficient funding to meet its debt obligations under reasonably foreseeable scenarios by monitoring cash balances, marketable securities, and rolling 12-month cash flow forecasts.

DIVIDENDS

We are incorporated under the laws of the PRC. Pursuant to our Articles of Association, our Board may declare dividends after taking into account our results of operations, financial condition, cash requirements and availability and other factors which our Board considers relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

The final dividend for 2022, 2023 and 2024 was RMB926.9 million, RMB2,153.4 million and RMB1,449.5 million, respectively. As of the Latest Practicable Date, we had paid such declared dividends in full.

DISTRIBUTABLE RESERVES

As of September 30, 2025, our Company had retained earnings of RMB63.2 billion, which could be distributed subject to current articles of association of our Company and the PRC Company Law.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include [REDACTED], and professional fees paid to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the [REDACTED] and the [REDACTED].

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Based on the [REDACTED] of HK\$[REDACTED] per Share (being the maximum [REDACTED] stated in this document), the total estimated [REDACTED] expenses in relation to the [REDACTED] are RMB[REDACTED] (HK\$[REDACTED]), assuming the [REDACTED] is not exercised, which constitute approximately [REDACTED]% of the gross [REDACTED]. Our total [REDACTED] expenses consist of (i) [REDACTED] expenses and fees of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED] expenses of RMB[REDACTED] (HK\$[REDACTED]), including (a) fees payable to the legal advisors and Reporting Accountants of RMB[REDACTED] (HK\$[REDACTED]) and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]). During the Track Record Period, we did not incur any including Sponsors’ fees [REDACTED] expenses. Approximately HK\$[REDACTED] of the [REDACTED] expenses is expected to be charged to profit or loss, and approximately HK\$[REDACTED] directly attributable to the issue of the H Shares is expected to be deducted from equity upon the completion of the [REDACTED].

Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2025.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

For details, see “Appendix II—Unaudited [REDACTED] Financial Information.”

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules upon the [REDACTED] of the H Shares on the Stock Exchange.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For details of our future plans, see “Business—Our Strategies.”

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the maximum [REDACTED] stated in this document), after deducting the [REDACTED] and estimated expenses paid or payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

In line with our strategies, we intend to apply the [REDACTED] from the [REDACTED] for the following purposes and in the amounts set forth below:

- (1) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to expand our production capacity and upgrade our existing production bases. Specifically:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to increase the production capacity and upgrade the production bases of our automotive electronics business by (A) establishing new production bases, and (B) purchase and upgrade equipment and machinery for the improvement of our intelligent manufacturing production lines at our existing production bases, with a focus on key products such as automotive wiring harnesses, domain controllers, intelligent driving system hardware, and smart chassis solutions. The estimated allocation of capital investment is approximately (i) 9.8% for establishing new production bases, and (ii) 90.2% for purchasing and upgrading equipment and machinery. We plan to accelerate the construction of related production lines, enhancing our production and fulfillment capabilities. By introducing an intelligent manufacturing management platform, we aim to significantly improve the flexible and dynamic allocation of production capacity and increase the automation level of our production lines. This will help us enhance our leading position in the rapidly growing automotive electronics sector, increase our market share in the automotive electronics PIMS industry, and further strengthen our fulfillment network and supply chain resilience. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose.

We believe this production capacity expansion plan is supported by sufficient potential market demand. According to Frost & Sullivan, the size of the global intelligent vehicle PIMS market is expected to increase from RMB2,672.6 billion in 2024 to RMB3,633.9 billion in 2029. We are the fourth largest automotive wiring harness PIMS provider in the world in terms of revenue in 2024. With our leading market position combined with our vertical integration capability and our edges in technology innovation, we believe we are well positioned to capture this growth opportunity and demand for our automotive electronic products will increase;

- (b) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to increase the production capacity and upgrade the production bases of our consumer electronics business by (A) establishing new production bases, and (B) purchase and upgrade equipment and machinery for the improvement of our intelligent manufacturing

FUTURE PLANS AND USE OF [REDACTED]

production lines at our existing production bases. The estimated allocation of capital investment is approximately (i) [REDACTED]% for establishing new production bases, and (ii) [REDACTED]% for purchasing and upgrading equipment and machinery. This will improve our local production and delivery capabilities to timely fulfill purchase orders from key accounts, reduce logistics costs which improves cash flow, and minimize risks arising from trade frictions. By expanding our distributed manufacturing network, we will enhance our global service capabilities in the consumer electronics sector and strengthen our long-term partnerships with customers. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose.

We believe this production capacity expansion plan is supported by sufficient potential market demand. According to Frost & Sullivan, the size of the global consumer electronics PIMS market is expected to increase from RMB3,421.8 billion in 2024 to RMB4,361.7 billion in 2029. We are the second largest consumer electronics components and modules PIMS provider in the world in terms of revenue in 2024. With our leading market position combined with our vertical integration capability and our edges in technology innovation, we believe we are well positioned to capture this growth opportunity and demand for our consumer electronic products will increase;

- (2) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to invest in technology R&D, refine our manufacturing processes and enhance our intelligent manufacturing capabilities. Specifically:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the R&D of new products and manufacturing processes in core business areas, such as consumer electronics and automotive electronics solutions over the next five years. This includes next-generation smart terminal products, intelligent cockpit systems, intelligent driving systems, and high-speed connectivity products. These investments will further enhance our foundational R&D capabilities and shorten time-to-market, maintaining our long-term technological edge. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose;
 - (b) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the research in foundational technologies, such as acoustics, optics, electromagnetics, thermodynamics, and materials. This includes validating new materials, optimizing production workflows, and developing structural simulations and packaging solutions. Some of these R&D projects will be conducted through collaborative laboratories jointly established with leading global customers. This R&D initiative will help bridge the gap between product concept and mass production, establishing a unique technological moat. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose;
 - (c) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the continuous upgrade of our “Intelligent 2.0” The focus will be on integrating key capabilities such as IoT, digital twins, and AI algorithm optimization to achieve a

FUTURE PLANS AND USE OF [REDACTED]

closed-loop control system spanning data auto-collection, auto-analysis, auto-decision-making, and auto-execution. Through intelligent transformation of existing production lines, we aim to significantly enhance automation level and yield rate, contributing to a green, efficient, and sustainable global manufacturing platform. We plan to allocate approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively, in 2026, 2027, 2028, 2029 and 2030, of the [REDACTED] for such purpose;

- (3) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to invest in high-quality targets in upstream and downstream sectors or related industries. The factors we will consider when selecting targets are (i) whether the target aligns with our long-term goals, taking into account (A) the target company’s market share, technological barriers (e.g., patents and R&D investment) and brand influence, (B) alignment with our development strategy, (C) potential expansion into new sectors and rapid market entry, and (D) customer base, sales network and supply chain resources; (ii) financial indicators, including (A) historical profitability and growth prospects, and (B) reasonable valuation compared with industry peers to avoid excessive premiums; and (iii) operational indicators, including (A) management’s experience, stability, and feasibility of smooth integration, (B) capability of the R&D team and alignment of technology roadmap with industry trends, and (C) management of capacity utilization and production cost. All our investment projects undergo thorough due diligence to assess legal, compliance, and financial risks. Depending on the industry and target, the weighting of the above indicators may vary, with alignment with our long-term goals being the priority. According to Frost & Sullivan, there were approximately 130 to 170 potential targets that meet our criteria as of the Latest Practicable Date. We may acquire either majority or minority equity interest of the potential targets subject to the circumstances. This investment will help us quickly acquire cutting-edge technologies or new product capabilities and accelerate the introduction of existing products or solutions to new clients and industries through synergies in customer resources, sales channels, and supply chains. It will enrich our ecosystem and enhance our integrated capabilities across different fields. As of the Latest Practicable Date, we had not identified any specific investment target;
- (4) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to repay certain existing interest-bearing bank borrowings for working capital purposes, to optimize our capital structure, reduce finance costs, and enhance overall risk resilience and future financing flexibility. Specifically, such existing interest-bearing bank borrowings are loans we borrowed from five commercial banks in China of an aggregate outstanding balance of RMB1,938.0 million with an interest rate of 2.35% per annum, which will mature in June 2026; and
- (5) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

With the implementation of the aforementioned plans, we believe we will have increased production capacities, higher production efficiency, a more diversified product portfolio, solidified technological advantages and a lower gearing ratio, which will increase our revenue and gross profit, and enhance our risk resilience. Our operating cash flow may be pressured upon initial investment in production capacity expansion and R&D due to rising costs and expenses; as the increased production capacity is utilized and R&D results are commercialized, we expect our operating cash flow to improve.

FUTURE PLANS AND USE OF [REDACTED]

If the [REDACTED] is fully exercised, we will receive additional [REDACTED] of approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the maximum [REDACTED] stated in this document). In the event that the [REDACTED] is exercised, we intend to apply the additional [REDACTED] to the above purposes on a pro rata basis. To the extent our [REDACTED] is less than expected, we will adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED]. We will issue an appropriate announcement if there is any material change to the above proposed [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions).

If we urgently need the funds for the above purposes, but cannot immediately obtain the [REDACTED] from the [REDACTED], we will use self-raised funds to meet the relevant funding requirements and replace these self-raised funds with the [REDACTED] from the [REDACTED] when the [REDACTED] become available to us.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[•], received from the Company’s reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of BDO Limited]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LUXSHARE PRECISION INDUSTRY CO., LTD CITIC SECURITIES (HONG KONG) LIMITED, GOLDMAN SACHS (ASIA) L.L.C. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

INTRODUCTION

We report on the historical financial information of Luxshare Precision Industry Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[•] to I-[•], which comprises the consolidated statements of financial position as at 31 December 2022, 2023, 2024 and 30 September 2025 (the “**Relevant Periods**”), and the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 30 September 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “**Document**”) in connection with the [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

DIRECTORS’ RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants

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ACCOUNTANTS’ REPORT

consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Company’s financial position as at 31 December 2022, 2023, 2024 and 30 September 2025, the Group’s financial position as at 31 December 2022, 2023, 2024 and 30 September 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of Stub Period Comparative Historical Financial Information

We have reviewed the stub period comparative historical financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended 30 September 2024 and other explanatory information (together the “**Stub Period Comparative Historical Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information and the Stub Period Comparative Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

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Dividends

We refer to Note 50 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[BDO Limited]

Certified Public Accountants

[•]

Practicing Certificate no. [•]

Hong Kong

[Date]

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ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by BDO Limited in accordance with International Standards on Auditing issued by the IAASB (“**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	6	214,028,394	231,905,460	268,794,738	177,176,885	220,914,628
Cost of sales	7	(188,542,117)	(206,167,687)	(241,725,138)	(156,838,764)	(194,859,579)
Gross profit		25,486,277	25,737,773	27,069,600	20,338,121	26,055,049
Other income	9	631,069	912,857	1,046,027	599,034	696,654
Other (losses)/gains, net	10	(313,556)	(221,658)	1,847,996	761,853	2,261,138
Impairment losses under expected credit loss model, net of reversal	11	(47,182)	23,274	(10,088)	8,133	(79,310)
Selling expenses	7	(831,398)	(889,024)	(1,059,677)	(753,469)	(1,043,997)
General and administrative expenses	7	(5,581,209)	(6,162,485)	(7,052,941)	(4,740,493)	(7,174,978)
Research and development expenses	7	(8,447,039)	(8,188,768)	(8,555,957)	(6,997,131)	(8,170,442)
Operating profit		10,896,962	11,211,969	13,284,960	9,216,048	12,544,114
Finance income	12	504,344	1,005,581	968,280	793,164	836,250
Finance cost	12	(1,038,071)	(1,376,870)	(1,462,653)	(1,120,676)	(1,419,636)
Finance costs—net	12	(533,727)	(371,289)	(494,373)	(327,512)	(583,386)
Share of profits of associates		770,982	2,028,502	3,301,007	1,632,839	2,250,613
Share of profits of joint ventures		23,778	15,860	17,145	10,959	16,913
Profit before income tax		11,157,995	12,885,042	16,108,739	10,532,334	14,228,254
Income tax expense	13	(667,318)	(641,829)	(1,529,695)	(745,623)	(1,500,025)
Profit for the year		10,490,677	12,243,213	14,579,044	9,786,711	12,728,229
Other comprehensive income for the year						
<i>Items that may be reclassified subsequently to profit or loss, net of tax:</i>						
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		516,331	(348,884)	(685,809)	(435,336)	(823,157)
Share of other comprehensive income of investment in associates		—	—	—	—	892
Gain/(loss) of cash flow hedge		—	—	—	—	56,306
<i>Items that may not be reclassified subsequently to profit or loss, net of tax:</i>						
Fair value changes of financial assets at fair value through other comprehensive income		131,579	(142,657)	(71,081)	(78,526)	110,656
Other comprehensive income/(loss) for the year, net of tax		647,910	(491,541)	(756,890)	(513,862)	(655,303)

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Total comprehensive income for the year.		<u>11,138,587</u>	<u>11,751,672</u>	<u>13,822,154</u>	<u>9,272,849</u>	<u>12,072,926</u>
Profit for the year attributable to:						
Owners of the Company.		9,163,105	10,952,657	13,365,651	9,074,955	11,518,291
Non-controlling interests		1,327,572	1,290,556	1,213,393	711,756	1,209,938
		<u>10,490,677</u>	<u>12,243,213</u>	<u>14,579,044</u>	<u>9,786,711</u>	<u>12,728,229</u>
Total comprehensive income for the year attributable to:						
Owners of the Company.		9,850,365	10,487,744	12,551,402	8,573,255	10,822,418
Non-controlling interests		1,288,222	1,263,928	1,270,752	699,594	1,250,508
Profit and total comprehensive income for the year attributable to the equity holders of the Company.		<u>11,138,587</u>	<u>11,751,672</u>	<u>13,822,154</u>	<u>9,272,849</u>	<u>12,072,926</u>
Earnings per share attributable to owners of the Company (<i>in RMB</i>)						
Basic (<i>RMB per share</i>)	14	<u>1.29</u>	<u>1.54</u>	<u>1.86</u>	<u>1.26</u>	<u>1.59</u>
Diluted (<i>RMB per share</i>)	14	<u>1.28</u>	<u>1.52</u>	<u>1.85</u>	<u>1.25</u>	<u>1.56</u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 September
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment (“PPE”).	18	47,944,920	47,803,519	54,783,290	68,802,418
Investment properties	19	92,782	23,354	35,665	36,686
Intangible assets	22	497,297	450,310	430,451	1,556,245
Right-of-use assets	20	2,727,531	2,435,194	2,816,641	4,963,446
Goodwill	21	1,730,047	1,729,243	1,885,827	2,214,487
Deferred tax assets	23	1,208,582	872,944	817,693	2,317,887
Prepayments and other receivables	30	1,676,260	1,568,638	1,695,904	2,621,682
Investment in associates	16	1,880,941	4,100,064	7,343,629	10,037,554
Investment in joint ventures	17	119,067	132,878	144,667	157,564
Financial assets at fair value through other comprehensive income (“FVTOCI”).	28	440,107	249,122	112,765	224,125
Financial assets at fair value through profit or loss (“FVTPL”).	27	35,700	35,700	39,312	41,548
Term deposits	32	1,739,252	8,363,006	15,176,496	10,378,936
Total non-current assets.		60,092,486	67,763,972	85,282,340	103,352,578
Current assets					
Inventories	24	37,265,651	29,407,482	31,487,096	51,578,965
Contract fulfillment costs.	25	97,679	350,449	215,580	417,808
Income tax recoverable		69,528	61,579	66,691	197,939
Trade and note receivables	31	26,993,122	23,765,555	32,910,872	51,993,186
Prepayments and other receivables	30	3,037,925	2,957,840	3,790,796	5,284,856
Financial assets at fair value through other comprehensive income	28	—	587,585	1,106,284	1,782,061
Financial assets at fair value through profit or loss	27	1,353,267	1,720,764	1,403,111	3,335,263
Derivative Financial Instruments	29	—	—	—	98,373
Restricted bank deposits	32	2,054,791	3,935,387	1,092,553	2,239,868
Term deposits	32	107,450	1,757,335	19,205,160	25,773,824
Cash and cash equivalents	32	17,312,418	29,684,152	47,267,103	54,207,158
Total current assets		88,291,831	94,228,128	138,545,246	196,909,301
Total assets		148,384,317	161,992,100	223,827,586	300,261,879

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ACCOUNTANTS’ REPORT

		As at 31 December			As at 30 September
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES					
Current liabilities					
Trade and note payables	34	44,424,833	42,498,591	57,712,870	82,603,046
Other payables and accruals	35	9,318,474	7,229,761	12,493,850	13,469,435
Contract liabilities.	6	501,765	243,567	262,508	837,582
Borrowings.	33	15,740,739	23,202,679	37,415,654	68,640,430
Lease liabilities	20	179,282	129,208	153,947	598,429
Income tax payable		357,553	561,049	640,604	1,265,583
Convertible bonds	36	224,131	49,592	—	—
Short-term financing bills	38	3,840,115	802,722	5,039,812	3,216,283
Financial liabilities at fair value through profit or loss	39	44,318	117,942	155,279	458,097
Derivative Financial Instruments	29	—	—	—	30,824
Long term payable		—	—	—	59,433
Total current liabilities		74,631,210	74,835,111	113,874,524	171,179,142
Net current assets		13,660,621	19,393,017	24,670,722	25,730,159
Total assets less current liabilities.		73,753,107	87,156,989	109,953,062	129,082,737
Non-current liabilities					
Borrowings.	33	9,205,313	12,038,771	19,619,742	16,910,745
Convertible bonds	36	2,689,624	2,799,500	3,305,437	3,427,254
Medium-term notes	37	—	—	—	3,039,198
Lease liabilities	20	800,739	552,489	727,983	2,224,677
Deferred tax liabilities	23	1,606,645	883,925	955,821	1,429,010
Deferred income.	40	665,910	595,324	649,109	1,026,476
Other payables and accruals	35	1,007	2,115	7,845	1,942,238
Long term payables		—	—	—	40,715
Total non-current liabilities		14,969,238	16,872,124	25,265,937	30,040,313
Total liabilities.		89,600,448	91,707,235	139,140,461	201,219,455
Net assets		58,783,869	70,284,865	84,687,125	99,042,424
Capital and reserves					
Share capital	41	7,099,909	7,148,168	7,236,462	7,270,606
Other equity instrument.	36	527,320	527,289	527,271	527,195
Reserves	42	4,775,793	6,458,992	9,165,942	10,711,153
Other comprehensive income		651,459	148,763	(703,805)	(1,489,306)
Cash Flow Hedge Reserve		—	—	—	46,683
Retained earnings		32,288,416	42,026,973	53,101,140	63,210,323
Capital and reserves attributable to owners of the Company					
Non-controlling interests		45,342,897	56,310,185	69,327,010	80,276,654
		13,440,972	13,974,680	15,360,115	18,765,770
Total equity		58,783,869	70,284,865	84,687,125	99,042,424

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 September
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	18	162,932	159,916	145,782	234,419
Intangible assets	22	84,161	82,966	100,371	108,616
Right-of-use assets	20	288,693	266,348	255,648	234,662
Goodwill	21	53,174	53,174	53,174	53,174
Deferred tax assets	23	5,788	—	10,399	—
Prepayments and other receivables	29	2,466	4,943	164,254	115,312
Investment in associates	16	237,534	325,340	291,167	282,333
Investment in subsidiaries	15	22,095,549	23,276,659	24,735,538	29,472,472
Financial assets at fair value through other comprehensive income	28	436,417	244,727	108,337	201,755
Financial assets at fair value through profit or loss	27	614,490	570,000	570,000	570,000
Term deposits	32	509,575	894,932	6,170,309	5,702,337
Total non-current assets.		24,490,779	25,879,005	32,604,979	36,975,080
Current assets					
Inventories	24	365,124	306,260	379,489	524,360
Income tax recoverable		4,893	—	—	—
Trade and note receivables	31	6,227,238	5,250,822	4,266,441	5,520,874
Prepayments and other receivables	30	6,949,347	15,225,310	31,571,933	41,079,086
Financial assets at fair value through other comprehensive income	28	—	5,120	10,673	24,670
Financial assets at fair value through profit or loss	27	425,161	339,581	219,657	943,686
Restricted bank deposits	32	9,338	1,200,500	—	10
Term deposits	32	—	106,998	—	3,793,667
Cash and cash equivalents	32	2,461,536	4,163,379	5,038,282	1,975,426
Total current assets		16,442,637	26,597,970	41,486,475	53,861,779
Total assets		40,933,416	52,476,975	74,091,454	90,836,859

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		As at 31 December			As at 30 September
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES					
Current liabilities					
Trade and note payables	34	5,503,169	5,478,122	11,733,288	16,132,953
Other payables and accruals	35	1,656,880	6,182,652	8,115,496	6,421,183
Contract liabilities	6	11,694	11,589	14,096	6,618
Borrowings	33	1,360,902	3,938,424	3,628,517	18,023,534
Lease liabilities	20	17,709	18,610	21,496	14,770
Short-term financing bills	38	3,840,115	802,722	5,039,812	3,216,283
Financial liabilities at fair value through profit or loss	39	12,959	—	—	—
Total current liabilities		12,403,428	16,432,119	28,552,705	43,815,341
Net current assets		4,039,209	10,165,851	12,933,770	10,046,438
Total assets less current liabilities.		28,529,988	36,044,856	45,538,749	47,021,518
Non-current liabilities					
Borrowings	33	5,645,156	9,676,736	17,377,322	13,235,491
Convertible bond	36	2,689,624	2,799,500	2,878,039	6,011,759
Lease liabilities	20	45,690	27,210	19,970	10,132
Deferred tax liabilities	23	60,231	19,507	—	3,765
Deferred income	40	5,766	3,619	2,026	832
Total non-current liabilities		8,446,467	12,526,572	20,277,357	19,261,979
Total liabilities		20,849,895	28,958,691	48,830,062	63,077,320
Net assets		20,083,521	23,518,284	25,261,392	27,759,539
Capital and reserves					
Share capital	41	7,099,909	7,148,168	7,236,462	7,270,606
Other equity instrument	36	527,320	527,289	527,271	527,195
Reserves	42	5,190,718	6,747,952	9,063,519	10,320,445
Other comprehensive income		294,992	113,698	4,347	72,109
Retained earnings		6,970,582	8,981,177	8,429,793	9,569,184
Total equity		20,083,521	23,518,284	25,261,392	27,759,539

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Other equity instrument	Reserves	Other Comprehensive Income	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022.	7,050,485	527,358	3,705,876	(35,801)	24,040,637	35,288,555	10,494,089	45,782,644
Comprehensive income								
Profit for the year.	—	—	—	—	9,163,105	9,163,105	1,327,572	10,490,677
Other comprehensive income.	—	—	—	687,260	—	687,260	(39,350)	647,910
Total comprehensive income for the year.	—	—	—	687,260	9,163,105	9,850,365	1,288,222	11,138,587
Transactions with owners								
Exercise of share incentive scheme-Employee								
Stock Options	49,420	—	517,203	—	—	566,623	1,030,300	1,596,923
Exercise conversion right of convertible bonds	4	(38)	213	—	—	179	—	179
Share-based payment expense.	—	—	431,726	—	—	431,726	55,655	487,381
Changes in the Group’s ownership interest in existing investment	—	—	(16,212)	—	—	(16,212)	261,198	244,986
Profit appropriations to statutory reserve	—	—	135,911	—	(135,911)	—	—	—
Appropriation of special reserves	—	—	1,076	—	—	1,076	—	1,076
Appropriation for Employee Benefits	—	—	—	—	(144)	(144)	—	(144)
Acquisition of not wholly owned subsidiaries.	—	—	—	—	—	—	330,594	330,594
Dividends	—	—	—	—	(779,271)	(779,271)	(19,086)	(798,357)
Total transactions with owners in their capacity as owners for the year	49,424	(38)	1,069,917	—	(915,326)	203,977	1,658,661	1,862,638
As at 31 December 2022	7,099,909	527,320	4,775,793	651,459	32,288,416	45,342,897	13,440,972	58,783,869

APPENDIX I

ACCOUNTANTS’ REPORT

	Share capital	Other equity instrument	Reserves	Other Comprehensive Income	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023.	7,099,909	527,320	4,775,793	651,459	32,288,416	45,342,897	13,440,972	58,783,869
Comprehensive income								
Profit for the year.	—	—	—	—	10,952,657	10,952,657	1,290,556	12,243,213
Other comprehensive income	—	—	—	(464,913)	—	(464,913)	(26,628)	(491,541)
Total comprehensive income for the year.	—	—	—	(464,913)	10,952,657	10,487,744	1,263,928	11,751,672
Transactions with owners								
Exercise of share incentive scheme-Employee								
Stock Options	48,256	—	498,442	—	—	546,698	—	546,698
Exercise conversion right of convertible bonds	3	(31)	170	—	—	142	—	142
Share-based payment expense.	—	—	744,409	—	—	744,409	59,698	804,107
Changes in the Group’s ownership interest in existing investment	—	—	116,298	—	—	116,298	(676,026)	(559,728)
Profit appropriations to statutory reserve	—	—	322,447	—	(322,447)	—	—	—
Appropriation of special reserves	—	—	1,433	—	—	1,433	520	1,953
Disposal of financial asset at FVTOCI.	—	—	—	(37,783)	35,516	(2,267)	—	(2,267)
Appropriation for Employee Benefits	—	—	—	—	(221)	(221)	—	(221)
Dividends	—	—	—	—	(926,948)	(926,948)	(114,412)	(1,041,360)
Total transactions with owners in their capacity as owners for the year	48,259	(31)	1,683,199	(37,783)	(1,214,100)	479,544	(730,220)	(250,676)
As at 31 December 2023	7,148,168	527,289	6,458,992	148,763	42,026,973	56,310,185	13,974,680	70,284,865

APPENDIX I

ACCOUNTANTS’ REPORT

	Share capital	Other equity instrument	Reserves	Other Comprehensive Income	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	7,148,168	527,289	6,458,992	148,763	42,026,973	56,310,185	13,974,680	70,284,865
Comprehensive income								
Profit for the year	—	—	—	—	13,365,651	13,365,651	1,213,393	14,579,044
Other comprehensive income	—	—	—	(814,249)	—	(814,249)	57,359	(756,890)
Total comprehensive income for the year	—	—	—	(814,249)	13,365,651	12,551,402	1,270,752	13,822,154
Transactions with owners								
Exercise of share incentive scheme-Employee								
Stock Options	88,292	—	1,719,094	—	—	1,807,386	—	1,807,386
Exercise conversion right of convertible bonds	2	(18)	8,913	—	—	8,897	20,120	29,017
Share-based payment expense	—	—	414,926	—	—	414,926	45,542	460,468
Changes in the Group’s ownership interest in existing investment	—	—	391,349	—	—	391,349	149,719	541,068
Profit appropriations to statutory reserve	—	—	174,000	—	(174,000)	—	—	—
(Usage)/appropriation of special reserves	—	—	(1,332)	—	—	(1,332)	980	(352)
Appropriation for Employee Benefits	—	—	—	—	(101)	(101)	—	(101)
Disposal of financial asset at FVTOCI	—	—	—	(38,319)	36,020	(2,299)	—	(2,299)
Dividends	—	—	—	—	(2,153,403)	(2,153,403)	(101,678)	(2,255,081)
Total transactions with owners in their capacity as owners for the year	88,294	(18)	2,706,950	(38,319)	(2,291,484)	465,423	114,683	580,106
As at 31 December 2024	7,236,462	527,271	9,165,942	(703,805)	53,101,140	69,327,010	15,360,115	84,687,125

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ACCOUNTANTS’ REPORT

	Share capital	Other equity instrument	Reserves	Other Comprehensive Income	Cash Flow Hedge Reserve	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	7,148,168	527,289	6,458,992	148,763	—	42,026,973	56,310,185	13,974,680	70,284,865
Comprehensive income									
Profit for the year	—	—	—	—	—	9,074,955	9,074,955	711,756	9,786,711
Other comprehensive income . . .	—	—	—	(501,700)	—	—	(501,700)	(12,162)	(513,862)
Total comprehensive income for the year	—	—	—	(501,700)	—	9,074,955	8,573,255	699,594	9,272,849
Transactions with owners									
Exercise of share incentive scheme-Employee Stock Options.	74,091	—	1,348,588	—	—	—	1,422,679	—	1,422,679
Exercise conversion right of convertible bonds	—	(3)	28,715	—	—	—	28,712	20,054	48,766
Share-based payment expense . . .	—	—	232,820	—	—	—	232,820	79,341	312,161
Changes in the Group’s ownership interest in existing investment. . .	—	—	240,156	—	—	—	240,156	121,983	362,139
(Usage)/appropriation of special reserves	—	—	(1,718)	—	—	—	(1,718)	1,064	(654)
Dividends	—	—	—	—	—	(2,153,402)	(2,153,402)	(56,340)	(2,209,742)
Total transactions with owners in their capacity as owners for the year	74,091	(3)	1,848,561	—	—	(2,153,402)	(230,753)	166,102	(64,651)
As at 30 September 2024	7,222,259	527,286	8,307,553	(352,937)	—	48,948,526	64,652,687	14,840,376	79,493,063

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ACCOUNTANTS’ REPORT

	Share capital	Other equity instrument	Reserves	Other Comprehensive Income	Cash Flow Hedge Reserve	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	7,236,462	527,271	9,165,942	(703,805)	—	53,101,140	69,327,010	15,360,115	84,687,125
Comprehensive income									
Profit for the year	—	—	—	—	—	11,518,291	11,518,291	1,209,938	12,728,229
Other comprehensive income . . .	—	—	—	(742,556)	46,683	—	(695,873)	40,570	(655,303)
Total comprehensive income for the year	—	—	—	(742,556)	46,683	11,518,291	10,822,418	1,250,508	12,072,926
Transactions with owners									
Exercise of share incentive scheme-Employee Stock Options.	34,136	—	906,826	—	—	—	940,962	—	940,962
Exercise conversion right of convertible bonds	8	(76)	423	—	—	—	355	—	355
Share-based payment expense . . .	—	—	341,329	—	—	—	341,329	64,775	406,104
Changes in the Group’s ownership interest in existing investment. . .	—	—	286,624	—	—	—	286,624	2,185,587	2,472,211
(Usage)/appropriation of special reserves	—	—	10,009	—	—	—	10,009	8,895	18,904
Disposal of financial asset at FVTOCI	—	—	—	(42,945)	—	40,368	(2,577)	—	(2,577)
Dividends	—	—	—	—	—	(1,449,476)	(1,449,476)	(104,110)	(1,553,586)
Total transactions with owners in their capacity as owners for the year	34,144	(76)	1,545,211	(42,945)	—	(1,409,108)	127,226	2,155,147	2,282,373
As at 30 September 2025	<u>7,270,606</u>	<u>527,195</u>	<u>10,711,153</u>	<u>(1,489,306)</u>	<u>46,683</u>	<u>63,210,323</u>	<u>80,276,654</u>	<u>18,765,770</u>	<u>99,042,424</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		As of 31 December			Nine months ended 30 September	
	Notes	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM						
OPERATING ACTIVITIES						
Profit before income tax		11,157,995	12,885,042	16,108,739	10,532,334	14,228,254
Adjustments for:						
Provision/(reversal) of impairment under expected credit losses (“ECL”) model	11	47,182	(23,274)	10,088	(8,133)	79,310
Provision for inventories and contract fulfillment costs	7	613,237	1,126,386	915,720	433,726	782,613
Impairment loss on investment in an associate	10	—	—	36,411	—	—
Impairment loss on PPE	10	233,585	191,676	293,338	87,427	80,860
Impairment loss on intangible assets	10	—	—	—	—	119
Impairment loss for goodwill	10	—	804	—	—	—
Depreciation of PPE and investment properties	7	7,629,219	10,087,063	10,648,188	7,538,582	9,467,728
Depreciation of right-of-use assets . .	7	227,430	239,192	308,437	230,893	514,982
Amortization of intangible assets . . .	7	112,306	170,329	191,985	143,988	318,857
Gain on disposal of/written off PPE, intangible assets and right-of-use assets	10	(40,398)	(106,350)	(1,583)	(23,478)	(6,364)
Change in fair value of financial assets/liabilities at FVTPL	10	(594,288)	(678,346)	(1,951,100)	(1,261,228)	(1,903,018)
Interest expenses	12	1,038,071	1,376,870	1,462,653	1,120,676	1,419,636
Share of profits of associates		(770,982)	(2,028,502)	(3,301,007)	(1,632,839)	(2,250,613)
Share of profits of joint ventures . . .		(23,778)	(15,860)	(17,145)	(10,959)	(16,913)
Gain on disposal/derecognition of subsidiaries and associates	10	(22,801)	—	(10,019)	(4,355)	3,525
Dividend income on holding financial assets at FVTOCI	10	(212)	(265)	—	—	—
Loss on disposal of financial assets .	10	400,156	741,343	795,497	602,909	395,717
Share-based payment expense		487,381	804,107	460,468	312,161	406,104
Gain on bargain purchase	10	—	—	—	—	(479,317)
Exchange (gain)/loss	10	(485,708)	(438,031)	(759,584)	163,132	352,663
Operating cash flow before movements in working capital . . .		20,008,395	24,332,184	25,191,086	18,224,836	23,394,143
(Increase)/decrease in inventories and contract fulfillment costs . . .		(17,904,257)	5,680,118	(2,687,732)	(12,240,905)	(13,321,886)
(Increase)/decrease in trade and note receivables		5,403,817	2,095,822	(9,976,802)	(14,996,803)	7,329,935
(Increase)/decrease in prepayments and other receivables		166,954	(82,136)	(309,915)	(7,982,250)	12,493,102
Increase/(decrease) in trade and note payables		3,545,333	(2,484,561)	14,807,332	18,136,475	(10,320,706)

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	As of 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
(Decrease)/increase in contract liabilities		232,100	(258,199)	17,278	158,158	434,395
Increase/(decrease) in other payables and accruals		564,122	92,173	256,074	6,077,421	(9,068,795)
Increase of restricted cash.		1,200,000	(1,100,000)	800,000	—	(6,690,400)
Increase/(decrease) in deferred income		127,353	(70,586)	44,928	20,496	60,597
Cash generated from operations . . .		13,343,817	28,204,815	28,142,249	7,397,428	4,310,385
Income taxes paid		(616,206)	(599,757)	(1,025,339)	(722,415)	(832,346)
Net cash generated from operating activities		12,727,611	27,605,058	27,116,910	6,675,013	3,478,039

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ACCOUNTANTS’ REPORT

Notes	As of 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM					
INVESTING ACTIVITIES					
(Purchases)/disposals of financial assets, net.	395,830	(8,958,503)	(21,997,846)	(19,167,713)	(2,547,993)
Proceeds from disposal of PPE, intangible assets and other non-current assets	506,778	498,864	259,098	170,364	113,461
Repayment of loans to suppliers . . .	30,000	—	—	—	—
Increase of restricted cash.	287,367	427,650	(77,468)	—	93,449
Purchase of PPE, intangible assets and other non-current assets	(13,584,140)	(11,387,449)	(12,110,700)	(8,540,215)	(13,212,127)
Proceeds received from/(payment) for acquisition of sub, net	(961,816)	—	(1,729,157)	(1,729,157)	1,766,212
Proceeds from disposal of subsidiaries, net	(385)	—	—	—	—
Advance payment for equity investment	—	(140,474)	—	—	(69,315)
Net cash used in investing activities	(13,326,366)	(19,559,912)	(35,656,073)	(29,266,721)	(13,856,313)
CASH FLOWS FROM					
FINANCING ACTIVITIES					
Proceeds from employees for stock options	566,622	546,699	1,807,386	1,431,896	940,962
Proceeds from contributions by non-controlling interests in subsidiaries	1,030,300	—	599,178	311,778	461,419
Proceeds from bank borrowings . . .	65,493,203	91,681,516	90,538,655	63,514,923	85,942,373
Proceeds from short-term financing bills	6,600,000	2,800,000	6,300,000	6,300,000	3,200,000
Decrease/Increase of restricted cash-finance	1,546,573	(1,298,946)	1,170,260	550	(28,156)
Issuance of convertible bond	—	—	457,707	457,707	—
Proceeds from medium-term notes . .	—	—	—	—	3,000,000
Repayments of bank borrowings . . .	(59,745,688)	(82,391,675)	(70,178,628)	(42,274,938)	(68,419,146)
Dividends paid	(779,271)	(1,016,826)	(2,202,991)	(2,182,375)	(1,587,195)
Repayment of convertible bond. . . .	(6,000)	(190,719)	(94,930)	(49,930)	—
Repayment of short-term financing bills	(4,438,967)	(5,880,318)	(2,124,811)	(1,619,638)	(5,075,179)
Repayment of borrowings from related parties	(1,953,240)	—	—	—	(925,100)
Principal portion of lease payments .	(114,524)	(176,483)	(239,235)	(65,643)	(132,781)
Interest portion of lease payments . .	(44,538)	(27,150)	(36,018)	(29,843)	(14,038)
Payment on debt issuance costs . . .	(4,185)	(6,203)	(8,782)	(8,782)	(4,500)
Refund to non-controlling interests for return of capital contributions .	—	—	(98,000)	—	—
Others	5,961	30,371	651	—	(53,137)

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	As of 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Net cash generated from financing activities		8,156,246	4,070,266	25,890,442	25,785,705	17,305,522
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,557,491	12,115,412	17,351,279	3,193,997	6,927,248
Cash and cash equivalents at the beginning of the year		8,921,537	17,312,418	29,684,152	29,684,152	47,267,103
Effect of foreign exchange rate changes, net		833,390	256,322	231,672	(230,693)	12,807
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		17,312,418	29,684,152	47,267,103	32,647,456	54,207,158

APPENDIX I

ACCOUNTANTS’ REPORT

II NOTES TO HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Luxshare Precision Industry Co., LTD. (“**the Company**”) is a joint stock company with limited liability incorporated in the People’s Republic of China (the “**PRC**”). Founded in May 2004, the Company was established by Shenzhen Zixin Investment Company Limited (深圳市資信投資有限公司) and Luxshare Company Limited (立訊有限公司). The Company was subsequently listed on the Shenzhen Stock Exchange in September 2010.

The address of the Company’s registered office is located at 2/F, Building A, Sanyang New Industrial Zone, Haoyi West, Shajing Street, Baoan District, Shenzhen City, Guangdong Province, People’s Republic of China, while the principal place of business activities is at No. 313 North Ring Road, Qingxi Town, Dongguan City, Guangdong Province, People’s Republic of China.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing 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 emerging end markets.

The immediate holding company of the Company is Luxshare Company Limited (立訊有限公司), and the ultimate controlling shareholders of the Company are Wang Laichun and Wang Laisheng.

The detailed information of major subsidiaries was disclosed in Note 15.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The Historical Financial Information has been prepared based on the accounting policies set out in Note 2.2 which conform with all applicable IFRS Accounting Standards which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board (“**IASB**”). In addition, the Historical Financial Information also complies with includes the applicable disclosures requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the Historical Financial Information, the Group has adopted the accounting policies which conform with all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, consistently throughout the Track Record Period, unless otherwise stated.

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets/liabilities at FVTPL and financial assets at FVTOCI, which are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

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ACCOUNTANTS’ REPORT

The Historical Financial Information has been prepared based on the consolidated financial statements of the Group. Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

New and amendments to IFRS Accounting Standards issued but not yet effective

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ The amendments shall be applied prospectively to sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of these new or revised standards and amendments.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18, after its adoption on 1 January 2027, will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of profit or loss and other comprehensive income), but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except for this, no material impact on the financial performance and positions of the Group is expected when they become effective.

APPENDIX I

ACCOUNTANTS’ REPORT

2.2 Material accounting policy information

2.2.1 Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

2.2.2 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not to control or to have joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the

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Group. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When there is objective evidence that the investment in an associate is impaired, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 “Impairment of Assets” as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group’s Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

The Company’s investments in associates are accounted for in the financial statements using the equity method.

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2.2.3 Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group’s and the non-controlling interests’ proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 “Financial Instruments” or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2.4 Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits”, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition date amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation are initially measured at the non-controlling interests’ proportionate share of the recognized amounts of the acquiree’s identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition date fair value (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

2.2.5 Revenue recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or

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- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative and applies judgment when assessing the indicators depending on each different circumstances.

At the inception of the contract, the Group assesses the goods promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Sales of products

Revenue generated from sales of products is recognized at the point in time or over time as work progresses.

Revenue from contracts with customers is recognized at the point in time when control of goods is transferred to the customers, generally when the Group has delivered goods to the location specified in the sales contract and the customers has confirmed the acceptance of the goods.

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In other circumstances, the Group's performance does not create an asset with an alternative future use and the contract terms specify the Group has an enforceable right to payment for performance completed to date, revenue generated from such performance is recognised over time based on the input method.

Contract fulfillment costs

Contract fulfillment costs are the costs to fulfill a contract with a customer which are not capitalized as inventory (Note 2.2.18), property, plant and equipment (Note 2.2.12) or intangible assets (Note 2.2.14).

Costs to fulfill a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labor, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Contract fulfillment costs are stated at cost less accumulated amortization and impairment losses. Impairment losses are recognized to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Amortization of contract fulfillment costs is charged to profit or loss when the revenue to which the asset relates is recognized.

2.2.6 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognized as deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.2.7 Finance income

Interest income is presented as the finance income where it is mainly earned from cash and cash equivalent, see Note 12 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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2.2.8 *Employee benefits*

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and other allowances that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group’s future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Bonus plan

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

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2.2.9 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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2.2.10 *Earnings per share*

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable owners of the Company, and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic profit per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2.11 *Foreign currency translation*

(a) *Functional and presentation currency*

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within “Other (losses)/gains, net”.

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Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in OCI.

2.2.12 *Property, plant and equipment*

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Other than construction in progress, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimate useful lives as follows:

	Estimated useful life
Land and Building (<i>Note</i>)	Permanent, 10–50 years
Office Equipment	3–5 years
Machinery and Equipment	3–15 years
Computer Equipment	3–10 years
Production Support Equipment	5–10 years
Transportation Vehicles	3–5 years
Other Equipment	3–15 years
Molds and Tooling	3–10 years
Leasehold improvements	Shorter of the term of the lease or the estimated useful lives of the assets

Note: Land owned by subsidiaries in the United States and Taiwan are not subject to depreciation.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2.2.16).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within “Other (losses)/gains, net” in the consolidated statements of profit or loss and other comprehensive income.

Construction in progress represents unfinished construction under construction, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

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2.2.13 Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalized in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalize (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognize right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months and leases of low-value assets. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statements of financial position.

Right-of-use asset

The right-of-use asset is recognized at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the date of initial application over the shorter of the remaining lease term or the useful life of the underlying asset. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

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In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is recognized at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as of commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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2.2.14 *Intangible assets*

(a) *Patent Rights, Non-patented Technology, and Software*

Acquired patent rights, non-patented technology and software are initially capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Patent rights, non-patented technology and software are stated at historical cost less accumulated amortization and impairment losses, if any.

Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives. The Group amortizes patent rights, non-patented technology, and software with a limited useful life using the straight-line method over the following periods:

Patent Rights	2–15 years
Non-patented Technology	2–15 years
Software	2–10 years
Others	2–18 years

When determining the useful life, the management of the Group has taken into the account the (i) estimated period that can bring economic benefits to the Group; (ii) the useful life estimated by the comparable companies in the market.

(b) *Customer relationship*

Customer relationships acquired through business combinations are recognized at their fair value as of the acquisition date.

These customer relationships are assets with a finite useful life and are amortized using the straight-line method over their estimated useful lives of 6 to 23 years.

(c) *Research and development (“R&D”)*

The Group incurs significant costs and efforts on research and development activities. Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for use or sale;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

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The cost of an internally generated intangible asset is the sum of the expenditures incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset.

Development expenditures not satisfying the above criteria are recognized in the profit or loss as incurred and development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period.

2.2.15 Goodwill

Goodwill is measured as described in Note 2.2.4. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.2.16 Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.17 Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

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The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

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- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in “Finance income” using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in “Other (losses)/gains, net” together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in “Other (losses)/gains, net”. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in “Other (losses)/gains, net” and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- FVTPL: Assets that do not meet the criteria for amortized cost or financial assets at FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in “Other (losses)/gains, net” in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in “Other (losses)/gains, net” in the consolidated statements of profit or loss and other comprehensive income as applicable.

(d) Impairment

The Group performs impairment assessment under ECL model on financial assets which are measured at amortized cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The ECL on these assets is assessed collectively or individually.

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For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of each reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. See Note 31 for further information about the Group’s accounting for trade receivables and Note 3.1 (b) for a description of the Group’s credit risk management.

2.2.18 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost mainly comprises good-in-transit, raw materials, work in progress and finished goods. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of individual items of inventory are determined using weighted average costs.

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2.2.19 Trade receivables

Trade receivables are amounts due from customers for the products and services rendered in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 31 for further information about the Group’s accounting for trade receivables and Note 3.1 (b) for a description of the Group’s credit risk management.

2.2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.2.21 Trade and note payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and note payables are classified as current liabilities unless payment is not due within 12 months after each reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.2.22 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized from the consolidated statements of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of profit or loss and other comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after each reporting period.

2.2.23 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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2.2.24 Share-based payment

The Group operates equity-settled share-based compensation plans for remuneration of its employees including share option schemes. All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions. Further details of which are given in Note 43 to the Historical Financial Information.

The fair value of share option granted to employees is recognized as an employee cost with a corresponding increase in the capital reserve. The fair value is measured at grant date, using the Black-Scholes model.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as of the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.

The grant of share-based payments by the Company to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

2.2.25 Hedging accounting policies

Derivative financial instruments:

The group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

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2.2.26 *Hedging*

The group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and variable rate borrowings. Some borrowings are designated as hedges of the foreign exchange risk of a net investment in a foreign operation.

Cash flow hedges:

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve within equity. The effective portion that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis from inception of the hedge. Any ineffective portion is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is removed from the reserve and is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified through OCI to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognized in accordance with the above policy.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve is immediately reclassified through OCI to profit or loss.

2.2.27 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.28 *Related party*

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity

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- (ii) has significant influence over the reporting entity, or
- (iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate of the other entity (or a associate of a member of a group of which the other entity is a member).
 - (iii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (iv) The entity is controlled or jointly controlled by a person identified in (a).
 - (v) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (vi) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.2.29 Dividend distribution

Dividend distributed to the shareholders is recognized as a liability in the Historical Financial Information in the period when the dividends are approved by the entities’ shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: mainly market risk, credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group’s businesses are principally conducted in RMB, USD and other foreign currencies.

The Group regularly monitors its foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk. The Group continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks.

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The exchange rate risks mainly arise from financial assets and financial liabilities denominated in USD. The amounts of financial assets and financial liabilities denominated in foreign currency converted into RMB are presented as follows:

	USD	Other Foreign Currencies	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2022			
Cash and cash equivalents	6,973,913	1,050,865	8,024,778
Trade receivables	17,710,975	586,192	18,297,167
Other receivables	72,546	139,226	211,772
Borrowings	(1,606,716)	(1,767,542)	(3,374,258)
Trade payables	(25,627,376)	(1,773,533)	(27,400,909)
Other payables and accruals	(65,462)	(234,958)	(300,420)
	<u>(2,542,120)</u>	<u>(1,999,750)</u>	<u>(4,541,870)</u>
	USD	Other Foreign Currencies	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2023			
Cash and cash equivalents	18,390,250	323,281	18,713,531
Trade receivables	14,226,058	28,355	14,254,413
Other receivables	133,487	19,026	152,513
Borrowings	(425,119)	(478,038)	(903,157)
Trade payables	(27,154,923)	(38,530)	(27,193,453)
Other payables and accruals	(56,974)	(17,416)	(74,390)
	<u>5,112,779</u>	<u>(163,322)</u>	<u>4,949,457</u>
	USD	Other Foreign Currencies	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2024			
Cash and cash equivalents	38,620,102	657,567	39,277,669
Trade receivables	19,371,329	218,868	19,590,197
Other receivables	90,408	27,960	118,368
Borrowings	(214,696)	(345,726)	(560,422)
Trade payables	(33,635,153)	(681,163)	(34,316,316)
Other payables and accruals	(47,451)	(39,692)	(87,143)
	<u>24,184,539</u>	<u>(162,186)</u>	<u>24,022,353</u>

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	USD	Other Foreign Currencies	Total
	RMB'000	RMB'000	RMB'000
As of 30 September 2025			
Cash and cash equivalents	37,876,528	846,114	38,722,642
Trade receivables	33,445,360	98,617	33,543,977
Other receivables	1,056,933	114,764	1,171,697
Borrowing	(14,454,464)	(3,905,432)	(18,359,896)
Trade and notes payables	(49,994,092)	(837,601)	(50,831,693)
Other payables and accruals	(1,015,252)	(70,316)	(1,085,568)
	<u>6,915,013</u>	<u>(3,753,854)</u>	<u>3,161,159</u>

As at 31 December 2022, 2023, 2024 and 30 September 2025, if the RMB appreciates or depreciates by 5% against the US dollar and other factors remain unchanged, the Group will reduce or increase its profit before taxation by approximately RMB127 million, RMB255 million, RMB1,209 million, and RMB345 million, respectively. Other foreign currencies of changes have no significant impact on foreign exchange risk.

(ii) Interest rate risk

The Group’s interest rate risk primarily arises from borrowings, convertible bonds, financial assets at FVTPL, cash and cash equivalents, term deposits, and restricted bank deposits. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 33.

As at 31 December 2022, 2023, 2024 and 30 September 2025, the Group was not exposed to significant interest rate risk as all financial instruments were mainly fixed-rate instruments with no floating-rate components. The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate risk.

(iii) Other Price risk

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified as FVTOCI. To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group’s liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group’s financial results to equity price risk of FVTOCI at the end of each reporting period. If prices of the respective instruments held by the Group had increased/decreased by 10% as at 31 December 2022, 2023, 2024 and 30 September 2025, with all other variable held constant, other comprehensive income would increase/decrease approximately RMB41,486,700, RMB20,083,000, RMB6,500,000 and RMB15,273,000, respectively, as a result of gains/losses on financial instruments classified as FVTOCI.

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(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits, trade receivables and other receivables. The carrying amount of each class of the above assets represents the Group’s maximum exposure to credit risk in relation to the corresponding class of assets.

(i) Credit risk of cash and cash equivalents and restricted bank deposits

To manage this risk, the Group’s subsidiaries only make transactions with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

(ii) Credit risk of trade receivables

The Group applies the simplified approach in calculating ECLs for trade receivables. A certain customer of the Group which has an outstanding trade receivable due to the Group with gross carrying amount of approximately RMB35.69 million, RMB67.53 million, RMB67.53 million and RMB148.23 million as at 31 December 2022, 2023, 2024 and 30 September 2025 were assessed for allowance for credit losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward-looking information. For customer subjected to individual assessment, the management has fully provided for impairment during the track record period.

The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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The following table sets forth an aging analysis (based on past due date) of the gross trade receivables and the related loss allowances at the respective reporting dates:

Assessed based on grouping	As at 31 December 2022		
	Gross amount	Loss allowance	Expected loss rate
	<i>RMB'000</i>	<i>RMB'000</i>	%
Not yet past due	25,389,060	12,694	0.05
Past due 1–60 days	587,181	29,359	5.00
Past due 61–120 days	141,687	42,506	30.00
Past due 121–180 days	5,157	2,063	40.00
Past due 181–365 days	11,517	5,758	50.00
Past due 1 year to 2 years	11,328	10,195	90.00
Past due over 2 years	1,863	1,863	100.00
	<u>26,147,793</u>	<u>104,438</u>	

Assessed based on grouping	As at 31 December 2023		
	Gross amount	Loss allowance	Expected loss rate
	<i>RMB'000</i>	<i>RMB'000</i>	%
Not yet past due	23,173,144	11,587	0.05
Past due 1–60 days	341,699	17,085	5.00
Past due 61–120 days	16,519	4,956	30.00
Past due 121–180 days	2,508	1,003	40.00
Past due 181–365 days	10,123	5,062	50.00
Past due 1 year to 2 years	1,807	1,627	90.00
Past due over 2 years	2,780	2,780	100.00
	<u>23,548,580</u>	<u>44,100</u>	

Assessed based on grouping	As at 31 December 2024		
	Gross amount	Loss allowance	Expected loss rate
	<i>RMB'000</i>	<i>RMB'000</i>	%
Not yet past due	32,170,749	16,085	0.05
Past due 1–60 days	401,427	20,071	5.00
Past due 61–120 days	29,534	8,860	30.00
Past due 121–180 days	3,570	1,428	40.00
Past due 181–365 days	4,171	2,086	50.00
Past due 1 year to 2 years	1,779	1,601	90.00
Past due over 2 years	3,496	3,496	100.00
	<u>32,614,726</u>	<u>53,627</u>	

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Assessed based on grouping	As at 30 September 2025		
	Gross amount	Loss allowance	Expected loss rate
	RMB'000	RMB'000	%
Not yet past due	50,336,904	29,036	0.05
Past due 1–60 days	1,316,278	65,814	5.00
Past due 61–120 days	134,065	40,220	30.00
Past due 121–180 days	30,986	12,394	40.00
Past due 181–365 days	122,066	61,033	50.00
Past due 1 year to 2 years	52,398	47,159	90.00
Past due over 2 years	44,386	44,386	100.00
	<u>52,037,083</u>	<u>300,042</u>	

In view of the credit risk of the debtors, historical payment pattern and forward-looking information, the Group considers the expected credit risk for trade receivables not yet past due is 0.05%. And there is no significant change in credit risk rating of the debtors, historical payment pattern and forward-looking information during the Track Record Period.

During the year, the following impairment loss were recognized in profit or loss in relation: to trade and note receivables:

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	45,943	(25,623)	11,572	83,790
Note receivables	298	(271)	112	(118)
At end of the year	<u>46,241</u>	<u>(25,894)</u>	<u>11,684</u>	<u>83,672</u>

(iii) Credit risk of other receivables

Other receivables mainly comprise amount due from associates, amount due from the related parties, amount due from the third parties and Input VAT to be deducted. The management of the Group makes individual assessment on the recoverability of amount due from associates, amount due from the related parties, amount due from the third parties and deposits based on historical settlement records and past experiences. The Group measures credit risk using probability of default, exposure at default and loss given default.

For impairment on amount due from associates, amount due from the related parties, amount due from the third parties and deposits, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in ‘Stage 1’ and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to ‘Stage 3’ and the expected credit loss is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

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The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12 months ECL.

On that basis, movements of loss allowance for other receivables are as follows:

	Year ended 31 December			Nine months ended
	2022	2023	2024	30 September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Loss allowance				
At the beginning of the year	4,342	5,333	4,851	7,939
Provision/(reversal) for impairment recognized in the consolidated statements of profit or loss and other comprehensive income.	941	2,620	(1,596)	(4,362)
Written off.	—	—	(2,177)	(110)
Acquired through business combinations.	52	—	6,745	892
Others	(2)	(3,102)	116	2,468
At the end of the year.	<u>5,333</u>	<u>4,851</u>	<u>7,939</u>	<u>6,827</u>

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. Liquidity risk is centrally managed by the finance department of the Group. The finance department ensures that the Group maintains sufficient funding to meet its debt obligations under reasonably foreseeable scenarios by monitoring cash balances, marketable securities, and rolling 12-months cash flow forecasts.

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The table below analyzes the Group’s financial liabilities into relevant maturity groupings based on the remaining period at each year end to the contractual maturity date for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is immaterial.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022						
Trade and note payables	44,424,833	—	—	—	44,424,833	44,424,833
Other payables and accruals (excluding payroll and welfare payables and other taxes payable) (Note 35)	6,349,584	—	—	—	6,349,584	6,349,584
Borrowings (including interest accrual up to maturity)	16,149,231	4,008,136	5,116,427	683,484	25,957,278	24,946,052
Short-term financing bills	3,862,729	—	—	—	3,862,729	3,840,115
Convertible bonds	9,000	275,100	3,114,000	—	3,398,100	2,913,755
Lease liabilities	169,261	208,616	456,449	323,334	1,157,660	980,021
	<u>70,964,638</u>	<u>4,491,852</u>	<u>8,686,876</u>	<u>1,006,818</u>	<u>85,150,184</u>	<u>83,454,360</u>
As at 31 December 2023						
Trade and note payables	42,498,591	—	—	—	42,498,591	42,498,591
Other payables and accruals (excluding payroll and welfare payables and other taxes payable) (Note 35)	4,309,188	—	—	—	4,309,188	4,309,188
Borrowings (including interest accrual up to maturity)	23,764,177	2,460,618	8,819,886	1,380,823	36,425,504	35,241,450
Short-term financing bills	810,475	—	—	—	810,475	802,722
Convertible bonds	275,100	54,000	3,060,000	—	3,389,100	2,849,092
Lease liabilities	123,972	151,114	217,339	305,177	797,602	681,697
	<u>71,781,503</u>	<u>2,665,732</u>	<u>12,097,225</u>	<u>1,686,000</u>	<u>88,230,460</u>	<u>86,382,740</u>
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024						
Trade and note payables	57,712,870	—	—	—	57,712,870	57,712,870
Other payables and accruals (excluding payroll and welfare payables and other taxes payable) (Note 35)	8,755,829	—	—	—	8,755,829	8,755,829
Borrowings (including interest accrual up to maturity)	37,458,202	12,988,922	6,784,208	875,752	58,107,084	57,035,396
Short-term financing bills	5,075,179	—	—	—	5,075,179	5,039,812
Convertible bonds	54,000	3,060,000	449,940	—	3,563,940	3,305,437
Lease liabilities	234,954	206,389	259,909	294,881	996,133	881,930
	<u>109,291,034</u>	<u>16,255,311</u>	<u>7,494,057</u>	<u>1,170,633</u>	<u>134,211,035</u>	<u>132,731,274</u>

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	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 30 September 2025						
Trade and note payables	82,603,046	—	—	—	82,603,046	82,603,046
Other payables and accruals (excluding payroll and welfare payables and other taxes payable) (Note 35)	7,034,059	—	—	—	7,034,059	7,034,059
Borrowings (including interest accrual up to maturity)	68,640,430	5,802,761	10,179,326	2,025,272	86,647,789	85,551,175
Short-term financing bills	3,238,750	—	—	—	3,238,750	3,216,283
Convertible bonds	65,784	3,474,004	—	—	3,539,788	3,427,254
Long term payable.	59,433	41,185	—	—	100,618	100,148
Medium term notes	64,350	64,350	3,021,982	—	3,150,682	3,039,198
Lease liabilities	705,708	726,237	1,091,969	758,591	3,282,505	2,823,106
	<u>162,411,560</u>	<u>10,108,537</u>	<u>14,293,277</u>	<u>2,783,863</u>	<u>189,597,237</u>	<u>187,794,269</u>

3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company’s shares. No changes were made to the objectives, policies or processes for managing capital during the Track Record Period.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

- (i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- (ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as at 31 December 2022, 2023, 2024 and 30 September 2025.

The following table presents the Group’s financial assets that are measured at fair value as at 31 December 2022, 2023, 2024 and 30 September 2025 respectively.

	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2022				
Assets				
Financial assets at FVTPL				
—Equity investments	—	—	35,700	35,700
—Derivative financial assets (<i>Note</i>) . .	—	27,040	—	27,040
—Wealth management products (“WMPs”)	—	—	1,326,227	1,326,227
Financial assets at FVTOCI				
—Equity investments	342,379	—	97,728	440,107
Liabilities				
Financial liabilities at FVTPL				
—Convertible bonds—redemption/put options.	—	(41)	—	(41)
—Derivative financial liabilities (<i>Note</i>)	—	(44,277)	—	(44,277)
	<u>342,379</u>	<u>(17,278)</u>	<u>1,459,655</u>	<u>1,784,756</u>
	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2023				
Assets				
Financial assets at FVTPL				
—Equity investments	—	—	35,700	35,700
—Derivative financial assets (<i>Note</i>) . .	—	92,485	—	92,485
—Wealth management products	—	—	1,628,279	1,628,279
Financial assets at FVTOCI				
—Equity investments	172,691	—	76,431	249,122
—Note receivables measured at FVTOCI.	—	—	587,585	587,585
Liabilities				
Financial liabilities at FVTPL				
—Derivative financial liabilities (<i>Note</i>)	—	(117,942)	—	(117,942)
	<u>172,691</u>	<u>(25,457)</u>	<u>2,327,995</u>	<u>2,475,229</u>

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	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024				
Assets				
Financial assets at FVTPL				
—Equity investments	—	—	39,312	39,312
—Derivative financial assets (<i>Note</i>) . .	—	102,883	—	102,883
—Wealth management products	—	—	1,300,228	1,300,228
Financial assets at FVTOCI				
—Equity investments	41,322	—	71,443	112,765
—Note receivables measured at FVTOCI.	—	—	1,106,284	1,106,284
Liabilities				
Financial liabilities at FVTPL				
—Derivative financial liabilities (<i>Note</i>)	—	(155,279)	—	(155,279)
	41,322	(52,396)	2,517,267	2,506,193
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 September 2025				
Assets				
Financial assets at FVTPL				
— Equity investments	—	—	41,548	41,548
— Derivative financial assets (<i>Note</i>) . .	—	48,574	—	48,574
— Wealth management products	—	—	3,286,689	3,286,689
Financial assets at FVTOCI				
— Equity investments	152,734	—	71,391	224,125
— Note receivables measured at FVTOCI.	—	—	1,782,061	1,782,061
Derivative Financial Instruments under hedge accounting	—	98,373	—	98,373
Liabilities				
Financial liabilities at FVTPL				
— Derivative financial liabilities (<i>Note</i>)	—	(458,097)	—	(458,097)
Derivative Financial Instruments under hedge accounting.	—	(30,824)	—	(30,824)
	152,734	(341,974)	5,181,689	4,992,449

Note: Derivative financial assets and liabilities mainly refer to USD/CNY forward exchange contracts.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other technique, such as asset based approach, is used to determine fair value for the remaining financial instrument.

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There were no changes in valuation techniques during the Track Record Period.

(c) Fair value measurements using significant unobservable inputs

The following table presents the movements in level 3 items for the years ended 31 December 2022, 2023, 2024 and 30 September 2025:

	Financial assets at FVTPL	Financial assets at FVTOCI	Total
	RMB'000	RMB'000	RMB'000
Level 3			
As at 1 January 2022	1,996,899	25,697	2,022,596
Additions	8,420,296	50,000	8,470,296
Disposals	(9,157,773)	(749)	(9,158,522)
Fair value changes	102,505	22,780	125,285
As at 31 December 2022.	1,361,927	97,728	1,459,655
As at 1 January 2023	1,361,927	97,728	1,459,655
Additions	16,228,842	612,585	16,841,427
Disposals	(16,145,357)	(37,783)	(16,183,140)
Fair value changes	218,567	(8,514)	210,053
As at 31 December 2023.	1,663,979	664,016	2,327,995
As at 1 January 2024	1,663,979	664,016	2,327,995
Additions	4,954,090	518,699	5,472,789
Disposals	(5,242,301)	(38,319)	(5,280,620)
Fair value changes	(36,228)	33,331	(2,897)
As at 31 December 2024.	1,339,540	1,177,727	2,517,267
As at 1 January 2025	1,339,540	1,177,727	2,517,267
Additions	60,533,056	675,777	61,208,833
Disposals	(58,350,282)	—	(58,350,282)
Fair value changes	(291,429)	(52)	(291,481)
As at 30 September 2025	3,328,237	1,853,452	5,181,689

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(d) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value				Valuation techniques and key inputs	Significant unobservable inputs	Relationship of key assumptions to fair value
	As at 31 December			As at 30 September			
	2022	2023	2024	2025			
	RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets at FVTPL							
—Equity investments	35,700	35,700	39,312	41,548	Fair values are estimated based on market approach of underlying investments.	Equity value of the underlying investments (31 December 2022: RMB425,398,000, 31 December 2023: RMB395,348,000, 31 December 2024: RMB470,092,000, 30 September 2025: RMB498,695,000)	The higher the equity value of the underlying investments, the higher the fair value.
—Wealth management products	1,326,227	1,628,279	1,300,228	3,286,689	Present value method	Discount for lack of marketability	The higher the discount for lack of marketability, the lower the valuation
Financial assets at FVTOCI							
—Equity investments at fair value.	97,728	76,431	71,443	71,391	Fair values are estimated based on market approach of underlying investment.	Equity value of the underlying investments (31 December 2022: RMB3,774,688,000, 31 December 2023: RMB2,780,071,000, 31 December 2024: RMB2,474,314,000, 30 September 2025: RMB2,465,631,000)	The higher the equity value, the higher the fair value.
—Note receivables measured at FVTOCI	—	587,585	1,106,284	1,782,061	Present value method	NA	NA

- (a) For equity investments measured at FVTPL: as of 31 December 2022, 2023, 2024 and 30 September 2025, if equity value of the underlying investments higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB3.57 million, RMB3.57 million, RMB3.93 million and RMB4.15 million higher/lower respectively.

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- (b) For equity investment measured at FVTOCI: as of 31 December 2022, 2023, 2024 and 30 September 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTOCI would have been approximately RMB9.77 million, RMB7.64 million, RMB7.14 million and 7.14 million higher/lower respectively.

4 CRITICAL ESTIMATES AND JUDGMENTS

In the application of the Group’s accounting policies, which are described in Note 2, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Estimation of the fair value of financial assets at FVTPL and financial assets at FVTOCI

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(b) Inventory provision

Inventories are stated at the lower of cost and net realizable value as stated in Note 2.2.18. Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting year.

(c) Provision of ECL for financial assets at amortized cost

The Group calculates ECL for trade and other receivables and cash and cash equivalent under IFRS 9. The provision rates are based on the Group’s historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. For details of the key assumptions and inputs used are set out in Note 3.1(b). Changes in these assumptions and estimation could materially affect the assessment and it may be necessary to make additional loss allowance in future periods.

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(d) Impairment assessment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of their unit’s fair value less cost of disposal and its value-in-use which requires the use of assumptions and estimates.

(e) Share-based compensations

The Group measures the cost of share-based payments transactions with reference to the fair value of the instruments at grant date, which include the use of the Black-Scholes model. The assumptions and models used for the share-based payments are disclosed in Note 43.

(f) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of goodwill is determined at higher of fair value less costs of disposal and value in use amount. The calculations of value in use amount require use of estimates. The cash flow projections used to determine the value in use of a cash-generating unit is based on significant assumptions, such as revenue growth rate, net profit margins before tax and interests, and pre-tax discount rate applied to the projected cash flows. These assumptions may be affected by unexpected changes in future market or economic conditions.

(g) Uncertain tax position and recognition of current and deferred income tax assets

The Group is subject to enterprise income tax in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As stated in Note 13, some subsidiaries of the Group are high-tech enterprises. The “High-Tech Enterprise Certificate” is effective for three years. Upon expiration, application for high-tech enterprise assessment should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and the actual condition of the subsidiaries, the Group considers that the subsidiaries are able to obtain the qualification for high-tech enterprises in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If some subsidiaries cannot obtain the qualification for high-tech enterprise upon expiration, then the subsidiaries are subject to a statutory tax rate of 25% for the calculation of the income tax, which further influences the recognized deferred tax assets, deferred tax liabilities and income tax expenses.

5 SEGMENT INFORMATION

The Group manages its businesses by business lines, in a manner consistent with the way in which information is reported internally to the Group’s chief operating decision maker (“**CODM**”) for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

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The geographical location of the Group’s non-current assets (excluding deferred income tax assets and financial assets), mainly comprised of the property, plant and equipment, is based on the physical location of these assets.

As at the end of each year for the Track Record Period, the geographical location of the Group’s non-current assets are as follows:

	Year ended 31 December			As at 30 September
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Europe	130	22	8,518	10,897,217
North America	46,900	46,673	615,223	885,974
Asia (excluding Chinese Mainland)	12,815,836	14,221,892	17,329,483	18,101,972
	12,862,866	14,268,587	17,953,224	29,885,163
Chinese Mainland	43,805,979	43,974,613	51,182,850	60,504,919
	56,668,845	58,243,200	69,136,074	90,390,082

Revenue from customers contributing over 10% of the total revenue of the Group during the years ended 31 December 2022, 2023, 2024, and the nine months ended 30 September 2024 and 30 September 2025 are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Customer A.	156,832,833	174,489,982	190,138,937	121,494,048	124,379,314

6 REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2024 and 30 September 2025 are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Sales of products					
— Point in time.	214,028,394	231,905,460	268,794,738	177,176,885	217,407,019
— Over time	—	—	—	—	3,507,609
	214,028,394	231,905,460	268,794,738	177,176,885	220,914,628

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Revenue by location of the customers for the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 30 September 2025 are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Europe	96,086,293	90,987,715	93,134,443	58,362,589	56,799,014
North America	67,501,299	75,048,479	85,438,989	54,973,374	68,637,966
Asia (excluding Chinese Mainland)	14,932,196	29,904,124	47,080,871	33,566,534	54,088,325
Others	74,327	108,020	125,045	98,883	137,178
	178,594,115	196,048,338	225,779,348	147,001,380	179,662,483
Chinese Mainland	35,434,279	35,857,122	43,015,390	30,175,505	41,252,145
	214,028,394	231,905,460	268,794,738	177,176,885	220,914,628

Contract liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfillment of performance obligations.

The Group

As at 31 December 2022, 2023, 2024 and 30 September 2025, the Group recognized contract liabilities of RMB501,765,000, RMB243,567,000, RMB262,508,000 and RMB837,582,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Revenue recognized that was included in the contract liability balance at the beginning of the year	266,107	496,495	228,323	226,450	204,400

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The Company

As at 31 December 2022, 2023, 2024 and 30 September 2025, the Company recognized contract liabilities of RMB11,694,000, RMB11,589,000, RMB14,096,000 and RMB6,618,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue recognized that was included in the contract liability balance at the beginning of the year	2,559	11,684	2,955	2,955	13,800

(b) Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2022 and the expected timing of recognizing revenue are as follows:

	Sales of products
	RMB'000
Within one year	1,467,349
More than one year but not more than two years	69,505
	1,536,854

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2023 and the expected timing of recognizing revenue are as follows:

	Sales of products
	RMB'000
Within one year	1,925,712
More than one year but not more than two years	81,198
	2,006,910

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2024 and the expected timing of recognizing revenue are as follows:

	Sales of products
	RMB'000
Within one year	3,728,922
More than one year but not more than two years	606,421
More than two years	18,797
	4,354,140

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The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 30 September 2025 and the expected timing of recognizing revenue are as follows:

	Sales of products
	<i>RMB'000</i>
Within one year	9,693,837
More than one year but not more than two years	243,628
	<u>9,937,465</u>

7 EXPENSES BY NATURE

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Materials used for production and processing charges	174,957,893	172,054,632	206,402,214	137,218,148	171,891,225
Employee-related expenses	21,719,031	19,981,308	24,387,870	18,803,335	23,795,252
Depreciation and amortization	7,968,955	10,496,584	11,148,610	7,913,463	10,301,567
Changes in inventories of finished goods and work in progress	(13,910,479)	5,341,296	1,361,854	(4,636,007)	(8,878,085)
Material used for research and development	2,224,401	1,522,003	1,947,623	1,349,614	1,593,927
Consumables and miscellaneous purchases	4,742,742	3,332,666	3,955,216	2,299,168	3,212,922
Utilities	1,245,330	2,100,184	2,079,043	1,633,403	1,990,619
Rental, repairs, inspection and housing expenses	950,914	1,271,908	1,240,928	874,039	1,136,159
Provision for inventory and contract fulfillment cost	613,237	1,126,386	915,720	433,726	782,613
Taxes and surcharges	510,644	599,425	695,631	437,514	629,402
Office expenses	423,032	547,718	663,522	391,985	567,442
Service fee from third parties	88,208	148,116	144,205	108,153	140,918
Technology service fee	225,595	206,100	71,461	66,268	212,385
Tooling and fixture expenses	295,726	549,793	751,536	563,652	655,367
Professional service fee	226,372	281,300	485,872	239,653	297,277
Transportation and delivery expenses	97,933	144,941	145,004	108,753	137,245
Other expenses	1,022,229	1,703,604	1,997,404	1,524,990	2,782,761
	<u>203,401,763</u>	<u>221,407,964</u>	<u>258,393,713</u>	<u>169,329,857</u>	<u>211,248,996</u>

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(a) Depreciation of the Group’s property, plant and equipment has been recognized as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (Unaudited)	<i>RMB’000</i>
Research and development expenses	859,894	1,038,630	872,854	664,831	699,936
General and administrative expenses	615,331	1,000,465	1,098,649	874,295	832,375
Selling expenses	10,302	15,823	10,983	7,657	16,546
Cost of inventories and contract fulfillment costs	6,137,967	8,031,817	8,664,534	5,991,459	7,911,349
	<u>7,623,494</u>	<u>10,086,735</u>	<u>10,647,020</u>	<u>7,538,242</u>	<u>9,460,206</u>

(b) Amortization of the Group’s intangible assets has been recognized as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (Unaudited)	<i>RMB’000</i>
Research and development expenses	13,910	14,284	17,422	12,322	170,240
General and administrative expenses	46,921	75,537	119,936	89,510	84,208
Selling expenses	2,014	2,146	2,104	1,365	1,808
Cost of inventories and contract fulfillment costs	49,461	78,362	52,523	40,791	62,601
	<u>112,306</u>	<u>170,329</u>	<u>191,985</u>	<u>143,988</u>	<u>318,857</u>

(c) Depreciation of the Group’s right-of-use assets has been recognized as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (Unaudited)	<i>RMB’000</i>
Research and development expenses	20,294	18,594	15,638	9,011	8,476
General and administrative expenses	112,630	65,146	93,833	57,477	86,400
Selling expenses	2,212	1,039	367	306	609
Cost of inventories and contract fulfillment costs	92,294	154,413	198,599	164,099	419,497
	<u>227,430</u>	<u>239,192</u>	<u>308,437</u>	<u>230,893</u>	<u>514,982</u>

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(d) Depreciation of the Group’s investment property has been recognized as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
General and administrative expenses	5,725	328	1,168	340	7,522
	<u>5,725</u>	<u>328</u>	<u>1,168</u>	<u>340</u>	<u>7,522</u>

8 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Wages, salaries and bonuses	18,896,431	17,028,789	21,179,272	16,412,887	20,240,404
Share-based compensation expenses (Note 43).	487,381	804,107	460,468	312,161	406,104
Pension obligations, housing funds, medical insurances and other social insurances	1,616,414	1,497,708	2,054,715	1,549,419	2,351,266
Other employee benefit expenses	718,805	650,704	693,415	528,868	797,478
	<u>21,719,031</u>	<u>19,981,308</u>	<u>24,387,870</u>	<u>18,803,335</u>	<u>23,795,252</u>

(a) Pension obligations, housing funds, medical insurances and other social insurances

The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group’s full time employees in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government and liabilities in respect of benefits schemes are limited to the contribution payable in each year.

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(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2022, 2023 and 2024, and the nine months ended 30 September 2024 and 30 September 2025, include 2, 2, 2, 2, and 3 directors respectively, whose emoluments are disclosed in Note 8(c). Details of the remuneration of the remaining individuals during the years ended 31 December 2022, 2023 and 2024, and the nine months ended 30 September 2024 and 30 September 2025 are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages, salaries and bonuses	10,765	8,612	18,898	15,081	21,313
Share-based compensation expenses	5,272	21,288	11,542	7,213	16,116
Pension obligations, housing funds, medical insurances and other social insurances	269	645	281	211	159
	<u>16,306</u>	<u>30,545</u>	<u>30,721</u>	<u>22,505</u>	<u>37,588</u>

The highest paid individuals fell within the following bands:

Emolument bands	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
				(Unaudited)	
HK\$1,000,001 to HK\$1,500,000.	—	—	—	—	—
HK\$1,500,001 to HK\$2,000,000.	—	—	—	—	—
HK\$2,000,001 to HK\$2,500,000.	—	—	—	—	—
HK\$2,500,001 to HK\$3,000,000.	2	—	—	—	—
HK\$3,000,001 to HK\$3,500,000.	1	—	—	—	—
HK\$3,500,001 to HK\$4,000,000.	2	—	—	2	—
HK\$4,000,001 to HK\$4,500,000.	—	—	—	2	—
HK\$4,500,001 to HK\$5,000,000.	—	—	—	—	2
HK\$5,000,001 to HK\$5,500,000.	—	—	1	—	1
HK\$5,500,001 to HK\$6,000,000.	—	2	2	—	—
HK\$6,000,001 to HK\$6,500,000.	—	2	1	1	1
HK\$6,500,001 to HK\$7,000,000.	—	1	—	—	—
HK\$7,000,001 to HK\$7,500,000.	—	—	1	—	—
Over HK\$7,500,000.	—	—	—	—	1
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

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(c) Details of emoluments in respect of the directors and supervisors of the Company

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2022 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors						
Wang Laichun	—	3,800	—	—	—	3,800
Wang Laisheng	—	3,300	—	—	—	3,300
Wang Tao	—	1,220	—	138	1,398	2,756
Li Wei	—	1,220	—	185	1,288	2,693
Zhang Ying	160	—	—	—	—	160
Liu Zhonghua	160	—	—	—	—	160
Song Yuhong	160	—	—	—	—	160
	480	9,540	—	323	2,686	13,029
Supervisors						
Xia Yanrong	—	596	1,376	31	—	2,003
Mo Rongying	—	515	1,376	31	—	1,922
Yi Peizan	—	110	13	31	—	154
	—	1,221	2,765	93	—	4,079

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2023 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors						
Wang Laichun	—	2,000	—	—	—	2,000
Wang Laisheng	—	1,500	—	—	—	1,500
Wang Tao	—	1,446	—	219	4,175	5,840
Li Wei	—	1,165	—	209	4,133	5,507
Zhang Ying	160	—	—	—	—	160
Liu Zhonghua	160	—	—	—	—	160
Song Yuhong	160	—	—	—	—	160
	480	6,111	—	428	8,308	15,327
Supervisors						
Xia Yanrong	—	741	473	34	—	1,248
Mo Rongying	—	801	785	34	—	1,620
Yi Peizan	—	129	10	34	—	173
	—	1,671	1,268	102	—	3,041

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The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2024 are as follows:

Name	Director’s fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors						
Wang Laichun.	—	7,333	—	—	—	7,333
Wang Laisheng	—	5,500	—	—	—	5,500
Wang Tao	—	1,411	—	226	477	2,114
Li Wei	—	560	—	228	477	1,265
Qian Jiwen	—	1,167	—	223	1,861	3,251
Hao Jie.	—	528	—	254	1,426	2,208
Zhang Ying	160	—	—	—	—	160
Hou Lingling	—	—	—	—	—	—
Liu Zhonghua	160	—	—	—	—	160
Song Yuhong	160	—	—	—	—	160
	<u>480</u>	<u>16,499</u>	<u>—</u>	<u>931</u>	<u>4,241</u>	<u>22,151</u>
Supervisors						
Xia Yanrong.	—	1,006	410	35	—	1,451
Mo Rongying	—	801	739	35	—	1,575
Yi Peizan	—	163	22	35	—	220
	<u>—</u>	<u>1,970</u>	<u>1,171</u>	<u>105</u>	<u>—</u>	<u>3,246</u>

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The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the nine months ended 30 September 2024 are as follows:

Name	Director’s fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors						
Wang Laichun.	—	6,000	—	—	—	6,000
Wang Laisheng	—	4,500	—	—	—	4,500
Wang Tao	—	1,411	—	226	477	2,114
Li Wei	—	560	—	228	477	1,265
Qian Jiwen	—	584	—	112	931	1,627
Hao Jie.	—	264	—	127	713	1,104
Zhang Ying	160	—	—	—	—	160
Hou Lingling	—	—	—	—	—	—
Liu Zhonghua	160	—	—	—	—	160
Song Yuhong	160	—	—	—	—	160
	480	13,319	—	693	2,598	17,090
Supervisors						
Xia Yanrong.	—	601	—	18	—	619
Mo Rongying	—	604	—	18	—	622
Yi Peizan	—	110	—	18	—	128
	—	1,315	—	54	—	1,369

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The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the nine months ended 30 September 2025 are as follows:

Name	Director’s fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors						
Wang Laichun.	—	6,000	—	—	—	6,000
Wang Laisheng.	—	4,500	—	49	—	4,549
Qian Jiwen.	—	1,500	—	117	3,333	4,950
Hao Jie.	—	1,553	—	196	2,955	4,704
Hou Lingling.	160	—	—	—	—	160
Liu Zhonghua.	160	—	—	—	—	160
Song Yuhong.	160	—	—	—	—	160
Chen Weihang.	—	34	—	5	55	94
	<u>480</u>	<u>13,587</u>	<u>—</u>	<u>367</u>	<u>6,343</u>	<u>20,777</u>
Supervisors						
Xia Yanrong.	—	780	—	26	—	806
Mo Rongying.	—	636	—	33	—	669
Yi Peizan.	—	105	—	21	—	126
	<u>—</u>	<u>1,521</u>	<u>—</u>	<u>80</u>	<u>—</u>	<u>1,601</u>

Notes:

- (i) Wang Tao was appointed in 21 May 2021 and resigned in 27 June 2024.
- (ii) Li Wei was appointed in 21 May 2021 and resigned in 27 June 2024.
- (iii) Qian Jiwen was appointed in 27 June 2024.
- (iv) Hao Jie was appointed in 27 June 2024.
- (v) Hou Lingling was appointed in 27 June 2024.
- (vi) Zhang Ying was appointed in 18 May 2018 and resigned in 27 June 2024.
- (vii) Chen Weihang was appointed in 8 August 2025.

(d) Directors’ retirement benefits and termination benefits

No director’s retirement or termination benefit subsisted at the end of each year disclosed or at any time during the Track Record Period.

(e) Consideration provided to third parties for making available directors’ services

No consideration provided to third parties for making available director’s services subsisted at the end of each year disclosed or at any time during the Track Record Period.

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(f) Information about borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and controlled entities with such directors

No borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of each year disclosed or at any time during the Track Record Period.

(g) Directors’ material interest in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of each year disclosed or at any time during the Track Record Period.

9 OTHER INCOME

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Government grants (<i>Note a</i>)	596,775	791,099	933,138	518,426	626,126
Super-input value-added tax (“VAT”) credit (<i>Note b</i>)	—	20,560	50,879	39,356	21,206
Compensation Income from Contract Default . .	16,377	70,247	39,965	16,385	8,285
Others	17,917	30,951	22,045	24,867	41,037
	<u>631,069</u>	<u>912,857</u>	<u>1,046,027</u>	<u>599,034</u>	<u>696,654</u>

Notes:

- (a) The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives to reward the Group’s support and contribution for the development of local economies.
- (b) Super-input VAT credit amounted to RMBNil, RMB20,560,000 and RMB50,879,000 and RMB39,356,000 and RMB21,206,000 for the years ended 31 December 2022, 2023, 2024 and for the nine months ended 30 September 2024 and 30 September 2025 was recognized in consolidated statements of profit or loss and other comprehensive income due to the VAT reform. In accordance with the <關於先進製造業企業增值稅加計抵減政策的公告> (MOF & STA Announcement No. 43 [2023]), the Group meets the requirement of the Producer and Consumer Services Industries and are eligible for additional VAT credits by 5% of the current period creditable VAT input from 1 January 2023 to 31 December 2027.

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10 OTHER (LOSSES)/GAINS, NET

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Gain/(loss) on disposal of/written off PPE and intangible asset	37,289	105,092	(1,616)	23,413	66
Gain on termination of right-of-use assets	3,109	1,258	3,199	65	6,298
Gain on disposal of subsidiaries/associates. . . .	22,801	—	10,019	4,355	(3,525)
Dividend income from financial asset at FVTOCI	212	265	—	—	—
Loss in disposal of financial asset.	(400,156)	(741,343)	(795,497)	(602,909)	(395,717)
Bargain purchase gain (Note 46)	—	—	368	—	479,317
Change in fair value of financial assets/liabilities at FVTPL.	594,288	678,346	1,951,100	1,261,228	1,903,018
Impairment loss for goodwill	—	(804)	—	—	—
Impairment loss on property, plant and equipment	(233,585)	(191,676)	(293,338)	(87,427)	(80,860)
Impairment loss for intangible asset	—	—	—	—	(119)
Impairment loss on investment in associates. . .	—	—	(36,411)	—	—
Foreign currency exchange (loss)/gain, net. . .	(337,514)	(72,796)	1,010,172	163,128	352,660
	<u>(313,556)</u>	<u>(221,658)</u>	<u>1,847,996</u>	<u>761,853</u>	<u>2,261,138</u>

11 IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Impairment losses under ECL model, net of reversal					
Trade receivables	45,943	(25,623)	11,572	(4,782)	83,790
Note receivables	298	(271)	112	37	(118)
Other receivables	941	2,620	(1,596)	(3,388)	(4,362)
	<u>47,182</u>	<u>(23,274)</u>	<u>10,088</u>	<u>(8,133)</u>	<u>79,310</u>

Details of impairment losses under ECL model are set out in Note 3.1 (b) to the Historical Financial Information.

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12 FINANCE COSTS—NET

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Finance income:					
Bank interest income (<i>Note a</i>)	504,344	1,005,581	968,280	793,164	836,250
	<u>504,344</u>	<u>1,005,581</u>	<u>968,280</u>	<u>793,164</u>	<u>836,250</u>
Finance costs:					
Interest expenses on bank borrowings	(804,500)	(1,186,819)	(1,234,031)	(965,662)	(1,213,438)
Interest expenses on lease liabilities	(44,538)	(27,150)	(36,018)	(29,843)	(14,038)
Interest expenses on short term financing bills	(72,044)	(42,925)	(61,901)	(36,002)	(90,848)
Interest expenses on convertible bonds	(116,989)	(119,976)	(130,703)	(89,169)	(101,312)
	<u>(1,038,071)</u>	<u>(1,376,870)</u>	<u>(1,462,653)</u>	<u>(1,120,676)</u>	<u>(1,419,636)</u>
Finance costs—net	<u>(533,727)</u>	<u>(371,289)</u>	<u>(494,373)</u>	<u>(327,512)</u>	<u>(583,386)</u>

Note:

- (a) Interest income represents interest income from cash and cash equivalent, including bank balances and term deposits which could be withdrawn or transferred on demand.

13 INCOME TAX EXPENSE

(a) Income tax expense

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current income tax	657,866	1,024,939	1,318,435	801,970	1,457,326
Deferred income tax (<i>Note 23</i>)	9,452	(383,110)	211,260	(56,347)	42,699
	<u>667,318</u>	<u>641,829</u>	<u>1,529,695</u>	<u>745,623</u>	<u>1,500,025</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Hong Kong

The Group’s subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to 1 April 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars (“HKD”) 2 million and 16.5% for any assessable profits in excess. Since the subsidiary did not have assessable profits during the Track Record Period, no Hong Kong profits tax has been provided.

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Chinese Mainland

In accordance with the Enterprise Income Tax Law (“**EIT Law**”), Foreign Investment Enterprises (“**FIEs**”) and domestic companies established in Chinese Mainland are subject to Enterprise Income Tax (“**EIT**”) at a rate of 25%.

Besides, certain Group’s subsidiaries benefit from a preferential tax rate of 15% under the EIT Law if they are qualified as “High and New technology enterprises” under relevant regulations or located in applicable PRC regions, such as certain western regions and special economic zone, as specified in the relevant catalog of encouraged industries, subject to certain general restrictions described in the EIT Law and the related regulations.

Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions, including Singapore and Vietnam has been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging within 30% for the Track Record Period.

OECD Pillar Two model rules

The Group is within the scope of the Pillar Two model rules released by the Organization for Economic Co-operation and Development (“**OECD**”). The Pillar Two legislation had become effective in certain jurisdictions on 1 January 2024 during the Track Record Period. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12. Under the Pillar Two legislation, the Group is liable to pay a top-up tax for difference between its Global Anti-Base Erosion (“**GloBE**”) effective tax rate in each jurisdiction and the 15% minimum rate.

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The income tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Profit before income tax	11,157,995	12,885,042	16,108,739	10,532,334	14,228,254
Income tax expenses computed at the statutory income tax rate of 25%	2,789,499	3,221,261	4,027,185	2,633,083	3,557,064
Tax effect of:					
Preferential tax rate	(1,115,800)	(1,288,505)	(1,610,874)	(1,053,233)	(1,422,826)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(77,877)	(189,044)	(3,979)	89,190	62,638
Under/(over) provision of current tax in prior years	9,003	(13,916)	(6,069)	(339)	5,879
Tax effect of non-taxable income	(33,677)	(301,763)	(531,028)	(439,251)	(546,001)
Tax effect of non-deductible expenses	18,128	57,627	17,282	22,011	26,165
Utilization of previously unrecognized tax losses and temporary differences	(137,784)	(434,037)	(294,706)	(164,429)	(244,216)
Tax effect of temporary difference not recognized	41,290	239,243	476,185	77,400	361,744
Change in opening deferred tax asset/liability balance due to tax rate adjustment	19,977	244	—	16,232	8,862
Tax effect of additional deduction for eligible research and development expense	(832,781)	(633,931)	(646,391)	(433,876)	(573,379)
Tax Incentives for Employment of Key Groups/Key Group Employment Tax Credits	(6,613)	(6,146)	(6,660)	(2,293)	(5,582)
Pillar Two—Income Tax (<i>Note</i>)	—	—	107,509	—	271,123
Others	(6,047)	(9,204)	1,241	1,128	(1,446)
Income tax expense	<u>667,318</u>	<u>641,829</u>	<u>1,529,695</u>	<u>745,623</u>	<u>1,500,025</u>

Note:

The Group is subject to the jurisdictional implementation of the Global Anti-Base Erosion (GloBE) Model Rules under OECD’s Pillar Two framework (“**Pillar Two**”). During FY2024, subsidiaries in Vietnam implemented the relevant Pillar Two regulations. Based on currently available information, the Group has assessed the potential risk exposure and recognized current tax expense amounted RMB107.5 million. During nine months ended 30 September 2025, subsidiaries in Hong Kong implemented the relevant Pillar Two regulations. Based on currently available information, the Group has assessed the potential risk exposure and recognised current tax expense amounted RMB271.1 million.

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(b) Tax losses

As at 31 December 2022, 2023, 2024, and 30 September 2025, the Group did not recognize deferred income tax assets in respect of losses of RMB5,067 million, RMB6,319 million, RMB9,341 million and RMB15,683 million respectively. The tax losses incurred from the Company’s subsidiaries in Chinese Mainland that are not recognized as deferred tax assets will expire from 2023 to 2035. Tax losses of the Company’s subsidiaries incorporated outside Chinese Mainland will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December			As at 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Expiry year					
2023.	39,181	—	—	—	—
2024.	137,112	67,782	—	—	—
2025.	329,828	317,442	129,889	438,997	—
2026.	1,437,913	1,297,595	1,058,738	587,383	695,675
2027.	1,449,315	1,271,499	1,242,058	1,320,942	818,158
2028.	976	753,800	764,097	1,227,189	782,296
2029.	71,548	71,548	1,435,891	583,886	747,776
2030.	364,373	364,373	364,373	321,329	1,213,849
2031.	354,545	416,859	468,544	345,919	382,308
2032.	871,899	743,914	2,152,455	611,252	1,879,162
2033.	—	1,002,851	1,002,851	1,002,845	885,835
2034.	—	—	673,587	391,504	525,831
2035.	—	—	—	—	542,328
Permanently (Outside Chinese Mainland)	10,528	10,842	48,832	1,078	7,209,391
	<u>5,067,218</u>	<u>6,318,505</u>	<u>9,341,315</u>	<u>6,832,324</u>	<u>15,682,609</u>

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14 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2024 and 30 September 2025 calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Profit for the year attributable to owners of the Company	9,163,105	10,952,657	13,365,651	9,074,955	11,518,291
Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings per share (thousand shares)	7,083,359	7,130,453	7,190,856	7,178,609	7,244,621
Basic earnings per share (<i>RMB per share</i>)	1.29	1.54	1.86	1.26	1.59

(b) Diluted earnings per share

The calculation of the diluted earnings per share attribute to owners of the Company is based on the following data:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Profit for the year attributed to owners of the Company	9,163,105	10,952,657	13,365,651	9,074,955	11,518,291
Effect of share options issued by subsidiaries (Note)	(36,740)	(33,298)	(32,942)	(21,956)	(43,455)
Earnings for the purpose of calculating diluted earnings per share	9,126,365	10,919,359	13,332,709	9,052,999	11,474,836

Note: During the Track Record Period, the effect of share options issued by subsidiaries is related to the share options issued by its subsidiaries disclosed in Notes 43.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential diluted ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

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	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
				(Unaudited)	
Profit for the year attributable to owners of the Company (<i>RMB'000</i>)	9,126,365	10,919,359	13,332,709	9,052,999	11,474,836
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (<i>thousand shares</i>) (<i>Note</i>)	7,154,947	7,172,807	7,223,636	7,221,594	7,334,830
Diluted earnings per share (<i>RMB per share</i>)	1.28	1.52	1.85	1.25	1.56

Note: During the track record period, for the convertible bond that issued by the Group disclosed in Note 36, it is not included in the calculation of diluted earnings per share as it is anti-dilutive.

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15 SUBSIDIARIES

(a) Subsidiaries of the Company

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries.

The list of significant subsidiaries is as follows:

Name of subsidiaries	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Authorized shares capital/ registered capital	Equity interest attributable to the Group								Principal activities	Place of operation
				As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 30 September 2025			
				Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect		
Ri Shan Computer Accessories (Jia Shan) Co., Ltd. (日善電腦 配件(嘉善)有限公司) <i>(note a)(e))</i>	The PRC limited liability company	2015.06.15	RMB1,437,684,000	—	49.75	—	49.75	—	49.75	—	49.75	R&D, Processing and Manufacturing	The PRC
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd. (日達智造科技(如皋)有限公司) <i>(note a)(e))</i>	The PRC limited liability company	2020.10.21	RMB2,500,000,000	—	49.75	—	49.75	—	49.75	—	49.75	R&D, Processing and Manufacturing	The PRC
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd. (立訊智造科技(常熟)有限公司) <i>(note c)</i>	The PRC limited liability company	2019.10.24	RMB1,300,000,000	100	—	100	—	100	—	100	—	R&D, Processing and Manufacturing	The PRC
Luxshare iTech (Zhejiang) Co., LTD. (立訊智造浙江有限公 司) <i>(note a)</i>	The PRC limited liability company	2019.04.08	RMB730,000,000	100	—	100	—	100	—	100	—	R&D, Processing and Manufacturing	The PRC
Luxshare Precision Industry (Chuzhou) Co., Ltd. (立訊精密 工業(滁州)有限公司) <i>(note b)</i>	The PRC limited liability company	2014.03.24	RMB758,000,000	100	—	100	—	100	—	100	—	R&D, Processing and Manufacturing	The PRC
Luxshare Electronic Technology (Kunshan) Co., Ltd. (立訊電子 科技(昆山)有限公司) <i>(note a)</i>	The PRC limited liability company	2000.09.12	RMB2,200,000,000	100	—	100	—	100	—	100	—	R&D, Processing and Manufacturing	The PRC
Luxcase Precision Technology (Yancheng) Co., Ltd. (立錫精密 科技(鹽城)有限公司) <i>(note a)(e))</i>	The PRC limited liability company	2017.09.27	RMB6,264,312,296	49.75	—	49.75	—	49.75	—	49.75	—	R&D, Processing and Manufacturing	The PRC
Lanto Electronic Limited (昆山聯滔電子有限公司) <i>(note a)</i>	The PRC limited liability company	2004.04.23	RMB2,320,000,000	100	—	100	—	100	—	100	—	R&D, Processing and Manufacturing	The PRC

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Name of subsidiaries	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Authorized shares capital/ registered capital	Equity interest attributable to the Group								Principal activities	Place of operation
				As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 30 September 2025			
				Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect		
Jiangxi Luxshare Intelligent Manufacture Co., Ltd. (江西立訊智造有限公司) (note d)	The PRC limited liability company	2015.12.25	RMB1,000,000,000	100	—	100	—	100	—	100	—	R&D, Processing and Manufacturing	The PRC
Dongguan Xuniao Electronics Co., Ltd. (東莞訊滔電子有限公 司)	The PRC limited liability company	1996.02.09	RMB539,817,955	—	90	—	93.90	—	89.43	—	87.42	Trading, R&D, Processing and Manufacturing	The PRC
(note c)													
Luxis Technology Limited (香港 立芯科技有限公司) (note d)	Hong Kong limited liability company	2021.04.23	USD1,500,000	—	100	—	100	—	100	—	100	Trading Enterprises	Hong Kong
Luxshare Precision Limited (立訊 精密有限公司) (note d)	Hong Kong limited liability company	2011.05.05	USD5,000,000	100	—	100	—	100	—	100	—	Trading Enterprises	Hong Kong
ICT-LANTO LIMITED (note d)	Hong Kong limited liability company	2009.03.05	HKD10,000,000 and USD372,000,000	100	—	100	—	100	—	100	—	Trading Enterprises	Hong Kong
Luxshare-ICT (Van Trung) Company Limited (立訊精密(雲 中)有限公司) (note d)	Vietnam limited liability company	2019.05.05	VND55,360,000	—	100	—	100	—	100	—	100	Processing and Manufacturing	Vietnam
Luxshare-ICT (Vietnam) Company Limited (立訊精密(越南)有限公 司) (note d)	Vietnam limited liability company	2016.10.05	VND64,000,000	—	100	—	100	—	100	—	100	Processing and Manufacturing	Vietnam
CASETEK SINGAPORE PTE. LTD. (note d)(e))	Singapore limited liability company	2019.09.12	USD730,000	—	49.75	—	49.75	—	49.75	—	49.75	Trading Enterprises	Singapore
Kunming Wenxun Industrial Co., Ltd. (昆明聞訊實業有限公司)	The PRC limited liability company	2020.01.14	RMB1,300,000,000	—	—	—	—	—	—	100	—	Processing and Manufacturing	The PRC

Notes:

- The statutory financial statements of the PRC subsidiaries of Company have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2022, 2023 and 2024.
- The statutory financial statements of the PRC subsidiaries of Company have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2022 and 2023, and audited by other accounting firms, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2024.
- The statutory financial statements of the PRC subsidiaries of Company have been audited by other accounting firms, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board for the years ended 31 December 2022, 2023 and 2024.
- The statutory financial statements of overseas subsidiaries of Company have been audited by local accounting firms, in accordance with the local accounting standards for the years ended 31 December 2022, 2023 and 2024.

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- (e) The Group has the ability to unilaterally direct the relevant activities of the Luxcase Precision Technology (Yancheng) Co., Ltd. (立鎧精密科技(鹽城)有限公司) and its subsidiaries, Ri Shan Computer Accessories (Jia Shan) Co., Ltd., Rida Intelligent Manufacture Technology (Rugao) Co., Ltd. and CASETEK SINGAPORE PTE. LTD. The powers of the investee’s board of directors include, but are not limited to, approving the annual budget, business plan, and capital expenditure. There are a total of 5 seats on the board of directors, and the Group holds 3 of them. Additionally, the Group has the right to nominate the chairman of the board. This enables the Company to exert influence over the relevant activities directed by the voting rights of the investee’s board of directors and to obtain variable returns through such rights.

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(b) Investments in subsidiaries

Investment in subsidiaries, at cost	As of 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	21,113,132	22,095,549	23,276,659	24,735,538
Additions	996,052	1,577,943	1,481,270	4,765,273
Capital reduction and disposal	(13,635)	(396,833)	(22,391)	(28,339)
At the end of the year	<u>22,095,549</u>	<u>23,276,659</u>	<u>24,735,538</u>	<u>29,472,472</u>

16 INVESTMENT IN ASSOCIATES

The Group

	As at 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	1,019,385	1,880,941	4,100,064	7,343,629
Transfer from subsidiaries to associates	—	—	—	117,765
Additions	90,722	235,000	9,138	315,402
Capital reduction and disposal	—	—	(23,959)	—
Provision for impairment	—	—	(36,411)	—
Share of post-acquisition profits, other equity movements and other comprehensive income	771,464	1,985,306	3,299,425	2,255,726
Exchange difference	(630)	(1,183)	(4,628)	5,032
At the end of the year	<u>1,880,941</u>	<u>4,100,064</u>	<u>7,343,629</u>	<u>10,037,554</u>

The Company

	As at 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	221,477	237,534	325,340	291,167
Additions	—	112,500	—	—
Capital reduction and disposal	—	—	(23,959)	—
Share of post-acquisition profits, other equity movements and other comprehensive income	16,057	(24,694)	(10,214)	(8,834)
At the end of the year	<u>237,534</u>	<u>325,340</u>	<u>291,167</u>	<u>282,333</u>

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Aggregate information of associates that are not individually material:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Aggregate carrying amount of the Group’s associates in the Historical Financial Information	1,880,941	4,100,064	7,343,629	10,037,554

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share of post-acquisition profits and other comprehensive income	770,916	2,020,904	3,294,982	2,251,727

17 INVESTMENT IN JOINT VENTURES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	106,220	119,067	132,878	144,667
Dividends	(11,509)	—	(10,000)	(14,358)
Share of post-acquisition profits and other comprehensive income	25,785	15,860	17,145	28,166
Exchange difference	(1,429)	(2,049)	4,644	(911)
At the end of the year	119,067	132,878	144,667	157,564

Aggregate information of joint venture that is not individually material:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Aggregate carrying amount of the Group’s associates in the Historical Financial Information	119,067	132,878	144,667	157,564

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	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Dividend paid.	11,509	—	10,000	14,358
Share of post-acquisition profits and other comprehensive income	25,891	15,860	17,145	28,166

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18 PROPERTY, PLANT AND EQUIPMENT

Cost

	Land and Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	11,466,339	314,794	23,144,239	216,007	2,438,172	67,142	6,261,280	3,844,865	3,685,336	1,278,592	173,167	52,889,933
Additions	411,785	46,020	7,208,859	88,528	1,056,872	13,614	2,593,748	2,241,158	2,462,528	311,646	128,953	16,563,711
Transfer from construction in progress	1,329,863	25,573	2,352,120	95	56,280	3,767	503,349	194,640	(4,465,687)	—	—	—
Transfer from/to investment properties, net	35,935	—	—	—	—	—	—	—	—	—	—	35,935
Transfer to construction in progress	(96,152)	—	(805,940)	—	(530,630)	—	(127,130)	(99,078)	1,243,293	—	—	(415,637)
Acquired through business combinations	515,969	9,995	817,332	81,462	27,427	14,708	43,748	45,000	3,675	32,812	—	1,592,128
Disposals	(20,663)	(51,624)	(939,041)	(8,832)	(62,382)	(4,893)	(201,477)	(341,567)	—	—	—	(1,630,479)
Reduction from disposal of subsidiaries	(35)	(399)	(8,039)	—	—	(67)	(930)	—	—	—	—	(9,470)
Exchange difference	133,240	4,564	277,110	884	(25,534)	456	116,220	12,945	(233,768)	—	—	286,117
At 31 December 2022 and												
1 January 2023	13,776,281	348,923	32,046,640	378,144	2,960,205	94,727	9,188,808	5,897,963	2,695,377	1,623,050	302,120	69,312,238
Additions	237,692	95,972	4,178,527	30,610	513,725	12,759	2,483,304	380,263	2,613,130	136,044	110,765	10,792,791
Transfer from construction in progress	1,121,416	4	974,351	218	74,895	1,699	1,032,337	490,089	(3,695,009)	—	—	—
Transfer from investment properties	78,129	—	—	—	—	—	—	—	—	—	—	78,129
Transfer to construction in progress	—	—	(750,831)	—	(38,744)	—	(95,562)	(71,491)	683,121	—	—	(273,507)
Disposals	(16,759)	(9,976)	(844,119)	(20,808)	(164,510)	(9,769)	(182,299)	(194,408)	—	—	—	(1,442,648)
Exchange difference	(19,838)	6,268	(38,039)	(21,034)	35,195	187	(15,210)	(57,535)	(70,403)	—	—	(180,409)
At 31 December 2023 and												
1 January 2024	15,176,921	441,191	35,566,529	367,130	3,380,766	99,603	12,411,378	6,444,881	2,226,216	1,759,094	412,885	78,286,594
Additions	317,562	148,105	7,076,195	56,308	655,156	24,722	1,372,220	1,451,763	6,071,057	333,367	164,504	17,670,959
Acquired through business combinations	477,965	33,294	2,539,003	30,036	3,788	696	11,550	—	58,899	—	—	3,155,231
Transfer from construction in progress	1,236,098	5,452	724,430	170	101,525	—	465,833	311,668	(2,845,176)	—	—	—
Transfer to construction in progress	—	—	(478)	—	—	—	(1,883)	(3,860)	690	—	—	(5,531)
Disposals	(1,806)	(16,179)	(435,330)	(14,373)	(247,537)	(5,477)	(410,777)	(236,547)	—	—	—	(1,368,026)
Exchange difference	(227,738)	(12,707)	(103,269)	7,891	(81,955)	(461)	(24,895)	(84,323)	(132,502)	—	—	(659,959)
At 31 December 2024 and												
1 January 2025	16,979,002	599,156	45,367,080	447,162	3,811,743	119,083	13,823,426	7,883,582	5,379,184	2,092,461	577,389	97,079,268
Additions	76,058	109,414	5,807,911	67,065	493,056	27,632	1,792,140	654,503	2,942,743	60,064	103,498	12,134,084

APPENDIX I

ACCOUNTANTS’ REPORT

	Land and Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Acquired through business combinations . . .	5,858,486	619,246	4,779,141	18,132	37,731	6,273	116,586	2,464	410,640	9,253	706,439	12,564,391
Transfer from construction in progress . . .	1,339,056	29,521	916,232	6,123	23,111	4,194	277,224	238,185	(3,168,911)	335,265	—	—
Transfer from Investment Properties	102	—	—	—	—	—	—	—	—	—	—	102
Disposals	(87,466)	(120,779)	(2,079,527)	(7,161)	(106,176)	(6,409)	(223,728)	(163,787)	(82,632)	16,052	—	(2,861,613)
Exchange difference	(176,714)	(8,265)	(158,810)	3,442	10,309	2,610	(192,244)	(36,509)	(84,925)	—	—	(641,106)
At 30 September 2025	23,988,524	1,228,293	54,632,027	534,763	4,269,774	153,383	15,593,404	8,578,438	5,396,099	2,513,095	1,387,326	118,275,126
Depreciation												
At 1 January 2022	1,732,614	116,875	6,448,631	85,500	840,015	35,372	2,276,337	1,332,468	—	687,876	30,867	13,586,555
Provided for the year	565,749	38,898	3,677,296	44,646	435,767	9,557	1,367,255	1,088,813	—	251,898	143,615	7,623,494
Acquired through business combinations . . .	85,066	6,816	449,657	48,387	22,040	10,620	25,224	29,181	—	—	—	676,991
Transfer from investment properties	13,348	—	—	—	—	—	—	—	—	—	—	13,348
Transfer to construction in progress	—	—	(167,476)	—	(203,756)	—	(4,095)	(40,310)	—	—	—	(415,637)
Disposals	(20,604)	(3,222)	(324,222)	(3,848)	(21,684)	(4,456)	(87,871)	(150,414)	—	—	—	(616,321)
Reduction from disposal of subsidiaries . . .	(2)	(143)	(1,759)	—	(42)	(42)	(120)	—	—	—	—	(2,066)
Exchange difference	(11,757)	3,670	50,000	6	(25,739)	191	(7,715)	(8)	—	—	—	8,648
At 31 December 2022 and												
1 January 2023	2,364,414	162,894	10,132,127	174,691	1,046,643	51,242	3,569,015	2,259,730	—	939,774	174,482	20,875,012
Provided for the year	709,629	64,176	4,610,848	52,831	623,132	12,064	2,067,302	1,479,297	—	348,995	118,461	10,086,735
Transfer from investment properties	8,438	—	—	—	—	—	—	—	—	—	—	8,438
Transfer to construction in progress	—	—	(175,879)	—	(14,746)	—	(36,042)	(46,840)	—	—	—	(273,507)
Disposals	(8,001)	(3,859)	(325,060)	(4,913)	(140,003)	(3,330)	(65,835)	(132,267)	—	—	—	(683,268)
Exchange difference	10,982	6,379	7,966	(19,079)	25,034	(1,502)	(882)	(48,968)	—	—	—	(20,070)
At 31 December 2023 and												
1 January 2024	3,085,462	229,590	14,250,002	203,530	1,540,060	58,474	5,533,558	3,510,952	—	1,288,769	292,943	29,993,340
Provided for the year	779,723	73,216	4,915,438	55,399	578,658	13,349	2,447,793	1,465,308	—	229,213	88,923	10,647,020
Acquired through business combinations . . .	237,717	20,572	1,791,608	19,753	1,226	357	7,962	—	—	—	—	2,079,195
Transfer to construction in progress	—	—	(95)	—	—	—	(1,800)	(3,636)	—	—	—	(5,531)
Disposals	(874)	(11,271)	(332,623)	(10,509)	(154,258)	(4,825)	(262,293)	(194,511)	—	—	—	(971,164)
Exchange difference	869	(7,528)	(49,012)	4,072	(58,860)	(247)	(59,054)	(24,841)	—	—	—	(194,601)
At 31 December 2024 and												
1 January 2025	4,102,897	304,579	20,575,318	272,245	1,906,826	67,108	7,666,166	4,753,272	—	1,517,982	381,866	41,548,259

APPENDIX I

ACCOUNTANTS’ REPORT

	Land and Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Provided for the year	740,961	100,316	4,566,937	54,302	538,541	12,966	1,970,227	1,200,768	—	170,439	104,749	9,460,206
Disposals	(16,092)	(16,975)	(1,646,435)	(6,036)	(47,555)	(5,706)	(135,545)	(126,643)	—	—	—	(2,000,987)
Exchange difference	(42,293)	(10,636)	(58,874)	2,640	26,228	1,074	(112,304)	(13,744)	—	18,372	7,595	(181,942)
At 30 September 2025	4,785,473	377,284	23,436,946	323,151	2,424,040	75,442	9,388,544	5,813,653	—	1,706,793	494,210	48,825,536
Impairment												
At 1 January 2022	63,257	1,807	249,275	42	2,496	43	14,415	22,781	—	—	—	354,116
Provided for the year	133	67	174,673	260	13,764	5	15,818	28,865	—	—	—	233,585
Acquired through business combinations	—	22	133	—	—	—	—	—	—	—	—	155
Disposals	(133)	(35)	(76,585)	(42)	(6,103)	(5)	(4,142)	(8,505)	—	—	—	(95,550)

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ACCOUNTANTS’ REPORT

	Land and Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022 and												
1 January 2023	63,257	1,861	347,496	260	10,157	43	26,091	43,141	—	—	—	492,306
Provided for the year	—	4	144,040	1,149	17,422	—	26,703	2,358	—	—	—	191,676
Disposals	—	(58)	(146,741)	(94)	(16,980)	—	(9,253)	(21,122)	—	—	—	(194,248)
Exchange difference	—	(1,796)	5,551	3	(2,107)	—	900	(2,550)	—	—	—	1
At 31 December 2023 and												
1 January 2024	63,257	11	350,346	1,318	8,492	43	44,441	21,827	—	—	—	489,735
Provided for the year	—	6	264,961	246	5,335	—	13,195	9,595	—	—	—	293,338
Acquired through business combinations	—	68	4,674	76	—	—	34	—	—	—	—	4,852
Disposals	—	(2)	(11,045)	(178)	(7,459)	—	(407)	(21,109)	—	—	—	(40,200)
Exchange difference	—	—	—	—	—	—	(6)	—	—	—	—	(6)
At 31 December 2024 and												
1 January 2025	63,257	83	608,936	1,462	6,368	43	57,257	10,313	—	—	—	747,719
Provided for the year	—	6	60,300	581	7,649	—	438	11,886	—	—	—	80,860
Disposals	—	(8)	(162,971)	(123)	(2,253)	(74)	(15,212)	(4,013)	—	—	—	(184,654)
Exchange difference	—	—	4,115	—	—	—	(868)	—	—	—	—	3,247
At 30 September 2025	63,257	81	510,380	1,920	11,764	(31)	41,615	18,186	—	—	—	647,172
Net book value												
At 31 December 2022	11,348,610	184,168	21,567,017	203,193	1,903,405	43,442	5,593,702	3,595,092	2,695,377	683,276	127,638	47,944,920
At 31 December 2023	12,028,202	211,590	20,966,181	162,282	1,832,214	41,086	6,833,379	2,912,102	2,226,216	470,325	119,942	47,803,519
At 31 December 2024	12,812,848	294,494	24,182,826	173,455	1,898,549	51,932	6,100,003	3,119,997	5,379,184	574,479	195,523	54,783,290
At 30 September 2025	19,139,794	850,928	30,684,701	209,692	1,833,970	77,972	6,163,245	2,746,599	5,396,099	806,302	893,116	68,802,418

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ACCOUNTANTS’ REPORT

	Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Company											
Cost											
At 1 January 2022	5,576	3,703	132,212	30,230	15,560	6,560	65,761	10,933	16,062	—	286,597
Additions	—	—	16,578	3,076	—	624	19,827	329	142,963	—	183,397
Transfer from construction in progress	—	—	12,996	—	—	—	478	—	(151,614)	—	(138,140)
Disposals	—	(13)	(13,084)	(486)	(2,475)	(1,040)	(9,003)	(135)	(934)	—	(27,170)
At 31 December 2022 and											
1 January 2023	5,576	3,690	148,702	32,820	13,085	6,144	77,063	11,127	6,477	—	304,684
Additions	—	6	14,257	7,015	—	123	3,286	—	5,249	8,796	38,732
Transfer from construction in progress	—	—	7,353	—	—	—	248	—	(7,891)	—	(290)
Disposals	(165)	(17)	(6,787)	(1,919)	(136)	(176)	(2,591)	(243)	(9)	—	(12,043)
At 31 December 2023 and											
1 January 2024	5,411	3,679	163,525	37,916	12,949	6,091	78,006	10,884	3,826	8,796	331,083
Additions	—	—	21,542	45	14	45	12,247	192	11,438	—	45,523
Transfer from construction in progress	—	—	6,040	—	—	—	334	—	(6,374)	—	—
Disposals	—	(24)	(15,185)	(538)	(455)	(978)	(10,825)	(233)	(105)	—	(28,343)

APPENDIX I

ACCOUNTANTS’ REPORT

	Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 and											
1 January 2025	5,411	3,655	175,922	37,423	12,508	5,158	79,762	10,843	8,785	8,796	348,263
Additions	—	—	47,221	263	—	321	14,574	830	55,354	—	118,563
Transfer from construction in progress	—	—	5,087	—	—	—	128	—	(5,215)	—	—
Disposals	—	—	(3,495)	(132)	(119)	(971)	(936)	—	(3,139)	—	(8,792)
At 30 September 2025	5,411	3,655	224,735	37,554	12,389	4,508	93,528	11,673	55,785	8,796	458,034
Depreciation											
At 1 January 2022	3,704	2,583	48,491	10,889	5,982	4,685	35,188	4,980	—	—	116,502
Provided for the year	243	641	15,459	5,019	1,931	490	12,818	2,008	—	—	38,609
Disposals	—	(11)	(5,887)	(341)	(765)	(936)	(5,404)	(15)	—	—	(13,359)
At 31 December 2022 and											
1 January 2023	3,947	3,213	58,063	15,567	7,148	4,239	42,602	6,973	—	—	141,752
Provided for the year	243	79	16,960	5,065	1,364	485	9,037	1,897	—	1,469	36,599
Disposals	(149)	(15)	(3,664)	(1,244)	(85)	(158)	(1,650)	(219)	—	—	(7,184)
At 31 December 2023 and											
1 January 2024	4,041	3,277	71,359	19,388	8,427	4,566	49,989	8,651	—	1,469	171,167
Provided for the year	243	14	17,412	4,451	803	301	7,952	1,107	—	1,614	33,897
Disposals	—	(13)	(7,200)	(484)	(394)	(720)	(7,861)	(210)	—	—	(16,882)
At 31 December 2024 and											
1 January 2025	4,284	3,278	81,571	23,355	8,836	4,147	50,080	9,548	—	3,083	188,182
Provided for the year	182	6	11,292	3,324	441	177	6,829	168	—	1,211	23,630
Disposals	—	—	(558)	(119)	(104)	(874)	(841)	—	—	—	(2,496)
At 30 September 2025	4,466	3,284	92,305	26,560	9,173	3,450	56,068	9,716	—	4,294	209,316
Impairment											
At 31 December 2023 and											
1 January 2024	—	—	—	—	—	—	—	—	—	—	—
Provided for the year	—	—	14,299	—	—	—	—	—	—	—	14,299

APPENDIX I

ACCOUNTANTS’ REPORT

	Buildings	Office Equipment	Machinery and Equipment	Computer Equipment	Production Support Equipment	Transportation Vehicles	Other Equipment	Molds and Tooling	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 and 1 January 2025 and 30 September 2025	—	—	14,299	—	—	—	—	—	—	—	14,299
Net book value											
At 31 December 2022..	1,629	477	90,639	17,253	5,937	1,905	34,461	4,154	6,477	—	162,932
At 31 December 2023..	1,370	402	92,166	18,528	4,522	1,525	28,017	2,233	3,826	7,327	159,916
At 31 December 2024	1,127	377	80,052	14,068	3,672	1,011	29,682	1,295	8,785	5,713	145,782
At 30 September 2025.	945	371	118,131	10,994	3,216	1,058	37,460	1,957	55,785	4,502	234,419

Note:

- (a) Certain property, plant and equipment as at 31 December 2022, 2023, 2024 and 30 September 2025 respectively were pledged to secure bank borrowing and facilities granted to the Group (Note 47).

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ACCOUNTANTS’ REPORT

19 INVESTMENT PROPERTIES

The Group

	Buildings	Land	Total
	RMB'000	RMB'000	RMB'000
Costs			
At 1 January 2022	55,740	18,427	74,167
Transfer (to)/from PPE, net	(35,946)	11	(35,935)
Acquired through business combinations	68,761	—	68,761
Exchange difference	(230)	(221)	(451)
At 31 December 2022 and 1 January 2023 . . .	88,325	18,217	106,542
Transfer to PPE	(71,656)	(6,473)	(78,129)
Exchange difference	357	330	687
At 31 December 2023 and 1 January 2024 . . .	17,026	12,074	29,100
Additions	3,820	9,229	13,049
Exchange difference	384	46	430
At 31 December 2024 and 1 January 2025 . .	21,230	21,349	42,579
Additions	844	—	844
Transfer to PPE	—	(102)	(102)
Exchange difference	6,501	515	7,016
At 30 September 2025	28,575	21,762	50,337
Depreciation			
At 1 January 2022	15,167	—	15,167
Provided for the year	5,725	—	5,725
Acquired through business combinations	6,260	—	6,260
Transfer to PPE	(13,348)	—	(13,348)
Exchange difference	(44)	—	(44)
At 31 December 2022 and 1 January 2023 . . .	13,760	—	13,760
Provided for the year	328	—	328
Transfer to PPE	(8,438)	—	(8,438)
Exchange difference	96	—	96
At 31 December 2023 and 1 January 2024 . . .	5,746	—	5,746
Provided for the year	1,168	—	1,168
At 31 December 2024 and 1 January 2025 . .	6,914	—	6,914
Provided for the year	7,522	—	7,522
Exchange difference	(785)	—	(785)
At 30 September 2025	13,651	—	13,651
Net book value			
At 31 December 2022	74,565	18,217	92,782
At 31 December 2023	11,280	12,074	23,354
At 31 December 2024	14,316	21,349	35,665
At 30 September 2025	14,924	21,762	36,686

APPENDIX I

ACCOUNTANTS’ REPORT

20 LEASES

(a) Amounts recognized in the consolidated statements of financial positions

The consolidated statements of financial positions show the following amounts relating to leases:

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Right-of-use assets				
Buildings	940,863	647,355	834,425	2,499,395
Land use right	1,785,782	1,786,231	1,958,152	2,362,917
Office equipment	—	—	—	52,943
Machinery and equipment	787	594	22,889	42,348
Transportation vehicles	99	1,014	1,175	5,843
	<u>2,727,531</u>	<u>2,435,194</u>	<u>2,816,641</u>	<u>4,963,446</u>
Lease liabilities				
—Current	179,282	129,208	153,947	598,429
—Non-current	800,739	552,489	727,983	2,224,677
	<u>980,021</u>	<u>681,697</u>	<u>881,930</u>	<u>2,823,106</u>

Notes:

(i) Additions to buildings, land use right, office equipment, machinery and equipment and transportation vehicles during the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025 were approximately RMB812,305,000, RMB275,863,000, RMB408,571,000 and RMB431,152,000, respectively.

(ii) Certain land use rights were pledged to secure bank borrowings and facilities granted to the Group (Note 47).

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ACCOUNTANTS’ REPORT

(b) Amounts recognized in the consolidated statements of profit or loss and other comprehensive income

The consolidated statements of profit or loss and other comprehensive income show the following amounts relating to leases:

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of right-of-use assets (Note 7)	227,430	239,192	308,437	514,982
Interest expense (Note 12).	44,538	27,150	36,018	14,038
Expense relating to short-term leases . .	141,495	201,471	117,612	163,927
Gain on termination of right-of-use assets (Note 10)	3,109	1,258	3,199	6,298

The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Right-of-use assets				
Buildings	60,288	41,694	37,622	21,607
Land use right	228,405	224,654	218,026	213,055
	288,693	266,348	255,648	234,662
Lease liabilities				
—Current	17,709	18,610	21,496	14,770
—Non-current	45,690	27,210	19,970	10,132
	63,399	45,820	41,466	24,902

The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of right-of-use assets	23,140	25,161	24,629	19,590
Interest expense	2,775	2,074	1,472	986
Expense relating to short-term leases . . .	8,682	12,978	13,570	10,049

(c) The Group’s leasing activities and how these are accounted for

The Group leases various buildings for operation. Rental contracts of the leasehold buildings are typically made according to contracts by contracts ranging from one year to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

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ACCOUNTANTS’ REPORT

Movement of right-of-use assets

The Group	Buildings	Land use right	Office equipment	Machinery and Equipment	Transportation Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
At 1 January 2022	521,882	1,619,583	—	11,555	142	2,153,162
Additions	576,971	232,724	—	2,610	—	812,305
Acquired through business combinations	273,756	150,099	—	—	—	423,855
Termination of right-of-use assets	(217,156)	11	—	(5,210)	—	(222,355)
Exchange difference	5,563	18,451	—	—	(2)	24,012
At 31 December 2022 and						
1 January 2023	1,161,016	2,020,868	—	8,955	140	3,190,979
Additions	160,985	66,189	—	47,613	1,076	275,863
Termination of right-of-use assets	(450,499)	—	—	(53,591)	—	(504,090)
Exchange difference	9,412	(15,570)	—	—	3	(6,155)
At 31 December 2023 and						
1 January 2024	880,914	2,071,487	—	2,977	1,219	2,956,597
Additions	264,001	143,951	—	—	619	408,571
Acquired through business combinations	285,811	110,558	—	26,864	—	423,233
Termination of right-of-use assets	(156,500)	—	—	(3,344)	—	(159,844)
Exchange difference	3,241	(12,279)	—	13,273	7	4,242
At 31 December 2024 and						
1 January 2025	1,277,467	2,313,717	—	39,770	1,845	3,632,799
Additions	288,563	102,072	7,312	32,217	988	431,152
Acquired through business combinations	1,836,891	465,165	52,927	24,576	5,608	2,385,167
Termination of right-of-use assets	(148,517)	(2,713)	(5,280)	(52,133)	(1,613)	(210,256)
Exchange difference	96,882	(100,790)	—	—	(60)	(3,968)
At 30 September 2025	<u>3,351,286</u>	<u>2,777,451</u>	<u>54,959</u>	<u>44,430</u>	<u>6,768</u>	<u>6,234,894</u>

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The Group	Buildings	Land use right	Office equipment	Machinery and Equipment	Transportation Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation						
At 1 January 2022.	101,762	160,579	—	6,761	45	269,147
Provided for the year	162,515	58,563	—	6,311	41	227,430
Acquired through business combinations	33,877	14,828	—	—	—	48,705
Termination of right-of-use assets	(84,929)	—	—	(4,904)	—	(89,833)
Exchange difference.	6,928	1,116	—	—	(45)	7,999
At 31 December 2022 and						
1 January 2023	220,153	235,086	—	8,168	41	463,448
Provided for the year	144,034	62,801	—	32,194	163	239,192
Termination of right-of-use assets	(129,806)	—	—	(37,979)	—	(167,785)
Exchange difference.	(822)	(12,631)	—	—	1	(13,452)
At 31 December 2023 and						
1 January 2024	233,559	285,256	—	2,383	205	521,403
Provided for the year	233,578	68,100	—	6,294	465	308,437
Acquired through business combinations	112,144	3,502	—	10,163	—	125,809
Termination of right-of-use assets	(137,841)	—	—	(3,229)	—	(141,070)
Exchange difference.	1,602	(1,293)	—	1,270	—	1,579
At 31 December 2024 and						
1 January 2025	443,042	355,565	—	16,881	670	816,158
Provided for the year	411,227	61,514	7,967	33,398	876	514,982
Termination of right-of-use assets	(84,158)	(96)	(5,387)	(47,440)	(576)	(137,657)
Exchange difference.	81,780	(2,449)	(564)	(757)	(45)	77,965
At 30 September 2025	851,891	414,534	2,016	2,082	925	1,271,448
Net book value						
At 31 December 2022.	940,863	1,785,782	—	787	99	2,727,531
At 31 December 2023.	647,355	1,786,231	—	594	1,014	2,435,194
At 31 December 2024.	834,425	1,958,152	—	22,889	1,175	2,816,641
At 30 September 2025	2,499,395	2,362,917	52,943	42,348	5,843	4,963,446

The Company	Buildings	Land use right	Machinery and Equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At 1 January 2022	75,953	—	2,723	78,676
Additions	13,024	232,619	—	245,643
At 31 December 2022 and				
1 January 2023	88,977	232,619	2,723	324,319
Additions	—	2,839	—	2,839
Termination of right-of-use assets	(532)	—	—	(532)
At 31 December 2023 and				
1 January 2024	88,445	235,458	2,723	326,626
Additions	15,539	—	—	15,539
Termination of right-of-use assets	(2,470)	—	(2,723)	(5,193)
Exchange difference	(1,610)	—	—	(1,610)

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The Company	Buildings	Land use right	Machinery and Equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 and 1 January 2025	99,904	235,458	—	335,362
Additions	1,953	—	—	1,953
Termination of right-of-use assets	(3,093)	—	—	(3,093)
Exchange difference	(1,579)	—	—	(1,579)
At 30 September 2025	97,185	235,458	—	332,643
Depreciation				
At 1 January 2022	10,127	—	2,359	12,486
Provided for the year	18,562	4,214	364	23,140
At 31 December 2022 and 1 January 2023	28,689	4,214	2,723	35,626
Provided for the year	18,571	6,590	—	25,161
Termination of right-of-use assets	(509)	—	—	(509)
At 31 December 2023 and 1 January 2024	46,751	10,804	2,723	60,278
Provided for the year	18,001	6,628	—	24,629
Termination of right-of-use assets	(2,470)	—	(2,723)	(5,193)
At 31 December 2024 and 1 January 2025	62,282	17,432	—	79,714
Provided for the year	14,619	4,971	—	19,590
Termination of right-of-use assets	(1,323)	—	—	(1,323)
At 30 September 2025	75,578	22,403	—	97,981
Net book value				
At 31 December 2022	60,288	228,405	—	288,693
At 31 December 2023	41,694	224,654	—	266,348
At 31 December 2024	37,622	218,026	—	255,648
At 30 September 2025	21,607	213,055	—	234,662

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21 GOODWILL

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At the beginning of the year	1,433,660	1,766,342	1,766,342	1,922,926
Acquisition of subsidiaries (<i>Note a</i>) . . .	332,682	—	157,038	378,274
Disposal of subsidiaries	—	—	(454)	(50,069)
At the end of the year.	<u>1,766,342</u>	<u>1,766,342</u>	<u>1,922,926</u>	<u>2,251,131</u>
Impairment				
At the beginning of the year	36,295	36,295	37,099	37,099
Impairment loss recognized (<i>Note b</i>) . . .	—	804	—	—
Disposal.	—	—	—	(455)
At the end of the year.	<u>36,295</u>	<u>37,099</u>	<u>37,099</u>	<u>36,644</u>
Carrying values				
At the end of the year.	<u>1,730,047</u>	<u>1,729,243</u>	<u>1,885,827</u>	<u>2,214,487</u>

Notes:

- (a) Goodwill is recognized in connection with business acquisitions. The cost of goodwill increased from approximately RMB1,766 million as at 31 December 2022 to RMB1,923 million as at 31 December 2024. The increase of goodwill in 2022 is mainly due to the acquisition of Time Interconnect Technology Limited (“**Time Interconnect Group**”) and 深圳市華榮科技有限公司. The cost of goodwill increased from approximately RMB1,923 million as at 31 December 2024 to RMB2,251 million as at 30 September 2025. The increase of goodwill in 2025 is mainly due to the acquisition of the Other Mainland Consumer Electronics Businesses of Wingtech (“**Other Mainland Consumer Electronics Businesses**”) (Note 46 (c) (iv)).
- (b) As at 31 December 2023, management has determined that the 浙江普興電子科技有限公司 (浙江普興) CGU is expected to generate losses in the future. Therefore, the entire carrying amount of goodwill amounting to RMB804,000 related to this CGU has been fully impaired.

The Company	As 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the end of the year .	<u>53,174</u>	<u>53,174</u>	<u>53,174</u>	<u>53,174</u>

Goodwill arising from business combinations is allocated to the following CGUs for impairment testing:

- Lanto Electronic Limited (“**Lanto Kunshan**”)
- Luxcase Precision Technology (Yancheng) Co., Ltd. (“**Luxcase ICT Yancheng**”)
- Time Interconnect Technology Limited (“**Time Interconnect Group**”)
- Other Mainland Consumer Electronics Businesses
- Others

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	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Lanto Kunshan CGU	376,682	376,682	376,682	376,682
Luxcase ICT Yancheng CGU	814,785	814,785	814,785	814,785
Time Interconnect Group CGU	175,669	175,669	175,669	175,669
Other Mainland Consumer Electronics Businesses CGU	—	—	—	210,734
Other CGUs	362,911	362,107	518,691	636,617
At the end of the year	<u>1,730,047</u>	<u>1,729,243</u>	<u>1,885,827</u>	<u>2,214,487</u>

As stated in Note 2.2.15, goodwill would be tested for impairment annually, at the end of the reporting period. If the carrying amount exceeds its estimated recoverable amount, which is the higher of value in use and fair value less cost to sell, the difference of which would be recognized in profit and loss immediately.

Fair Value Less Cost to Sell

When assessing the impairment of goodwill for listed company, the valuation technique to determine the recoverable amount is fair value less cost to sell. Fair value is based on the fair value of stocks issued in the public market.

Based on such valuation technique, no impairment of goodwill was identified.

Value in Use

For remaining company, the valuation technique used to determine the recoverable amount of the groups (or groups of cash-generating units) are value in use. Value in use is calculated as present value of future cash flows, which is based on business plans approved by management. The business plan covers a five-year period and incorporates a risk-adjusted discount rate. Cash flows beyond that period are extrapolated using a steady growth rate and a terminal value.

Certain key assumptions were used in the calculation of value in use for the CGUs as at 31 December 2022, 2023 and 2024. The following set out the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

As at 31 December 2022, 2023 and 2024, the recoverable amounts of the CGU were determined from value-in-use calculations based on cash flow projections which were based on financial forecasts covering the expected life of 5 years of the operation. Management determined budgeted gross margin based on past performance and the expected future performance. The discount rates reflect the specific risks relating to the CGUs. The price of products and services sold by each CGU were with reference to current market information available at the time of impairment assessment.

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The key assumptions of major goodwill are as below:

The cash flow projections covered a period approved by management as follows:

	As at 31 December		
	2022	2023	2024
Lanto Kunshan CGU.	5 years	5 years	5 years
Luxcase ICT Yancheng CGU.	5 years	5 years	5 years

The growth rate of revenue applied to the cash flow projections are as follows:

	As at 31 December		
	2022	2023	2024
	%	%	%
Lanto Kunshan CGU.	1.5–2.02	1.0–2.1	1.0–1.06
Luxcase ICT Yancheng CGU.	17.7–20.0	14.1–15.2	8.0–9.7

This growth rate is based on the relevant industry growth forecast and does not exceed the average long-term growth rate for the relevant industry.

The pre-tax discount rate applied to the cash flow projections are as follows:

	As at 31 December		
	2022	2023	2024
	%	%	%
Lanto Kunshan CGU.	12.18	12.29	13.65
Luxcase ICT Yancheng CGU.	13.47	13.50	14.84

The pre-tax discount rate is the expected return of the Group’s assets that reflects current market assessments of the time value of money and the specific risk associated with the CGU, after taking into account the weighted average cost of equity and debt.

Other key assumptions for the value-in-use calculations related to the estimation of cash inflows/outflows include budgeted sales and gross margins, such estimation is based on the CGU’s past performance and management’s expectations for market development.

As of 31 December 2022, 2023 and 2024, the recoverable amount of Lanto Kunshan CGU is approximately RMB16,911 million, RMB10,196 million and RMB9,447 million, respectively. The headroom measured by the excess of the recoverable amount over the carrying amount of Lanto Kunshan CGU was RMB10,795 million, RMB4,704 million and RMB4,008 million as of 31 December 2022, 2023 and 2024, respectively. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Lanto Kunshan CGU was recognized as of 31 December 2022, 2023 and 2024.

The Group performed the sensitivity analysis based on the assumption that the pre-tax discount rate and the annual growth rate of revenue have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would have decreased to the following:

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	As of 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Annual growth rate of revenue decreases by 5%	7,982,787	2,946,228	2,215,806
Pre-tax discount rate increases by 3%	7,557,498	2,645,917	2,047,211

As of 31 December 2022, 2023 and 2024, the recoverable amount of Luxcase ICT Yancheng CGU is approximately RMB25,973 million, RMB29,763 million and RMB23,068 million respectively. The headroom measured by the excess of the recoverable amount over the carrying amount of Luxcase ICT Yancheng CGU was RMB11,784 million, RMB13,572 million and RMB5,160 million as of 31 December 2022, 2023 and 2024, respectively. Based on the results of the impairment assessments, no impairment loss on the goodwill relating to Luxcase ICT Yancheng CGU was recognized as of 31 December 2022, 2023 and 2024.

The Group performed the sensitivity analysis based on the assumption that the pre-tax discount rate and the annual growth rate of revenue have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would have decreased to the following:

	As of 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Annual growth rate of revenue decreases by 5%	6,193,669	8,720,765	1,118,412
Pre-tax discount rate increases by 3%	5,240,191	7,615,724	355,694

Considering that there was sufficient headroom based on the assessment, the directors of the Company believe that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount as of 31 December 2022, 2023 and 2024, respectively.

As of 30 September 2025, the management is not aware of any significant adverse changes on the Time Interconnect Group CGU, Lanto Kunshan CGU and Luxcase ICT Yancheng CGU that indicates the carrying amount of the cash-generating unit exceeds its recoverable amount. As a result, no impairment assessment as at 30 September 2025 was performed.

Since the acquisition of Other Mainland Consumer Electronics Businesses CGU was completed in July 2025, management has determined that no impairment indicators exist. Accordingly, no impairment assessment is required as of 30 September 2025.

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22 INTANGIBLE ASSETS

The Group	Patent Rights	Non-patented Technology	Software	Customer Relationships (Note (a))	Internally Generated Technology (Note (b))	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Costs							
At 1 January 2022	5,138	115,052	280,410	107,955	—	—	508,555
Additions	4,290	13,199	86,383	1,523	—	168	105,563
Acquired through business combinations . .	184,939	—	7,677	—	—	146	192,762
Disposals	—	—	(32,768)	—	—	—	(32,768)
Exchange difference	(4)	(33,778)	34,675	(1,360)	—	—	(467)
At 31 December 2022 and							
1 January 2023	194,363	94,473	376,377	108,118	—	314	773,645
Additions	2,145	36,831	84,450	—	—	267	123,693
Disposals	(118)	(509)	(39,168)	—	—	(168)	(39,963)
Exchange difference	6	(14,511)	14,864	1,950	—	(146)	2,163
At 31 December 2023 and							
1 January 2024	196,396	116,284	436,523	110,068	—	267	859,538
Additions	6,929	46,092	116,939	—	—	—	169,960
Acquired through business combinations . .	3,053	—	22,636	—	—	420	26,109
Disposals	—	(1,107)	(7,260)	—	—	—	(8,367)
Exchange difference	(15)	(2,224)	131	(4,043)	—	10	(6,141)
At 31 December 2024 and							
1 January 2025	206,363	159,045	568,969	106,025	—	697	1,041,099
Additions	1,593	36,963	135,705	—	—	503	174,764
Acquired/(disposed) through business combinations	282,631	79,321	127,341	(730)	599,679	12,792	1,101,034
Transfer from internally development . . .	59,977	5,553	—	—	(65,530)	—	—
Internally development	—	—	—	—	74,445	—	74,445
Disposals	(42,850)	(2,447)	(12,590)	—	—	—	(57,887)
Exchange difference	(16,993)	(41,742)	10,634	(18,776)	16,652	(9,510)	(59,735)
At 30 September 2025	490,721	236,693	830,059	86,519	625,246	4,482	2,273,720

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The Group	Patent Rights	Non-patented Technology	Software	Customer Relationships (Note (a))	Internally Generated Technology (Note (b))	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation							
At 1 January 2022	432	44,821	110,782	6,194	—	—	162,229
Provided for the year	1,022	12,647	87,529	11,095	—	13	112,306
Acquired through business combinations . .	30,823	—	2,656	—	—	132	33,611
Disposals	—	—	(17,400)	—	—	—	(17,400)
Exchange difference	(2)	(14,480)	162	(78)	—	—	(14,398)
At 31 December 2022 and							
1 January 2023	32,275	42,988	183,729	17,211	—	145	276,348
Provided for the year	42,834	28,909	88,716	9,745	—	125	170,329
Disposals	(118)	(479)	(36,830)	—	—	(25)	(37,452)
Exchange difference	4	(8,669)	8,497	310	—	(139)	3
At 31 December 2023 and							
1 January 2024	74,995	62,749	244,112	27,266	—	106	409,228
Provided for the year	44,124	43,182	95,735	8,944	—	—	191,985
Acquired through business combinations . .	—	—	16,112	—	—	—	16,112
Disposals	—	(618)	(4,455)	—	—	—	(5,073)
Exchange difference	(11)	(825)	45	(1,002)	—	2	(1,791)
At 31 December 2024 and							
1 January 2025	119,108	104,488	351,549	35,208	—	108	610,461
Provided for the year	166,116	36,576	107,479	7,206	—	1,480	318,857
Disposals	(28,907)	(2,447)	(8,267)	—	—	—	(39,621)
Exchange difference	(154,862)	1,240	373	(18,241)	1,712	2,326	(167,452)
At 30 September 2025	101,455	139,857	451,134	24,173	1,712	3,914	722,245
Impairment							
At 1 January 2022, 31 December 2022, 31 December 2023 and							
1 January 2024	—	—	—	—	—	—	—
Acquired through business combinations . .	—	—	187	—	—	—	187
At 31 December 2024 and							
1 January 2025	—	—	187	—	—	—	187
Provided for the year	—	—	119	—	—	—	119
Disposal	(3,837)	—	—	—	—	—	(3,837)
Exchange difference	(1,240)	—	1	—	—	—	(1,239)
At 30 September 2025	(5,077)	—	307	—	—	—	(4,770)
Net book value							
At 31 December 2022	162,088	51,485	192,648	90,907	169	—	497,297
At 31 December 2023	121,401	53,535	192,411	82,802	161	—	450,310
At 31 December 2024	87,255	54,557	217,233	70,817	589	—	430,451
At 30 September 2025	394,343	96,836	378,618	62,346	623,534	568	1,556,245

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Note:

- (a) Such intangible assets arose from the acquisition of 城堡岩石股份有限公司 in April 2019 and CalDigit Holding Limited in May 2020 based on the valuation prepared by an independent external valuer adopting the multi-period excess earnings method under the income approach. The intangible assets were evaluated based on Operating conditions, revenue growth and profitability over the past three years. As at the date of the valuation, the relationships with Core Customers have been well-established, strong and achieved through track records of quality product deliveries. These intangible assets enable 城堡岩石股份有限公司 and CalDigit Holding Limited to have stable source of revenue and also provide a solid foundation for business growth and development.
- (b) Internally generated technology, which are intangible assets not yet ready for use, are tested for impairment annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. Internally generated technology are used by Other Mainland Consumer Electronics Businesses CGU, which was acquired by the Group in July 2025. The management is not aware of any significant adverse changes on the Other Mainland Consumer Electronics Businesses CGU that indicates the carrying amount of the cash-generating unit exceeds its recoverable amount. As a result, no impairment assessment as at 30 September 2025 was performed.

The Company	Patent Rights	Software	Total
	RMB'000	RMB'000	RMB'000
Costs			
At 1 January 2022	—	121,059	121,059
Additions	1,120	42,852	43,972
Disposals	—	(1,083)	(1,083)
At 31 December 2022 and 1 January 2023 . . .	1,120	162,828	163,948
Additions	—	35,971	35,971
Disposals	—	(32,837)	(32,837)
At 31 December 2023 and 1 January 2024 . . .	1,120	165,962	167,082
Additions	—	66,821	66,821
At 31 December 2024 and 1 January 2025 . .	1,120	232,783	233,903
Additions	—	61,753	61,753
At 30 September 2025	1,120	294,536	295,656
Depreciation			
At 1 January 2022	—	49,780	49,780
Provided for the year	37	30,283	30,320
Disposals	—	(313)	(313)
At 31 December 2022 and 1 January 2023 . . .	37	79,750	79,787
Provided for the year	224	36,483	36,707
Disposals	—	(32,378)	(32,378)
At 31 December 2023 and 1 January 2024 . . .	261	83,855	84,116
Provided for the year	224	49,192	49,416
At 31 December 2024 and 1 January 2025 . .	485	133,047	133,532
Provided for the year	168	53,221	53,389
At 30 September 2025	653	186,268	186,921
Impairment			
At 1 January 2022, 31 December 2022, 31 December 2023, 31 December 2024 and 1 January 2025	—	—	—
Provided for the year	—	119	119
	—	119	119
Net book value			
At 31 December 2022	1,083	83,078	84,161

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The Company	Patent Rights	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2023	859	82,107	82,966
At 31 December 2024	635	99,736	100,371
At 30 September 2025	467	108,149	108,616

23 DEFERRED TAX ASSETS/LIABILITIES

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets	1,225,688	1,329,940	1,659,322	4,706,075
Set-off with deferred tax liabilities pursuant to set-off provision	(17,106)	(456,996)	(841,629)	(2,388,188)
	1,208,582	872,944	817,693	2,317,887
Deferred tax liabilities	1,623,751	1,340,921	1,797,450	3,817,198
Set-off with deferred tax assets pursuant to set-off provision	(17,106)	(456,996)	(841,629)	(2,388,188)
	1,606,645	883,925	955,821	1,429,010

The following is a summary of the deferred tax balances of the Company for financial reporting purposes:

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets	13,422	25,479	27,151	22,383
Set-off with deferred tax liabilities pursuant to set-off provision	(7,634)	(25,479)	(16,752)	(22,383)
	5,788	—	10,399	—
Deferred tax liabilities	67,865	44,986	16,752	26,148
Set-off with deferred tax assets pursuant to set-off provision	(7,634)	(25,479)	(16,752)	(22,383)
	60,231	19,507	—	3,765

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The followings are the major deferred tax assets and liabilities recognized and movements thereon before offsetting during the Track Record Period:

The Group

DEFERRED TAX ASSETS	Impairment allowance	Unused Tax Losses	Unrealized intercompany profits	Government Grants	Share-based Payment	Fixed Asset Depreciation	Lease Liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	63,107	544,803	65,366	87,213	75,532	37,232	2,009	15,953	891,215
Credit to profit or loss	56,274	170,669	17,235	12,509	32,309	3,039	16,846	17,283	326,164
Charged to other comprehensive income	—	—	—	—	—	—	—	(27)	(27)
Acquired through business combinations	—	500	—	—	—	—	—	—	500
Exchange difference	1,427	4,327	455	317	819	256	74	161	7,836
As at 31 December 2022 and									
1 January 2023	120,808	720,299	83,056	100,039	108,660	40,527	18,929	33,370	1,225,688
Credit/(charged) to profit or loss . .	111,733	(265,698)	14,271	(5,643)	59,257	129,370	57,880	8,942	110,112
Credit to other comprehensive income	—	—	—	—	—	—	—	3,445	3,445
Exchange difference	(8,172)	19,434	(1,121)	413	(4,336)	(9,236)	(5,273)	(1,014)	(9,305)
As at 31 December 2023 and									
1 January 2024	224,369	474,035	96,206	94,809	163,581	160,661	71,536	44,743	1,329,940
Credit/(charged) to profit or loss . .	59,659	81,808	10,964	9,499	(18,017)	72,957	14,454	(13,980)	217,344
Credit to other comprehensive income	—	—	—	—	—	—	—	757	757
Acquired through business combinations	44,397	—	938	221	—	32,272	27,478	—	105,306
Exchange difference	1,640	2,249	270	261	(495)	1,909	396	(255)	5,975
As at 31 December 2024 and									
1 January 2025	330,065	558,092	108,378	104,790	145,069	267,799	113,864	31,265	1,659,322
Credit/(charged) to profit or loss . .	367,310	497,531	8,615	(5,919)	191,780	64,104	541,840	2,956	1,668,217
Credit to other comprehensive income	—	—	—	—	—	—	—	91	91
Acquired through business combinations	363,546	495,983	9,388	18,866	36,066	284,098	153,696	26,221	1,387,864
Exchange difference	—	—	(192)	78	(3,026)	2,643	(8,825)	(97)	(9,419)
As at 30 September 2025	1,060,921	1,551,606	126,189	117,815	369,889	618,644	800,575	60,436	4,706,075

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The Group

DEFERRED TAX LIABILITIES	Appraisal increment of assets in business combinations under non-common control	Accelerated depreciation of fixed assets	Undistributed profits of affiliates	Right-of-use asset	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	171,173	905,906	129,259	—	65,754	1,272,092
Credit/(charged) to profit or loss	(16,212)	275,266	42,223	17,106	17,233	335,616
Credit to other comprehensive income	—	—	—	—	23,274	23,274
Acquired through business combinations	—	—	—	—	454	454
Exchange differences	391	(6,642)	(1,019)	—	(415)	(7,685)
As at 31 December 2022 and 1 January 2023	155,352	1,174,530	170,463	17,106	106,300	1,623,751
Credit/(charged) to profit or loss	(18,072)	(381,287)	38,826	53,332	34,203	(272,998)
Charged to other comprehensive income	—	—	—	—	(28,549)	(28,549)
Exchange differences	1,322	27,888	(2,839)	(5,153)	(2,501)	18,717
As at 31 December 2023 and 1 January 2024	138,602	821,131	206,450	65,285	109,453	1,340,921
Credit/(charged) to profit or loss	(14,213)	240,336	28,142	14,081	160,258	428,604
Credit/(charged) to other comprehensive income	—	—	—	—	(18,540)	(18,540)
Acquired through business combinations	—	1,559	7,441	25,682	—	34,682
Exchange differences	(391)	6,610	775	387	4,402	11,783
As at 31 December 2024 and 1 January 2025	123,998	1,069,636	242,808	105,435	255,573	1,797,450
Credit/(charged) to profit or loss	297,458	511,222	92,379	553,677	170,782	1,625,518
Credit/(charged) to other comprehensive income	—	—	—	—	12,049	12,049
Acquired through business combinations	—	185,531	—	140,877	20,507	346,915
Exchange differences	6,453	10,835	2,004	7,888	8,086	35,266
As at 30 September 2025.	427,909	1,777,224	337,191	807,877	466,997	3,817,198

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The Company

DEFERRED TAX ASSETS	Impairment loss	Government grant	Share based payment	Fair value adjustment through other comprehensive income	Right of use asset	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	1,305	1,374	6,580	27	187	9,473
Credit/(charge) to profit or loss						
for the year	670	(510)	(4,126)	—	7,941	3,975
Charge to other comprehensive income . .	—	—	—	(26)	—	(26)
At 31 December 2022 and						
1 January 2023	1,975	864	2,454	1	8,128	13,422
Credit/(charge) to profit or loss						
for the year	2,973	(322)	7,217	—	(1,255)	8,613
Credit to other comprehensive income . .	—	—	—	3,444	—	3,444
At 31 December 2023 and						
1 January 2024	4,948	542	9,671	3,445	6,873	25,479
Credit/(charge) to profit or loss						
for the year	1,332	(239)	474	—	(653)	914
Credit to other comprehensive income . .	—	—	—	758	—	758
At 31 December 2024 and						
1 January 2025	6,280	303	10,145	4,203	6,220	27,151
Credit/(charge) to profit or loss						
for the year	(2,104)	(179)	—	—	(2,485)	(4,768)
As at 30 September 2025	4,176	124	10,145	4,203	3,735	22,383

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The Company

DEFERRED TAX LIABILITIES	Valuation of Derivative Financial Instruments	Fair Value Changes on Other Equity Instruments	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022	5,668	28,784	—	34,452
Credit to profit or loss for the year.	2,506	—	7,634	10,140
Credit to other comprehensive income . .	—	23,273	—	23,273
At 31 December 2022 and 1 January 2023	8,174	52,057	7,634	67,865
Credit/(charge) to profit or loss for the year.	7,049	—	(1,380)	5,669
Charge to other comprehensive income .	—	(28,548)	—	(28,548)
At 31 December 2023 and 1 January 2024	15,223	23,509	6,254	44,986
Charge to profit or loss for the year.	(9,084)	—	(611)	(9,695)
Charge to other comprehensive income .	—	(18,539)	—	(18,539)
At 31 December 2024 and 1 January 2025	6,139	4,970	5,643	16,752
Charge to profit or loss for the year . . .	(160)	—	(2,402)	(2,562)
Charge to other comprehensive income .	—	11,958	—	11,958
As at 30 September 2025	5,979	16,928	3,241	26,148

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24 INVENTORIES

As at 31 December 2022, 2023, 2024 and 30 September 2025, the inventories held by the Group for sales are shown by categories as below:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	8,805,902	7,122,403	8,389,250	15,579,908
Materials in Transit.	38,828	27,648	45,746	289,857
Consumable Supplies	319,287	137,194	441,841	771,479
Outsourced Processing Materials	21,425	7,662	88,904	68,414
Work in Progress	4,968,546	5,171,213	6,905,616	11,914,848
Finished Goods	23,761,428	17,873,073	16,723,010	23,261,901
Goods in Transit	112,858	80,403	101,539	927,369
Less: provision.	(762,623)	(1,012,114)	(1,208,810)	(1,234,811)
	<u>37,265,651</u>	<u>29,407,482</u>	<u>31,487,096</u>	<u>51,578,965</u>

During the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025, inventories recognized as cost of sales amounted to RMB37,065 million, RMB29,147 million, RMB26,115 million and RMB28,843 million, respectively, and including reversal of provision for inventories recognized as cost of sales amounted to RMB206 million, RMB762 million, RMB789 million and RMB702 million, respectively.

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	115,362	86,544	114,493	228,726
Consumable Supplies	259	92	83	499
Work in Progress	69,538	83,079	63,885	131,292
Finished Goods	177,178	142,182	203,650	167,230
Goods in Transit	15,957	23,330	19,841	7,932
Less: provision.	(13,170)	(28,967)	(22,463)	(11,319)
	<u>365,124</u>	<u>306,260</u>	<u>379,489</u>	<u>524,360</u>

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The movement of provision of inventory is as follows:

The Group	As at 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
At the beginning of the year	354,967	762,623	1,012,114	1,012,114	1,208,810
Acquired through business combinations	574	—	85,323	17,028	—
Provision	613,237	1,009,956	908,440	427,935	782,105
Written off	(205,927)	(762,830)	(789,279)	(435,198)	(701,607)
Exchange difference	(228)	2,365	(7,788)	10,881	(54,497)
At the end of the year	<u>762,623</u>	<u>1,012,114</u>	<u>1,208,810</u>	<u>1,032,760</u>	<u>1,234,811</u>

The Company	As at 31 December			As at 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
At the beginning of the year	8,701	13,170	28,967	28,967	22,463
Provision	4,469	15,797	(6,504)	(5,054)	(11,144)
At the end of the year	<u>13,170</u>	<u>28,967</u>	<u>22,463</u>	<u>23,913</u>	<u>11,319</u>

25 CONTRACT FULFILLMENT COSTS

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract fulfillment costs	97,679	466,879	222,914	425,646
Less: provision	—	(116,430)	(7,334)	(7,838)
	<u>97,679</u>	<u>350,449</u>	<u>215,580</u>	<u>417,808</u>

During the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2024 and 30 September 2025, contract fulfillment costs recognized as cost of sales amounted to RMB Nil, RMB98 million, RMB350 million and RMB194 million, respectively, and including provision for contract fulfillment costs recognized as cost of sales amounted to RMB Nil, RMB116 million, RMB7 million and RMB8 million, respectively.

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Provision for contract fulfillment costs was recognized for the amount by which the carrying amount of the contract fulfillment costs exceeds its net realizable value and was recorded in “cost of sales” in the consolidated statements of profit or loss and other comprehensive income. Provision for contract fulfillment costs movements for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2024 and 30 September 2025 are as below:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
At the beginning of the year	—	—	116,430	116,430	7,334
Provision	—	116,430	7,280	5,791	508
Written off	—	—	(116,430)	(116,430)	—
Exchange difference.	—	—	54	(72)	(4)
At the end of the year	—	116,430	7,334	5,719	7,838

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26 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at FVTPL (<i>Note 27</i>) . . .	1,388,967	1,756,464	1,442,423	3,376,811
Financial assets at FVTOCI (<i>Note 28</i>) . .	440,107	836,707	1,219,049	2,006,186
Derivative Financial Instruments (<i>Note 29</i>)	—	—	—	98,373
Financial assets at amortized cost:				
—Trade and note receivables (<i>Note 31</i>)	26,993,122	23,765,555	32,910,872	51,993,186
—Other receivables (excluded prepayments and VAT recoverable) (<i>Note 30</i>)	450,105	380,349	944,815	1,279,747
—Restricted bank deposits (<i>Note 32</i>) . . .	2,054,791	3,935,387	1,092,553	2,239,868
—Term deposit (<i>Note 32</i>)	1,846,702	10,120,341	34,381,656	36,152,760
—Cash and cash equivalents (<i>Note 32</i>)	17,312,418	29,684,152	47,267,103	54,207,158
	<u>50,486,212</u>	<u>70,478,955</u>	<u>119,258,471</u>	<u>151,354,089</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss (<i>Note 39</i>)	44,318	117,942	155,279	458,097
Derivative Financial Instruments (<i>Note 29</i>)	—	—	—	30,824
Financial liabilities at amortized cost:				
—Trade and note payables (<i>Note 34</i>) . . .	44,424,833	42,498,591	57,712,870	82,603,046
—Other payables and accruals (excluding payroll and welfare payables and other taxes payable) (<i>Note 35</i>)	6,349,584	4,309,188	8,755,829	7,034,059
—Borrowings (<i>Note 33</i>)	24,946,052	35,241,450	57,035,396	85,551,175
—Lease liabilities (<i>Note 20</i>)	980,021	681,697	881,930	2,823,106
—Short-term financing bills (<i>Note 38</i>)	3,840,115	802,722	5,039,812	3,216,283
Medium-term notes (<i>Note 37</i>)	—	—	—	3,039,198
	<u>80,584,923</u>	<u>83,651,590</u>	<u>129,581,116</u>	<u>184,755,788</u>

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at FVTPL:

- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognize fair value gains or losses through OCI.
- derivative financial assets for which the USD/CNY forward exchange contracts.

- (a) The equity investments are classified as non-current as the management does not expect to realize these financial assets within twelve months after the end of each reporting period during the Track Record Period respectively.
- (b) Wealth management products at FVTPL represents the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The wealth management products can be purchased or disposed at any date during the open days. The Group measures the investments at fair value using the present value method.

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28 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
—Equity investments (<i>Note a</i>)	440,107	249,122	112,765	224,125
	440,107	249,122	112,765	224,125
Current assets				
—Note receivables measured at FVTOCI (<i>Note b</i>)	—	587,585	1,106,284	1,782,061
	—	587,585	1,106,284	1,782,061

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
—Equity investments	436,417	244,727	108,337	201,755
	436,417	244,727	108,337	201,755
Current assets				
—Note receivables measured at FVTOCI	—	5,120	10,673	24,670
	—	5,120	10,673	24,670

Notes:

- (a) Equity investments comprise unlisted securities of RMB97.7 million, RMB76.4 million, RMB71.4 million and 71.4 million as at 31 December 2022, 2023, 2024 and 30 September 2025, respectively. The fair values of these equity securities are measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy. The major assumptions used in the valuation refer to Note 3.3.
- (b) The following note receivables as at 31 December 2022, 2023, 2024 and 30 September 2025, which are classified at financial assets at FVTOCI, were managed by collecting contractual cash flows and selling of these assets.

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Note receivables measured at FVTOCI	—	587,585	1,106,284	1,782,061

The Group has transferred substantially all the risks and rewards of ownership of certain note receivables discounted to banks or endorsed to suppliers. The relevant assets were derecognized and no longer included in the Historical Financial Information. In the opinion of the directors, the Group has limited exposure in respect of the settlement obligation of these note receivables under the relevant PRC rules and regulations should the issuing banks fail to settle the note on maturity date. The Group considered the issuing banks of these notes are of good credit quality and non-settlement of these notes by the issuing banks on maturity is not probable.

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The Group’s maximum exposure that may result from the default of these derecognized note receivables at the end of each reporting period are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Note receivables	1,028,290	2,129,207	3,311,205	2,579,178

29 DERIVATIVE FINANCIAL INSTRUMENTS

	As of 30 September 2025		
	Nominal Amount	Fair Value	
		Asset	Liability
	EUR’000	RMB’000	RMB’000
Derivatives asset under hedge accounting. . . .			
Cash flow hedge — foreign currency			
forwards	379,953	98,373	30,824
	379,953	98,373	30,824

The Group enters into derivative financial instruments with banks. Derivative financial instruments are mainly about foreign currency forward contracts and foreign currency options. The fair values of derivative financial instruments are measured based on the valuation report obtained from banks.

Hedge accounting has been applied for foreign currency forwards that are assessed by the Group to be highly effective hedges.

The Group determines the economic relationship between the hedging instruments and the hedged items by matching the critical terms of foreign currency forwards contracts with the terms of trade receivable and trade payable contract (i.e., notional amount and expected payment date). The hedge ratio (the ratio between the notional amount of the derivatives to the par value of the trade receivable and trade payable) is determined to be 1:1. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The potential sources of ineffectiveness result from differences between the timing of the cash flows of the hedged item and hedging instrument and potential credit risk.

Hedge ineffectiveness can arise from:

Differences in the timing of the cash flows of the trade receivables, trade payables and the hedging instruments; and

Changes to the forecasted amounts of cash flows of hedged items and hedging instruments.

The cash flow hedge was acquired due to business combination during nine months ended 30 September 2025. For the nine months ended 30 September 2025, the hedging gains of approximately RMB56.3 million was recognized in other comprehensive income.

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30 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Prepayments for acquisition of PPE . . .	1,663,116	1,416,221	1,688,137	2,476,398
Advance payment for equity investment (Note d)	—	141,654	—	82,223
Others	13,144	10,763	7,767	63,061
	<u>1,676,260</u>	<u>1,568,638</u>	<u>1,695,904</u>	<u>2,621,682</u>
Current				
Prepayments made to the third-party suppliers	575,817	476,592	378,487	1,192,767
Prepayments made to the related-party suppliers	10,761	10,111	10,713	642
Amount due from associates (Note a) . .	4,171	54	696	742
Amount due from the related parties (Note b)	5,728	13,868	2,759	2,030
Amount due from the third parties (Note c)	426,557	313,336	921,313	536,218
Input VAT to be deducted	2,019,719	2,106,402	2,472,487	2,881,588
Others	505	42,328	12,280	677,696
	<u>3,043,258</u>	<u>2,962,691</u>	<u>3,798,735</u>	<u>5,291,683</u>
Less: provision for impairment	(5,333)	(4,851)	(7,939)	(6,827)
	<u><u>3,037,925</u></u>	<u><u>2,957,840</u></u>	<u><u>3,790,796</u></u>	<u><u>5,284,856</u></u>

Notes:

- (a) Amount due from the associates is trade in nature, unsecured, interest free and repayable on demand.
- (b) Amount due from the related parties is trade in nature, unsecured, interest free and repayable on demand.
- (c) Amount due from the third parties is trade in nature, unsecured, interest free and repayable on demand.
- (d) In 2023, the Group entered into a Share Purchase Agreement with Qorvo Hong Kong Limited and Qorvo Singapore Limited, pursuant to which it shall make an advance payment of RMB 141 million for the acquisition of 100% equity interests of the target companies.

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The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Prepayments for acquisition of PPE	2,466	4,943	164,254	115,312
	<u>2,466</u>	<u>4,943</u>	<u>164,254</u>	<u>115,312</u>
Current				
Prepayments made to the third-party suppliers	153,215	2,994	4,667	9,612
Prepayments made to the subsidiaries . .	—	189,120	950	—
Amount due from the subsidiaries (<i>Note</i> <i>b</i>).	6,529,796	14,458,131	28,376,768	40,861,908
Amount due from the third parties (<i>Note a</i>)	100,714	53,332	2,589,582	7,604
Input VAT to be deducted	16,126	—	—	—
Dividend receivables	150,000	522,000	600,000	200,000
	<u>6,949,851</u>	<u>15,225,577</u>	<u>31,571,967</u>	<u>41,079,124</u>
Less: Loss allowance	(504)	(267)	(34)	(38)
	<u><u>6,949,347</u></u>	<u><u>15,225,310</u></u>	<u><u>31,571,933</u></u>	<u><u>41,079,086</u></u>

Notes:

- (a) Amount due from the third parties is trade in nature, unsecured, interest free and repayable on demand.
- (b) Amount due from the subsidiaries is non trade in nature, unsecured and repayable on demand. The range of interest rates are 1.0%–3.5%, 0.35%–3.0%, 0.35%–3.35% and 0.35%–2.40% for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025 respectively.

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31 TRADE AND NOTE RECEIVABLES

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
—The third parties	25,541,031	22,578,616	29,496,263	47,156,934
—Associates	8,839	24,785	80,684	110,174
—The related parties	633,616	1,012,706	3,105,307	4,919,806
	26,183,486	23,616,107	32,682,254	52,186,914
Less: Loss allowance (<i>Note 3.1(b)</i>)	(140,131)	(111,626)	(121,155)	(448,274)
	26,043,355	23,504,481	32,561,099	51,738,640
Note receivables				
—The third parties	937,993	261,104	234,310	254,569
—The related parties	12,072	—	115,605	—
	950,065	261,104	349,915	254,569
Less: Loss allowance (<i>Note 3.1(b)</i>)	(298)	(30)	(142)	(23)
	949,767	261,074	349,773	254,546
	26,993,122	23,765,555	32,910,872	51,993,186
The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
—The third parties	1,093,139	1,531,335	1,950,202	2,933,811
—Subsidiaries	5,053,150	3,704,853	2,220,910	1,971,695
	6,146,289	5,236,188	4,171,112	4,905,506
Less: provision for impairment (<i>Note 3.1(b)</i>)	(15,369)	(3,751)	(5,071)	(2,067)
	6,130,920	5,232,437	4,166,041	4,903,439
Note receivables				
—Banker’s Acceptance Bills	7,954	12,585	95,145	611,772
—Commercial Acceptance Bills	88,364	5,800	5,255	5,663
	96,318	18,385	100,400	617,435
	6,227,238	5,250,822	4,266,441	5,520,874

Notes:

- (a) Certain trade and note receivables at amortized cost were pledged for bank borrowings and loan facilities as at 31 December 2022, 2023, 2024 and 30 September 2025, respectively (Note 47).
- (b) The Group’s credit period is within 150 days to its customers. As at 31 December 2022, 2023, 2024 and 30 September 2025, the aging analysis of trade receivables based on past due date of gross trade receivables are as follows:

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The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Not yet past due	25,384,591	23,209,441	32,170,750	50,347,323
Past due 1–60 days	589,080	341,699	401,427	1,316,278
Past due 61–120 days	148,720	16,519	29,534	134,065
Past due 121–180 days	5,157	2,508	3,570	30,986
Past due 181–365 days	11,517	10,123	4,171	147,343
Past due 1 year to 2 years	11,328	1,807	38,076	52,398
Past due over 2 years	33,093	34,010	34,726	158,521
	<u>26,183,486</u>	<u>23,616,107</u>	<u>32,682,254</u>	<u>52,186,914</u>

The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Not yet past due	6,113,656	5,227,457	4,155,964	4,900,281
Past due 1–60 days	13,696	5,937	9,720	4,667
Past due 61–120 days	813	48	2,227	152
Past due 121–180 days	1,603	—	419	—
Past due 181–365 days	4,276	—	—	165
Past due 1 year to 2 years	11,077	670	—	—
Past due over 2 years	1,168	2,076	2,782	241
	<u>6,146,289</u>	<u>5,236,188</u>	<u>4,171,112</u>	<u>4,905,506</u>

32 CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<u>17,312,418</u>	<u>29,684,152</u>	<u>47,267,103</u>	<u>54,207,158</u>
Term deposits				
—Short-term bank deposits	107,450	1,757,335	19,205,160	25,773,824
—Long-term bank deposits	1,739,252	8,363,006	15,176,496	10,378,936
	<u>1,846,702</u>	<u>10,120,341</u>	<u>34,381,656</u>	<u>36,152,760</u>
Restricted bank deposits (a)	<u>2,054,791</u>	<u>3,935,387</u>	<u>1,092,553</u>	<u>2,239,868</u>

Note:

- (a) As at 31 December 2022, 2023, 2024 and 30 September 2025, the restricted deposits were mainly denominated in RMB and held in separate designed bank accounts, arose from note payable and letters of credit.

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The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	2,461,536	4,163,379	5,038,282	1,975,426
Term deposits				
—Short-term bank deposits	—	106,998	—	3,793,667
—Long-term bank deposits	509,575	894,932	6,170,309	5,702,337
	509,575	1,001,930	6,170,309	9,496,004
Restricted bank deposits	9,338	1,200,500	—	10

33 BORROWINGS

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Secured and unguaranteed bank borrowings (<i>Note a</i>)	6,917,093	6,284,912	6,130,630	15,534,843
Unsecured and guaranteed bank borrowings (<i>Note b</i>)	1,702,875	656,533	142,872	204,209
Unsecured and unguaranteed bank borrowings (<i>Note c</i>).	16,326,084	28,300,005	50,761,894	69,812,123
	24,946,052	35,241,450	57,035,396	85,551,175
Less: amounts due within one year shown under current liabilities	(15,740,739)	(23,202,679)	(37,415,654)	(68,640,430)
Amounts shown under non-current liabilities	9,205,313	12,038,771	19,619,742	16,910,745

The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in current liabilities and non-current liabilities				
Secured and unguaranteed bank borrowings (<i>Note a</i>)	3,320,000	1,957,186	1,341,658	475,453
Unsecured and unguaranteed bank borrowings (<i>Note c</i>).	3,686,058	11,657,974	19,664,181	30,783,572
	7,006,058	13,615,160	21,005,839	31,259,025
Less: amounts due within one year shown under current liabilities	(1,360,902)	(3,938,424)	(3,628,517)	(18,023,534)
Amounts shown under non-current liabilities	5,645,156	9,676,736	17,377,322	13,235,491

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The following table sets out the maturity profile of the total borrowings as at each of the reporting periods:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
On demand or within one year	15,740,739	23,202,679	37,415,654	68,640,430
1–2 years	3,757,341	2,148,627	12,519,815	5,898,957
2–5 years	4,804,772	8,598,478	6,364,957	9,272,043
Over 5 years	643,200	1,291,666	734,970	1,739,745
	<u>24,946,052</u>	<u>35,241,450</u>	<u>57,035,396</u>	<u>85,551,175</u>

Notes:

(a) Secured and unguaranteed bank borrowings

- (i) Secured and unguaranteed bank borrowings were mainly secured by PPE, ROU assets and note receivables. Details of the Group’s assets pledged for the Group’s borrowings are disclosed in Note 47 to the Historical Financial Information.
- (ii) The range of interest rates of secured and unguaranteed bank borrowings were 1.34% to 5.73%, 2.5% to 7.9%, 1.1% to 6.03%, and 2.05% to 4.63% for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025 respectively.

(b) Unsecured and guaranteed bank borrowings

- (i) Unsecured and guaranteed bank borrowings primarily consist of guaranteed borrowings provided by “Time Interconnect” to its subsidiaries and “the Company” to other company in Group. The guarantee provided by the Company has been released in September 2023 (Note 44 (iv)). As at 31 December 2022, 2023, 2024 and 30 September 2025, there is no guarantees provided by related parties.
- (ii) The range of interest rates of unsecured and guaranteed bank borrowings were 1.48% to 4%, 1.93% to 3.8%, 2.05% to 3.5% and 1.1% to 3.92% for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025 respectively.

(c) Unsecured and unguaranteed bank borrowings

The range of interest rates of unsecured and unguaranteed bank borrowings were 1.24 % to 6.33%, 1.93% to 5.7%, 1.57% to 3.1% and 1.02% to 4.17% for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025 respectively.

- (d) The Group has complied with all financial covenants under its loan agreements, and there were no breaches or waivers during the track report period.

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ACCOUNTANTS’ REPORT

34 TRADE AND NOTE PAYABLES

The credit period provided by suppliers to the Group and Company is generally within 180 days. As at 31 December 2022, 2023, 2024 and 30 September 2025, the aging analysis of the trade payables based on transaction date are as follows:

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
—The third parties	42,873,140	41,525,608	55,615,844	79,165,385
—The associates.	20,356	58,044	126,037	335,191
—The joint ventures	9,959	5,532	5,324	1,871
—The related parties	1,006,324	416,821	1,087,329	847,739
	43,909,779	42,006,005	56,834,534	80,350,186
Note payables.	515,054	492,586	878,336	2,252,860
	44,424,833	42,498,591	57,712,870	82,603,046

As at 31 December 2022, 2023, 2024 and 30 September 2025, the aging analysis of trade payables are as follows

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 1 year.	43,818,368	41,908,336	56,690,909	79,253,603
1 to 2 years	74,344	78,664	102,710	659,981
2 to 3 years	9,178	12,250	26,054	223,112
Over 3 years	7,889	6,755	14,861	213,490
	43,909,779	42,006,005	56,834,534	80,350,186

The carrying amounts of trade payables are considered approximately to their fair values.

The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
—The third parties	376,895	441,662	597,002	615,253
—The Subsidiaries	3,460,929	1,829,686	960,664	2,008,083
	3,837,824	2,271,348	1,557,666	2,623,336
Note payables.	1,665,345	3,206,774	10,175,622	13,509,617
	5,503,169	5,478,122	11,733,288	16,132,953

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As at 31 December 2022, 2023, 2024 and 30 September 2025, the aging analysis of trade payables are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 1 year.	3,837,406	2,270,869	1,557,160	2,621,127
1 to 2 years	261	131	158	1,709
2 to 3 years	79	260	4	158
Over 3 years	78	88	344	342
	<u>3,837,824</u>	<u>2,271,348</u>	<u>1,557,666</u>	<u>2,623,336</u>

35 OTHER PAYABLES AND ACCRUALS

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-Current				
Provision	683	643	7,088	973,738
Payroll and welfare payables.	—	—	—	881,441
Others	324	1,472	757	87,059
	<u>1,007</u>	<u>2,115</u>	<u>7,845</u>	<u>1,942,238</u>
Current				
Payroll and welfare payables.	2,368,136	2,330,319	3,011,324	4,800,124
Other payables for acquisition of PPE . .	5,876,704	3,902,510	8,253,459	6,185,717
Other taxes payable	483,832	460,275	597,685	863,665
Amount due to the third parties				
<i>(Note a)</i>	457,737	392,072	449,958	831,774
Amount due to the joint ventures <i>(Note</i>				
<i>b)</i>	9	—	—	—
Amount due to associates <i>(Note c)</i>	—	—	19	54
Amount due to related parties				
<i>(Note d)</i>	45	2,711	218	11
Dividend payable <i>(Note f)</i>	15,089	11,894	52,175	16,503
Others	116,922	129,980	129,012	771,587
	<u>9,318,474</u>	<u>7,229,761</u>	<u>12,493,850</u>	<u>13,469,435</u>

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The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Other payables for acquisition of PPE . .	31,178	23,600	52,594	64,811
Payroll and welfare payables	49,737	50,855	74,831	64,911
Other taxes payable	5,987	42,236	60,996	36,085
Amount due to the third parties suppliers	—	—	—	94,067
Amount due to subsidiaries (<i>Note e</i>) . .	1,567,398	6,059,717	7,918,624	6,158,251
Accruals	1,058	4,737	1,958	—
Others	1,522	1,507	6,493	3,058
	<u>1,656,880</u>	<u>6,182,652</u>	<u>8,115,496</u>	<u>6,421,183</u>

Notes:

- (a) Amounts due to the third parties are trade nature, unsecured, interest free and repayable on demand.
- (b) Amounts due to the joint venture are trade nature, unsecured, interest free and repayable on demand.
- (c) Amounts due to the associates are trade nature, unsecured, interest free and repayable on demand.
- (d) Amounts due to the related parties are trade nature, unsecured, interest free and repayable on demand.
- (e) Amounts due to subsidiaries are trade nature, unsecured, interest free and repayable on demand.
- (f) All dividend payable had been settled up to the date of report, except for RMB8.0 million of distribution payables related to our partnership with 昆山立訊企業管理服務合夥企業(有限合夥), 嘉善立訊企業管理服務合夥企業(有限合夥) and 鹽城立訊企業管理服務合夥企業(有限合夥), which will be distributed upon the expiration of the partnership.

36 CONVERTIBLE BONDS

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Liability component as at				
1 January	2,805,785	2,913,755	2,849,092	3,305,437
Issued during the year	—	—	449,940	—
Interest accrual	116,989	119,976	130,703	101,312
Interest payment	(6,000)	(9,000)	(45,000)	—
Conversion	(179)	(142)	(84)	(359)
Repayment during the year	—	(181,719)	(49,930)	—
Exchange differences	(2,840)	6,222	(29,284)	20,864
Liability component as at 31				
December	<u>2,913,755</u>	<u>2,849,092</u>	<u>3,305,437</u>	<u>3,427,254</u>

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The Group had following convertible bonds in the following during the Track Record Period:

Name of bonds	Issuance Amount	Issuance date	Maturity dates
Luxshare Convertible Bond 2020 (“立訊轉債”) (128136)	CNY3,000,000,000	2020/11/3	2026/11/2
Speed Technology Co., Ltd. (“Speed Tech”) Second Domestic Unsecured Convertible Bond	NTD1,000,000,000	2021/3/10	2024/3/9
Speed Tech Third Domestic Unsecured Convertible Bond	NTD2,000,000,000	2024/3/6	2027/3/5

Luxshare Convertible Bond 2020

On 3 November 2020, the Company issued 30 million convertible bonds for an aggregate principal amount of RMB3,000 million. The interest rate of the convertible bonds is as below:

First year: 0.10%
Second year: 0.20%
Third year: 0.30%
Fourth year: 1.50%
Fifth year: 1.80%
Sixth year: 2.00%

The Convertible bonds will be mature in six years from the issuance date and can be convertible to ordinary shares of the Company at the holder’s option at the conversion price of RMB58.62 per share during the period from 10 May 2021 to the maturity date of the convertible bonds, but subject to the adjustment following the conversion terms if the Company triggers anti-dilution provisions. As at 30 September 2025, the adjusted conversion rate for the Luxshare Convertible Bond 2020 was RMB56.25 per share.

During their conversion period, if the closing prices of the Group’s A-shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Group has the right to redeem all or part of the outstanding convertible bonds at their par value plus the current accrued interest.

During the last 2 years of conversion period, if the closing prices of the Group’s A-shares are lower than 70% (inclusive) of the current conversion price for at least 30 trading days, the holders of the convertible bond have the right to redeem all or part of the outstanding convertible bonds at their par value plus the current accrued interest.

Management considered that the fair value of these redemption options of the company and the bond holders at their initial recognition and at the end of each report period are insignificant.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the convertible bonds. The remainder of the proceeds is allocated to the conversion option and recognized in other equity instrument, net of income tax, and not subsequently remeasured. The effective interest rate of convertible bonds is 4.34%.

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For the years ended 31 December 2022, 2023, 2024 and nine months ended 30 September 2025, the convertible bonds with principal amount of RMB218,300, RMB174,100, RMB102,300 and RMB432,500 were converted into 3,737, 3,010, 1,790 and 7,639 A shares of the Company, respectively. As a result of the conversion, the capital reserve of RMB213,453, RMB170,204, RMB99,990 and RMB422,661 were recognized and the other equity instrument of RMB38,388, RMB30,617, RMB17,991 and RMB76,067 were derecognized for the years ended 31 December 2022, 2023, 2024 and nine months ended 30 September 2025, respectively. For the nine months ended 30 September 2025, the convertible bonds with principal amount of RMB1,100 were repurchased. As a result of the repurchase, the other equity instrument of RMB193 were derecognized.

Speed Tech Second Domestic Unsecured Convertible Bond

On 10 March 2021, Speed Tech, a not wholly owned subsidiary of the Company, raised and issued 10,000 zero coupon convertible bonds for an aggregate principal amount of NTD1,000 million (equivalent to RMB230 million). The convertible bonds will be mature in three years from the issuance date and can be convertible to ordinary shares of Speed Tech at the holder’s option at the conversion price of NTD100 per share during the period from 11 June 2021 to the maturity date of the convertible bond, but subject to the adjustment following the conversion terms if Speed Tech triggers anti-dilution provisions.

During the year ended 31 December 2023, Speed Tech repurchased the second domestic convertible bond with the face value of NTD785 million (equivalent to RMB182 million) through the OTC trading center. On the maturity date of the bond at 9 March 2024, Speed Tech redeemed the convertible bond with the face value of NTD215 million (equivalent to RMB50 million).

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, if the closing price of the common stock of Speed Tech exceeds 30% (inclusive) of the conversion price for a consecutive period of thirty business days, Speed Tech may redeem all the convertible bonds in cash at face value within the following thirty business days.

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, when the aggregate principal amount of the outstanding convertible bonds represents less than 10% of the aggregate principal amount of the convertible bonds originally issued, Speed Tech may at any time elect to redeem all, but not some only, of such convertible bonds at their principal amount.

The early redemption options (classified as a financial liability), which were initially measured at fair value amounting to RMB41,000 and subsequently measured at fair value with changes in fair value recognized in profit or loss.

Management considered that the fair value of these redemption options of the company and the bond holders at their initial recognition and at the end of each report period are insignificant.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the convertible bonds. The remainder of the proceeds is allocated to the conversion option and recognized in other equity instrument, net of income tax, and not subsequently remeasured. The effective interest rate of convertible bonds is 1.22%.

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For the years ended 31 December 2022, 2023 and 2024, no convertible bond was converted into shares of Speed Tech.

Speed Tech Third Domestic Unsecured Convertible Bond

On 6 March 2024, Speed Tech issued 20,000 zero coupon convertible bonds for an aggregate principal amount of NTD2,000 million (equivalent to RMB450 million). The Convertible bonds will be mature in three years from the issuance date and can be convertible to ordinary shares of Speed Tech at the holder’s option at the conversion price of NTD69.5 per share during the period from 7 June 2024 to the maturity date of the convertible bonds, but subject to the adjustment following the conversion terms if Speed Tech triggers anti-dilution provisions.

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, if the closing price of the common stock of Speed Tech exceeds 30% (inclusive) of the conversion price for a consecutive period of thirty business days, Speed Tech may redeem all the convertible bonds in cash at face value within the following thirty business days.

Starting from the day after the full three months since the issuance of the convertible bonds until forty days before the end of the issuance period, when the aggregate principal amount of the outstanding convertible bonds represents less than 10% of the aggregate principal amount of the convertible bonds originally issued, Speed Tech may at any time elect to redeem all, but not some only, of such convertible bonds at their principal amount.

Management considered that the fair value of these redemption options of the company and the bond holder at their initial recognition and at the end of each report period are insignificant.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and recognized in other equity instrument, net of income tax, and not subsequently remeasured, the effective interest rate of convertible bonds is 1.95%.

Since the convertible bonds was issued by Speed Tech on March 6 2024, no convertible bond was converted into shares of Speed Tech.

37 MEDIUM-TERM NOTES

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current portion	—	—	—	3,039,198

Name of notes	Issuance Amount	Issuance date	Maturity dates
25立訊精工MTN001	1,500,000,000	2025/1/13	2028/1/12
25立訊精工MTN002	1,500,000,000	2025/2/19	2028/2/18

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38 SHORT TERM FINANCING BILLS

The Group and Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short term financing bills	3,840,115	802,722	5,039,812	3,216,283

2022

Name	Face Value	Date of Issuance	Ending balance
			<i>RMB'000</i>
Short term financing bills	RMB100/units	2022/6/15	1,012,953
Short term financing bills	RMB100/units	2022/7/14	1,212,224
Short term financing bills	RMB100/units	2022/7/21	807,634
Short term financing bills	RMB100/units	2022/7/28	807,304
			3,840,115

2023

Name	Face Value	Date of Issuance	Ending balance
			<i>RMB'000</i>
Short term financing bills	RMB100/units	2023/11/15	802,722
			802,722

2024

Name	Face Value	Date of Issuance	Ending balance
			<i>RMB'000</i>
Short term financing bills	RMB100/units	2024/6/28	1,010,243
Short term financing bills	RMB100/units	2024/7/12	1,009,283
Short term financing bills	RMB100/units	2024/7/24	1,008,592
Short term financing bills	RMB100/units	2024/9/20	1,005,980
Short term financing bills	RMB100/units	2024/9/25	1,005,714
			5,039,812

2025

Name	Face Value	Date of Issuance	Ending balance
			<i>RMB'000</i>
Short term financing bills	RMB100/units	2025/5/12	1,006,606
Short term financing bills	RMB100/units	2025/6/9	1,206,130
Short term financing bills	RMB100/units	2025/7/9	1,003,547
			3,216,283

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39 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities at FVTPL				
—Convertible bond-redemption/put options	41	—	—	—
—Derivative financial liabilities	44,277	117,942	155,279	458,097
	<u>44,318</u>	<u>117,942</u>	<u>155,279</u>	<u>458,097</u>

The Company	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities at FVTPL				
—Derivative financial liabilities	12,959	—	—	—
	<u>12,959</u>	<u>—</u>	<u>—</u>	<u>—</u>

40 DEFERRED INCOME

The Group

	RMB'000
At 1 January 2022	538,557
Additions during the year	302,955
Recognized in consolidated statement of profit or loss	(175,602)
At 31 December 2022 and 1 January 2023	665,910
Additions during the year	118,234
Recognized in consolidated statement of profit or loss	(188,820)
At 31 December 2023 and 1 January 2024	595,324
Acquisition of subsidiaries	8,858
Additions during the year	216,564
Recognized in consolidated statement of profit or loss	(171,637)
At 31 December 2024 and 1 January 2025	649,109
Acquisition of subsidiaries	324,028
Additions during the year	243,319
Recognised in consolidated statement of profit or loss	(189,980)
At 30 September 2025	<u>1,026,476</u>

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The Company

	<i>RMB’000</i>
At 1 January 2022	9,163
Recognized in consolidated statement of profit or loss	(3,397)
At 31 December 2022 and 1 January 2023	5,766
Recognized in consolidated statement of profit or loss	(2,147)
At 31 December 2023 and 1 January 2024	3,619
Recognized in consolidated statement of profit or loss	(1,593)
At 31 December 2024 and 1 January 2025	2,026
Recognised in consolidated statement of profit or loss	(1,194)
At 30 September 2025	832

Note: It mainly comprise incentives provided by local authorities. There is no unfulfilled obligations for the recognized income at the end of reporting date for each of the Track Report Periods.

41 SHARE CAPITAL

Share capital is generated from founders’ and investors’ capital injection.

The Group and Company	Number of registered, issued and fully paid ordinary shares	Equivalent nominal value of shares
		<i>RMB’000</i>
As at 1 January 2022	7,050,485	7,050,485
Share-based Payment	49,420	49,420
Exercise conversion right of convertible bonds	4	4
As at 31 December 2022 and 1 January 2023	7,099,909	7,099,909
Share-based Payment	48,256	48,256
Exercise conversion right of convertible bonds	3	3
As at 31 December 2023 and 1 January 2024	7,148,168	7,148,168
Share-based Payment	88,292	88,292
Exercise conversion right of convertible bonds	2	2
As at 31 December 2024 and 1 January 2025	7,236,462	7,236,462
Share-based Payment	34,136	34,136
Exercise conversion right of convertible bonds	8	8
At 30 September 2025	7,270,606	7,270,606

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42 RESERVE

The changes therein are presented in the consolidated statements of changes in equity.

The Group

	Capital Reserves	Surplus Reserves	Special Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	2,719,695	985,162	1,019	3,705,876
Exercise of share incentive scheme-Employee Stock Options	517,203	—	—	517,203
Exercise of conversion right of convertible bonds	213	—	—	213
Share-based payment expense	431,726	—	—	431,726
Changes in the Group’s ownership interest in existing investment	(16,212)	—	—	(16,212)
Profit appropriations to statutory reserve	—	135,911	—	135,911
Appropriation of special reserves.	—	—	1,076	1,076
Total transactions with owners in their capacity as owners for the year	932,930	135,911	1,076	1,069,917
As at 31 December 2022.	<u>3,652,625</u>	<u>1,121,073</u>	<u>2,095</u>	<u>4,775,793</u>
	Capital Reserves	Surplus Reserves	Special Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	3,652,625	1,121,073	2,095	4,775,793
Exercise of share incentive scheme-Employee Stock Options	498,442	—	—	498,442
Exercise of conversion right of convertible bonds	170	—	—	170
Share-based payment expense	744,409	—	—	744,409
Changes in the Group’s ownership interest in existing investment	116,298	—	—	116,298
Profit appropriations to statutory reserve	—	322,447	—	322,447
Appropriation of special reserves.	—	—	1,433	1,433
Total transactions with owners in their capacity as owners for the year	1,359,319	322,447	1,433	1,683,199
As at 31 December 2023.	<u>5,011,944</u>	<u>1,443,520</u>	<u>3,528</u>	<u>6,458,992</u>

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	Capital Reserves	Surplus Reserves	Special Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	5,011,944	1,443,520	3,528	6,458,992
Exercise of share incentive scheme-Employee Stock Options	1,719,094	—	—	1,719,094
Exercise of conversion right of convertible bonds	8,913	—	—	8,913
Share-based payment expense	414,926	—	—	414,926
Changes in the Group’s ownership interest in existing investment	391,349	—	—	391,349
Profit appropriations to statutory reserve	—	174,000	—	174,000
Usage of special reserves	—	—	(1,332)	(1,332)
Total transactions with owners in their capacity as owners for the year	2,534,282	174,000	(1,332)	2,706,950
As at 31 December 2024.	<u>7,546,226</u>	<u>1,617,520</u>	<u>2,196</u>	<u>9,165,942</u>
	Capital Reserves	Surplus Reserves	Special Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	5,011,944	1,443,520	3,528	6,458,992
Exercise of share incentive scheme-Employee Stock Options	1,348,588	—	—	1,348,588
Exercise of conversion right of convertible bonds	28,715	—	—	28,715
Share-based payment expense	232,820	—	—	232,820
Changes in the Group’s ownership interest in existing investment	240,156	—	—	240,156
Usage of special reserves	—	—	(1,718)	(1,718)
Total transactions with owners in their capacity as owners for the year	1,850,279	—	(1,718)	1,848,561
As at 30 September 2024	<u>6,862,223</u>	<u>1,443,520</u>	<u>1,810</u>	<u>8,307,553</u>

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	Capital Reserves	Surplus Reserves	Special Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	7,546,226	1,617,520	2,196	9,165,942
Exercise of share incentive scheme-Employee Stock Options	906,826	—	—	906,826
Exercise of conversion right of convertible bonds	423	—	—	423
Share-based payment expense	341,329	—	—	341,329
Changes in the Group’s ownership interest in existing investment	286,624	—	—	286,624
Usage of special reserves	—	—	10,009	10,009
Total transactions with owners in their capacity as owners for the year	1,535,202	—	10,009	1,545,211
As at 30 September 2025	9,081,428	1,617,520	12,205	10,711,153

The Company

	Capital Reserves	Surplus Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	3,080,150	985,162	4,065,312
Exercise of share incentive scheme-Employee Stock Options	517,203	—	517,203
Exercise conversion right of convertible bonds	213	—	213
Share-based payment expense	473,289	—	473,289
Profit appropriations to statutory reserve	—	135,910	135,910
Others	(1,209)	—	(1,209)
Total transactions with owners in their capacity as owners for the year	989,496	135,910	1,125,406
As at 31 December 2022	4,069,646	1,121,072	5,190,718
	Capital Reserves	Surplus Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	4,069,646	1,121,072	5,190,718
Exercise of share incentive scheme-Employee Stock Options	498,442	—	498,442
Exercise conversion right of convertible bonds	170	—	170
Share-based payment expense	780,665	—	780,665
Profit appropriations to statutory reserve	—	322,447	322,447
Others	(44,490)	—	(44,490)
Total transactions with owners in their capacity as owners for the year	1,234,787	322,447	1,557,234
As at 31 December 2023	5,304,433	1,443,519	6,747,952

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	Capital Reserves	Surplus Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	5,304,433	1,443,519	6,747,952
Exercise of share incentive scheme-Employee Stock Options	1,719,094	—	1,719,094
Exercise conversion right of convertible bonds	100	—	100
Share-based payment expense	422,373	—	422,373
Profit appropriations to statutory reserve	—	174,000	174,000
Total transactions with owners in their capacity as owners for the year	2,141,567	174,000	2,315,567
As at 31 December 2024	<u>7,446,000</u>	<u>1,617,519</u>	<u>9,063,519</u>
	Capital Reserves	Surplus Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	7,446,000	1,617,519	9,063,519
Exercise of share incentive scheme-Employee Stock Options	906,826	—	906,826
Exercise conversion right of convertible bonds	423	—	423
Share-based payment expense	349,677	—	349,677
Total transactions with owners in their capacity as owners for the year	1,256,926	—	1,256,926
As at 30 September 2025	<u>8,702,926</u>	<u>1,617,519</u>	<u>10,320,445</u>

43 EQUITY-SETTLED SHARE-BASED PAYMENT

During the Track Record Period, the Group has the following share options:

- 1 2018 Share Option Incentive Scheme
- 2 2019 Share Option Incentive Scheme
- 3 2021 Share Option Incentive Scheme
- 4 2022 Share Option Incentive Scheme
- 5 2025 Share Option Incentives Scheme
- 6 2018 Share Option Incentive Scheme—Speed Tech—B
- 7 2021 Share Option Incentive Scheme—Speed Tech—D
- 8 2023 Share Option Incentive Scheme—Time Interconnect—T
- 9 Others

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Detailed information of major share options are listed below:

(a) 2018 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2018 (the “**2018 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the 2018 Share Option Incentive Scheme, the Company granted 97,300,000 share options to 1,870 incentive recipients with a grant date of 25 September 2018, and an exercise price of RMB17.58 per share.

According to the Company’s performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2018 Share Option Incentive Scheme each year and the details are shown as below.

Financial Year	Reason for adjustment	Exercise Price (RMB)	No. of Options
2019	Pursuant to the profit distribution completed in 2018	13.48	122,327,530
2020	Pursuant to the profit distribution completed in 2019	10.28	128,698,841
2021	Pursuant to the profit distribution completed in 2020	10.17	No Adjustment
2022	Pursuant to the profit distribution completed in 2021	10.06	No Adjustment
2023	Pursuant to the profit distribution completed in 2022	9.93	No Adjustment
2024	Pursuant to the profit distribution completed in 2023	9.63	No Adjustment

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A summary of activities of the service-based share option is presented as follows:

	Number of share option	Weighted average exercise price	Weighted average remaining contractual term (Months)
As at 1 January 2022	71,515,519	10.17	33.27
Vested and exercised.	(25,804,523)	10.06	—
Canceled	(1,230,044)	10.06	—
As at 31 December 2022	44,480,952	10.06	21.13
Exercisable at the end of the year	14,597,070		
As at 1 January 2023	44,480,952	10.06	21.13
Vested and exercised.	(26,756,785)	9.93	—
Canceled	(1,314,426)	9.93	—
As at 31 December 2023	16,409,741	9.93	8.97
Exercisable at the end of the year	16,409,741		
As at 1 January 2024	16,409,741	9.93	8.97
Vested and exercised.	(16,409,741)	9.63	—
As at 31 December 2024	—	—	—
Exercisable at the end of the year	—		

The estimated fair values of share options granted to employees and directors were RMB469,755,000.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

Vesting Date	2019/9/25–2023/9/25
Grant date	25 September 2018
Stock Price	RMB16.65
Exercise price	RMB17.58
Volatility	38.37%
Risk-free interest rate	3.05%–3.5%
Time to maturity	6.0 years
Dividend yield	0.26%

Volatility is derived from the Company’s historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

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(b) 2019 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2019 (the “**2019 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the First Grant of 2019 Share Option Incentive Scheme, the Company granted 50,076,000 share options to 348 incentive recipients with a grant date of 22 April 2019, and an exercise price of RMB23.36 per share.

Under the Second Grant of 2019 Share Option Incentive Scheme, the Company granted 16,241,700 share options to 258 incentive recipients with a grant date of 27 November 2019, and an exercise price of RMB17.93 per share.

According to the Company’s performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2019 Share Option Incentive Scheme each year and the details are shown as below.

Financial Year	Reason for adjustment	First Grant		Second Grant	
		Exercise Price	No. of Options	Exercise Price	No. of Options
		(RMB)		(RMB)	
2019	Pursuant to the profit distribution completed in 2018	17.93	65,098,800	N/A	N/A
2020	Pursuant to the profit distribution completed in 2019	13.70	84,626,558	13.70	21,113,740
2021	Pursuant to the profit distribution completed in 2020	13.59	No Adjustment	13.59	No Adjustment
2022	Pursuant to the profit distribution completed in 2021	13.48	No Adjustment	13.48	No Adjustment
2023	Pursuant to the profit distribution completed in 2022	13.35	No Adjustment	13.35	No Adjustment
2024	Pursuant to the profit distribution completed in 2023	13.05	No Adjustment	13.05	No Adjustment
2025	Pursuant to the profit distribution completed in 2024	12.85	No Adjustment	12.85	No Adjustment

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A summary of activities of the service-based share option is presented as follows:

	Number of share option	Weighted average exercise price	Weighted average remaining contractual term (Months)
As at 1 January 2022	67,153,425	13.59	42.03
Vested and exercised.	(18,352,984)	13.48	—
Canceled	(1,238,607)	13.48	—
As at 31 December 2022	47,561,834	13.48	29.94
Exercisable at the end of the year	3,269,346		
As at 1 January 2023	47,561,834	13.48	29.94
Vested and exercised.	(18,438,394)	13.35	—
Canceled	(1,964,760)	13.35	—
As at 31 December 2023	27,158,680	13.35	17.93
Exercisable at the end of the year	4,112,714		
As at 1 January 2024	27,158,680	13.35	17.93
Vested and exercised.	(19,306,990)	13.05	—
Canceled	(652,168)	13.05	—
As at 31 December 2024	7,199,522	13.05	7.37
Exercisable at the end of the year	3,611,887		
As at 1 January 2025	7,199,522	13.05	7.37
Vested and exercised.	(6,793,149)	12.85	—
Cancelled.	(338,541)	—	—
As at 30 September 2025.	67,832	—	—
Exercisable at the end of the year	67,832		

The estimated fair values of First Grant and Second Grant share options granted to employees and directors were RMB371,263,500 and RMB315,306,000.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

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The key inputs in the model are as follows:

	First Grant	Second Grant
Vesting Date	2020/4/22–2024/4/22	2020/11/27–2024/11/27
Grant date	22 April 2019	27 November 2019
Option pricing model used	Black-Scholes model	Black-Scholes model
Stock Price	RMB23.32	RMB34.58
Exercise price	RMB23.36	RMB17.93
Volatility	40.81%	40.81%
Risk-free interest rate	2.4901%–3.0366%	2.7019%–3.0593%
Time to maturity	6.0 years	6.0 years
Dividend yield	0.26%	0.36%

Volatility is derived from the Company’s historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

(c) 2021 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2021 (the “**2021 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the First Grant of 2021 Share Option Incentive Scheme, the Company granted 52,092,000 share options to 1,072 incentive recipients with a grant date of 3 December 2021, and an exercise price of RMB35.87 per share.

Under the Second Grant of 2021 Share Option Incentive Scheme, the Company granted 12,785,800 share options to 356 incentive recipients with a grant date of 19 October 2022, and an exercise price of RMB35.76 per share.

According to the Company’s performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

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Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2021 Share Option Incentive Scheme each year and the details are shown as below.

Financial Year	Reason for adjustment	First Grant		Second Grant	
		Exercise Price	No. of Options	Exercise Price	No. of Options
		(RMB)		(RMB)	
2022	Pursuant to the profit distribution completed in 2021	35.76	No Adjustment	NA	NA
2023	Pursuant to the profit distribution completed in 2022	35.63	No Adjustment	35.63	No Adjustment
2024	Pursuant to the profit distribution completed in 2023	35.33	No Adjustment	35.33	No Adjustment
2025	Pursuant to the profit distribution completed in 2024	35.13	No Adjustment	35.13	No Adjustment

A summary of activities of the service-based share option is presented as follows:

	Number of share option	Weighted average exercise price	Weighted average remaining contractual term (Months)
As at 1 January 2022	52,092,000	35.76	72.07
Granted	12,785,800	35.76	—
As at 31 December 2022	64,877,800	35.76	62.04
Exercisable at the end of the year	—		
As at 1 January 2023	64,877,800	35.76	62.04
Vested and exercised.	(1)	35.63	—
Canceled	(5,661,824)	35.63	—
As at 31 December 2023	59,215,975	35.63	49.84
Exercisable at the end of the year	11,757,975		
As at 1 January 2024	59,215,975	35.63	49.84
Vested and exercised.	(10,249,260)	35.33	—
Canceled	(5,929,152)	35.33	—
Lapsed.	(9,526,059)	35.33	—
As at 31 December 2024	33,511,504	35.33	38.26
Exercisable at the end of the year	—		
As at 1 January 2025	33,511,504	35.33	38.26
Vested and exercised.	(9,913,574)	35.13	—
As at 30 September 2025.	23,597,930	35.13	29.35
Exercisable at the end of the year	389,976		

The estimated fair values of First Grant and Second Grant share options granted to employees and directors were RMB602,189,500 and RMB157,421,700.

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The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

The key inputs in the model are as follows:

	First Grant	Second Grant
Vesting Date	2022/12/03–2026/12/03	2023/10/19–2027/10/19
Grant date	3 December 2021	19 October 2022
Option pricing model used	Black-Scholes model	Black-Scholes model
Stock Price	RMB35.71	RMB34.91
Exercise price	RMB35.87	RMB35.76
Volatility	41.7810%	47.0664%
Risk-free interest rate	2.4553%–2.7608%	1.9417%–2.5180%
Time to maturity	6.0 years	6.0 years
Dividend yield	0.1960%	0.2235%

Volatility is derived from the Company’s historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

(d) 2022 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2022 (the “**2022 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the 2022 Share Option Incentive Scheme, the Company granted 168,513,000 share options to 3,505 incentive recipients with a grant date of 5 December 2022, and an exercise price of RMB30.35 per share.

According to the Company’s performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

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Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2022 Share Option Incentive Scheme each year and the details are shown as below.

Financial Year	Reason for adjustment	Exercise Price (RMB)	No. of Options
2023	Pursuant to the profit distribution completed in 2022	30.22	No adjustment
2024	Pursuant to the profit distribution completed in 2023	29.92	No adjustment
2025	Pursuant to the profit distribution completed in 2024	29.72	No Adjustment

A summary of activities of the service-based share option is presented as follows:

	Number of share option	Weighted average exercise price	Weighted average remaining contractual term (Months)
As at 1 January 2022	—	—	84.33
Granted	168,513,000	30.35	—
As at 31 December 2022	168,513,000	30.35	72.20
Exercisable at the end of the year	—	—	—
As at 1 January 2023	168,513,000	30.35	72.20
Lapsed	—	—	—
As at 31 December 2023	168,513,000	30.22	60.03
Exercisable at the end of the year	—	—	—
As at 1 January 2024	168,513,000	30.22	60.03
Vested and exercised	(30,651,856)	29.92	—
Canceled	(10,383,480)	29.92	—
As at 31 December 2024	127,477,664	29.92	47.83
Exercisable at the end of the year	637,104	—	—
As at 1 January 2025	127,477,664	29.92	47.83
Vested and exercised	(27,265,946)	29.72	—
Cancelled	(6,003,864)	29.72	—
As at 30 September 2025	94,207,854	29.92	38.73
Exercisable at the end of the year	2,851,854	—	—

The estimated fair values of share options granted to employees and directors were RMB1,664,131,200.

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

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Vesting Date	2023/12/5–2027/12/5
Grant date	5 December 2022
Option pricing model used	Black-Scholes model
Stock Price	RMB30.43
Exercise price	RMB30.35
Volatility	41.3360%
Risk-free interest rate	1.9725%–2.5620%
Time to maturity	6.0 years
Dividend yield	0.2235%

Volatility is derived from the Company’s historical share price data. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the most recent year preceding the announcement date of this incentive Scheme.

The Company recognizes share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

(e) 2025 Share option incentives plan

The Company adopted a Share Option Incentive Scheme in 2025 (the “**2025 Share Option Incentive Scheme**”) for the primary purpose of attracting, retaining and motivating the directors and employees of the Company.

Under the 2025 Share Option Incentive Scheme, the Company granted 177,215,000 share options to 3,126 incentive recipients with a grant date of 23 May 2025, and an exercise price of RMB25.35 per share.

According to the Company’s performance appraisal and individual performance appraisal, the share options granted to incentive recipients are exercisable in 5 exercise periods after 12 months from the grant date, with the maximum exercisable percentage for each period being 20%, 20%, 20%, 20%, 20%, respectively.

Pursuant to the profit distribution, the board of directors of the Company had resolved to adjust the exercise price and number of share options granted under 2025 Share Option Incentive Scheme each year and the details are shown as below.

Financial Year	Reason for adjustment	Exercise Price (RMB)	No. of Options
2025	Pursuant to the profit distribution completed in 2024	25.15	No adjustment

A summary of activities of the service-based share option is presented as follows:

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	Number of share option	Weighted average exercise price	Weighted average remaining contractual term (Months)
As at 1 January 2025	—	—	65.60
Granted	177,215,000	25.35	—
As at 30 September 2025.	177,215,000	25.35	56.53
Exercisable at the end of the year	—	—	—

The estimated fair values of share options granted to employees and directors were RMB1,664,131,200.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option.

Vesting Date	2026/5/23–2030/5/23
Grant date	5/23/2025
Option pricing model used	Black-Scholes model
Stock Price	RMB31.20
Exercise price	RMB25.35
Volatility	17.7117%–21.8533%
Risk-free interest rate	1.4495%–1.5649%
Time to maturity	6.0 years
Dividend yield	0.3911%–0.7303%

Volatility is derived from historical share price data of Hushen 300. The risk-free rate reflects sovereign bond yields matching option terms. The dividend yield reflects the rate in effect for the latest five years preceding the announcement date of this incentive Scheme.

The Company recognises share-based compensations in capital reserve and its consolidated statements of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognised in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserve.

44 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related party during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

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ACCOUNTANTS’ REPORT

(a) Name and relationship of related parties

Name of related parties	Relationship with the Group
立訊有限公司	The ultimate holding company
日益茂工業股份有限公司	The joint venture
岱煒科技股份有限公司	Associate
宣德能源股份有限公司	Associate
立濠光電科技(南通)有限公司	Associate
Merry & Luxshare (Vietnam) Co., Ltd	Associate
珠海景旺柔性電路有限公司	Associate
立昇汽車科技(廣州)有限公司	Associate
立勝汽車科技(深圳)有限公司	The fellow subsidiary
立勝汽車科技(蘇州)有限公司	The fellow subsidiary
立臻科技(昆山)有限公司	The fellow subsidiary
立臻精密智造(昆山)有限公司	The fellow subsidiary
立臻投資(江蘇)有限公司	The fellow subsidiary
立臻智能裝備(昆山)有限公司	The fellow subsidiary
Luxsan Technology Limited	The fellow subsidiary
BCS Automotive Interface Solutions GmbH (Germany)	The fellow subsidiary
BCS Automotive Interface Solutions US, LLC (USA)	The fellow subsidiary
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	The fellow subsidiary
BCS Automotive Interface Solutions s.r.o. (Czech)	The fellow subsidiary
BCS AIS Ensembles Mexico S. de R.L.de C.V. (Mexico)	The fellow subsidiary
BCS Ais Japan Co., Ltd	The fellow subsidiary
BCS Automotive Interface Solutions	The fellow subsidiary
BCS AIS Queretaro Dos S. de R.L. de C.V.	The fellow subsidiary
BCS Automotive Interface Solutions, s.r.o.	The fellow subsidiary
立臻精密工業(昆山)有限公司 (formerly known as 世碩電子(昆山)有限公司)	The fellow subsidiary
立臻智造電子(上海)有限公司 (formerly known as 弦碩科技(上海)有限公司)	The fellow subsidiary
Luxvisions Innovation Technology Co., Ltd. (formerly known as 廣州立景創新科技有限公司)	The related party
立景創新科技(吉安)有限公司	The related party
立景創新科技有限公司	The related party
Luxvisions Innovation Technology Limited	The related party
信光能源科技(安徽)有限公司	The related party
泰睿智造(東莞)科技有限公司	The related party
泰睿香港國際股份有限公司	The related party
泰睿智造(桂林)科技有限公司 (formerly known as 巴斯波(桂林)皮件有限公司)	The related party
東莞杜博皮件有限公司	The related party
東莞高偉光學電子有限公司	The related party
高偉光學電子有限公司	The related party
東莞立騰創新電子有限公司	The related party
上饒市立景創新科技有限公司	The related party
Xinhao Photoelectric Technology (HK) Limited	The related party
立臻智能裝備(昆山)有限公司	The related party
Cowell Optic Electronics Ltd.	The related party
奇瑞汽車股份有限公司	The related party
奇瑞汽車河南有限公司	The related party
奇瑞商用車(安徽)有限公司	The related party

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Name of related parties	Relationship with the Group
奇瑞新能源汽車股份有限公司	The related party
安徽拙盾安全技術有限公司	The related party
達奧(蕪湖)汽車製品有限公司	The related party
東南(福建)汽車工業股份有限公司	The related party
瑞鯨(安徽)供應鏈科技有限公司	The related party
蕪湖埃科泰克動力總成有限公司	The related party
蕪湖奇達動力電池系統有限公司	The related party
蕪湖奇瑞汽車零部件採購有限公司	The related party
深圳市信濠光電科技股份有限公司	The related party
達濠科技(東莞)有限公司	The related party
信濠光電(恩施)有限公司	The related party
泰睿精密股份有限公司	The related party
Luxsan (Hong Kong) Trading Limited	The related party
廣州立智感知科技有限公司	The related party
立高光學(東莞)有限公司	The related party
廣東立德膠業精密組件有限公司	The related party
大卓智能科技有限公司	The related party
信濠光電(滁州)有限公司	The related party
訊濠光電(滁州)有限公司	The related party
安徽立德汽車部件有限公司	The related party
訊牧信息科技(上海)有限公司	Entity controlled by ultimate controlling shareholder
立汕智造科技(廣東)有限公司	Entity controlled by ultimate controlling shareholder

(b) Transactions with related parties

(i) Purchase from the related parties

Company name	As at 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
日益茂工業股份有限公司	19,083	8,667	11,677	8,299	3,798
岱煒科技股份有限公司	23,282	26,463	38,232	27,864	42,631
立勝汽車科技(蘇州)有限公司	23,441	18,701	5,135	3,288	5,664
Luxvisions Innovation Technology Co., Ltd. . .	2,948	3,739	12,710	12,026	33,080
立臻科技(昆山)有限公司	311,176	—	—	—	37
立臻精密智造(昆山)有限公司	36,498	9,658	—	—	—
Luxsan Technology Limited	1,037,900	1,189,127	1,243,805	719,299	760,356
Merry & Luxshare (Vietnam) Co., Ltd	63,556	71,739	273,250	28,359	439,049
BCS Automotive Interface Solutions	33,586	—	—	—	—
立濠光電科技(南通)有限公司	336	4,320	2,092	1,667	227
泰睿智造(東莞)科技有限公司	1,139	41,984	117,097	92,846	11,489
訊牧信息科技(上海)有限公司	9,764	—	196	—	—
東莞高偉光學電子有限公司	2,475	11,517	8,756	8,756	9,638
泰睿香港國際股份有限公司	944	2,709	9,754	2,886	251,419
立景創新科技有限公司	845	429	—	—	—
立汕智造科技(廣東)有限公司	1,023	2,389	4,059	2,770	1,305
立勝汽車科技(深圳)有限公司	—	222	—	—	—

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Company name	As at 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
立景創新科技(吉安)有限公司	—	34	1,174	671	—
Luxvisions Innovation Technology Limited . . .	—	1,372	162	161	—
立臻投資(江蘇)有限公司	—	39,529	45,844	30,102	27,960
BCS Automotive Interface Solutions GmbH (Germany)	—	36,596	3,511	2,329	—
BCS Automotive Interface Solutions US, LLC (USA)	—	93	4,812	4,263	4,906
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	—	5,410	28,954	23,121	31,160
信光能源科技(安徽)有限公司	—	900	535	503	432
立昇汽車科技(廣州)有限公司	—	—	379	121	1,056
立臻智能裝備(昆山)有限公司	—	—	2,747	530	1,194
立臻精密工業(昆山)有限公司	—	—	36,755	21,714	39,871
深圳市信濠光電科技股份有限公司	—	—	57	57	—
東莞杜博皮件有限公司	—	—	25,798	1,138	360,893
泰睿智造(桂林)科技有限公司	—	—	769	646	166
奇瑞汽車股份有限公司	—	—	127	103	76
奇瑞新能源汽車股份有限公司	—	—	19	13	2
奇瑞商用車(安徽)有限公司	—	—	60	60	—
蕪湖奇瑞汽車零部件採購有限公司	—	—	209	—	52
瑞鯨(安徽)供應鏈科技有限公司	—	—	61	—	44
東南(福建)汽車工業股份有限公司	—	—	240	—	—
廣東立德膠業精密組件有限公司	—	—	—	—	28,254
訊濠光電(滁州)有限公司	—	—	—	—	1,712
上饒市立景創新科技有限公司	—	—	—	—	20
Luxsan (Hong Kong) Trading Limited	—	—	—	—	14
信濠光電(滁州)有限公司	—	—	—	—	8
安徽立德汽車部件有限公司	—	—	—	—	41,229

(ii) Sell to the related parties

Company name	As at 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
岱燁科技股份有限公司	1,027	2,547	2,546	1,707	1,746
上饒市立景創新科技有限公司	—	123	2,073	569	1,021
Luxvisions Innovation Technology Co., Ltd. . .	4,183	133,336	199,439	173,396	164,909
立勝汽車科技(蘇州)有限公司	394,380	396,984	380,631	255,615	217,789
BCS Automotive Interface Solutions	1,917	—	—	—	—
立臻科技(昆山)有限公司	643,620	78,602	49,176	49,224	—
立臻精密智造(昆山)有限公司	55,980	36,934	117	118	4
Luxsan Technology Limited	19,118	840,945	1,155,538	807,092	3,119,825
訊牧信息科技(上海)有限公司	14,869	3	—	—	—
Merry & Luxshare (Vietnam) Co., Ltd	31,839	52,940	159,513	120,245	103,400
立濠光電科技(南通)有限公司	3,922	19,675	3,546	3,185	(31)

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Company name	As at 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Xinhao Photoelectric Technology (HK) Limited .	4,287	259	401	204	202
立勝汽車科技(深圳)有限公司	1	—	—	—	—
東莞高偉光學電子有限公司	992	8,209	127,229	97,181	35,990
Cowell Optic Electronics Ltd.	117,926	47,484	1,592,583	966,474	1,585,000
奇瑞汽車股份有限公司	28,562	103,354	95,981	95,929	2,300
奇瑞汽車河南有限公司	559	(479)	903	903	(904)
奇瑞商用車(安徽)有限公司	220	18,197	13,465	14,553	1
泰睿精密股份有限公司	11	12	—	—	—
泰睿智造(東莞)科技有限公司	112	2,120	11,895	9,221	3,323
BCS Automotive Interface Solutions GmbH (Germany)	—	6,728	377	430*	382
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	—	27,530	2,849	2,401	2,358
BCS Automotive Interface Solutions US, LLC (USA)	—	24,227	36,812	26,252	43,412
BCS Automotive Interface Solutions s.r.o. (Czech)	—	94	945	765	379
立臻智能裝備(昆山)有限公司	—	230,418	193,624	121,247	59,852
立臻投資(江蘇)有限公司	—	5,047	1,997	1,377	431
信光能源科技(安徽)有限公司	—	12,999	6,626	5,438	3,186
立昇汽車科技(廣州)有限公司	—	1,338	64,296	41,320	63,815
LUXVISIONS INNOVATION TECHNOLOGY LIMITED	—	496	329	329	1,263
BCS AIS JAPAN CO., LTD.	—	—	92	67	68
立臻精密工業(昆山)有限公司	—	—	3,994	4,196*	1,322
立臻智造電子(上海)有限公司	—	—	56	791*	—
達濠科技(東莞)有限公司	—	—	574	479	—
信濠光電(恩施)有限公司	—	—	96	66	7,348
深圳市信濠光電科技股份有限公司	—	196	196	—	—
奇瑞新能源汽車股份有限公司	—	—	187,870	134,069	70,597
蕪湖奇瑞汽車零部件採購有限公司	—	—	365,523	365,523	—
安徽拙盾安全技術有限公司	—	—	7,885	3,640	31,635
達奧(蕪湖)汽車製品有限公司	—	—	115	—	—
東南(福建)汽車工業股份有限公司	—	—	174,119	174,116	26,923
蕪湖奇達動力電池系統有限公司	—	—	105	27	142
瑞鯨(安徽)供應鏈科技有限公司	—	—	1,096,867	440,789	1,444,824
蕪湖埃科泰克動力總成有限公司	—	—	4,228	—	1,879
泰睿香港國際股份有限公司	—	—	995	397	2,252
泰睿智造(桂林)科技有限公司	—	—	303	303	12,170
東莞杜博皮件有限公司	—	—	3,785	3,782	6,330
東莞立騰創新電子有限公司	—	—	694	—	40
廣州立智感知科技有限公司	—	—	—	—	18
立高光學(東莞)有限公司	—	—	—	—	647
Luxsan(Hong Kong)Trading Limited	—	—	—	—	184,975
信濠光電(滁州)有限公司	—	—	—	—	3,161
訊濠光電(滁州)有限公司	—	—	—	—	3,825
大卓智能科技有限公司	—	—	—	—	2,997

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Company name	As at 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
廣東立德膠業精密組件有限公司	—	—	—	—	11,197
安徽立德汽車部件有限公司	—	—	—	—	27,499

* Due to the impact of financial statement translation, the reported sales figure for nine month ended 30 September 2024 appears higher than that of the full year.

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(iii) Leases

The Group as lessor

		As at 31 December						As at 30 September					
		2022			2023			2024			2025		
Company name (as lessee)	Type of leases	Short term lease	Lease payment	Finance cost	Right of use asset	Short term lease	Lease payment	Finance cost	Right of use asset	Short term lease	Lease payment	Finance cost	Right of use asset
			RMB'000					RMB'000				RMB'000	
立景創新科技(吉安)有限公司 . . . Buildings		—	—	171	17,686	—	2,416	52	—	—	—	1,509	33
立汕智造科技(廣東)有限公司 . . . Buildings		—	—	—	—	—	3,987	144	9,862	—	2,770	1,893	—
立萊投資(江蘇)有限公司 . . . Buildings		—	—	—	—	—	32,300	1,328	—	—	—	30,600	1,067
立萊精密智造(昆山)有限公司 . . . Buildings		—	—	2,615	—	—	30,600	—	—	—	—	14,037	558
立萊精密工業(昆山)有限公司 . . . Buildings		—	—	—	—	—	14,394	—	—	—	10,036	1,975	—
岱姆科技股份有限公司 . . . Buildings		—	—	—	—	—	—	—	—	—	23,708	22,959	—
		—	—	—	—	—	—	—	—	—	45	—	—

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The Group as lessee

Company name (as lessor)	Type of leases	As at 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
信光能源科技(安徽)有限公司	Buildings	—	—	3,944	3,112	—
泰睿智造(東莞)科技有限公司	Buildings	—	—	25	19	—
立濠光電科技(南通)有限公司	Buildings	—	—	2,810	2,450	—
BCS Automotive Interface Solutions Queretaro S. de R.L. de C.V.	Buildings	—	—	—	—	3,707
BCS-AIS Ensembles Mexico S. de R.L.de C.V.	Buildings	—	—	—	—	5,308

(iv) Guarantee

The Company as the guaranteed party for bank borrowings:

Guarantor	Guaranteed Amount	Guarantee Commencement Date	Guarantee Expiry Date	Whether the Guarantee Has Been Fulfilled
	RMB'000			
Luxshare Hong Kong	5,100,560	2020/7/20	2023/9/26	Yes

(v) Amounts due from related parties

Trade receivables	As at 31 December			As at 30 September
Company name	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Luxvisions Innovation Technology Co., Ltd.	3,407	137,683	68,646	115,835
立勝汽車科技(蘇州)有限公司	321,616	302,574	307,139	150,782
BCS Automotive Interface Solutions . . .	25	—	—	105
岱煒科技股份有限公司	335	1,412	1,063	1,010
立臻科技(昆山)有限公司	173,086	—	—	—
立臻精密智造(昆山)有限公司	32,616	—	—	5
訊牧信息科技(上海)有限公司	2,849	—	—	—
Merry & Luxshare (Vietnam) Co., Ltd. . .	8,504	20,590	53,834	59,620
Luxsan Technology Limited	3,036	250,986	303,552	2,287,218
Cowell Optic Electronics Ltd.	89,178	92	1,135,631	1,112,410
立勝汽車科技(深圳)有限公司	1	—	—	—
奇瑞汽車股份有限公司	6,793	50,708	1,675	2,713
奇瑞汽車河南有限公司	632	—	1,021	—
奇瑞商用車(安徽)有限公司	249	19,453	2,690	2,691
泰睿智造(東莞)科技有限公司	127	2,371	6,657	341
BCS Automotive Interface Solutions GmbH (Germany)	—	1,324	—	389
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	—	14,601	5,879	4,142

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Trade receivables	As at 31 December			As at
	2022	2023	2024	30 September
Company name	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
BCS Automotive Interface Solutions				
US, LLC (USA)	—	20,233	19,288	24,396
BCS Automotive Interface Solutions				
s.r.o. (Czech)	—	84	637	714
Xinhao Photoelectric Technology (HK)				
Limited.	—	43	151	23
東莞高偉光學電子有限公司	—	8,993	48,941	44,697
立昇汽車科技(廣州)有限公司	—	1,511	25,226	49,544
立濠光電科技(南通)有限公司	—	1,272	561	—
立臻投資(江蘇)有限公司	—	2,963	711	147
立臻智能裝備(昆山)有限公司	—	184,418	127,753	836
上饒市立景創新科技有限公司	—	118	1,697	988
深圳市信濠光電科技股份有限公司	—	207	207	—
信光能源科技(安徽)有限公司	—	15,854	707	—
安徽拙盾安全技術有限公司	—	—	3,948	23,274
泰睿智造(桂林)科技有限公司	—	—	13	12,616
達奧(蕪湖)汽車製品有限公司	—	—	72	—
東莞杜博皮件有限公司	—	—	7	7,074
東莞立騰創新電子有限公司	—	—	215	—
東南(福建)汽車工業股份有限公司	—	—	3	—
奇瑞新能源汽車股份有限公司	—	—	98,092	69,400
瑞鯨(安徽)供應鏈科技有限公司	—	—	964,114	860,030
立臻精密工業(昆山)有限公司	—	—	141	1,415
泰睿香港國際股份有限公司	—	—	600	—
蕪湖埃科泰克動力總成有限公司	—	—	4,777	2,475
蕪湖奇達動力電池系統有限公司	—	—	88	62
蕪湖奇瑞汽車零部件採購有限公司	—	—	191	51
立臻智造電子(上海)有限公司	—	—	64	—
廣東立德膠業精密組件有限公司	—	—	—	7,503
BCS AIS Queretaro Dos S. de R.L. de				
C.V.	—	—	—	3,208
LUXVISIONS INNOVATION				
TECHNOLOGY LIMITED.	—	—	—	1,900
廣州立智感知科技有限公司	—	—	—	20
立高光學(東莞)有限公司	—	—	—	731
Luxsan(Hong Kong)Trading Limited	—	—	—	162,915
大卓智能科技有限公司	—	—	—	500
信濠光電(滁州)有限公司	—	—	—	724
訊濠光電(滁州)有限公司	—	—	—	767
安徽立德汽車部件有限公司	—	—	—	16,709

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Other receivables	As at 31 December			Nine months ended
				30 September
	2022	2023	2024	2025
Company name	RMB'000	RMB'000	RMB'000	RMB'000
立勝汽車科技(蘇州)有限公司	5,700	184	861	—
宣德能源股份有限公司	165	—	—	—
立臻科技(昆山)有限公司	9	—	—	—
立濠光電科技(南通)有限公司	3,923	—	—	—
Merry & Luxshare (Vietnam) Co., Ltd. . .	84	54	696	712
Xinhao Photoelectric Technology (HK) Limited.	19	127	—	—
BCS Automotive Interface Solutions GmbH (Germany)	—	4,151	—	—
BCS Automotive Interface Solutions US, LLC (USA)	—	1,836	—	—
Cowell Optic Electronics Ltd.	—	567	1,120	1,252
東莞高偉光學電子有限公司	—	10	—	—
Luxvisions Innovation Technology Co., Ltd.	—	6,621	—	—
泰睿香港國際股份有限公司	—	374	—	—
BCS Ais Japan Co., Ltd	—	—	8	8
立臻精密工業(昆山)有限公司	—	—	770	770
岱燁科技股份有限公司	—	—	—	30

Prepayments	As at 31 December			Nine months ended
				30 September
	2022	2023	2024	2025
Company name	RMB'000	RMB'000	RMB'000	RMB'000
BCS Automotive Interface Solutions . . .	10,761	—	—	—
BCS Automotive Interface Solutions GmbH (Germany)	—	17	1,311	642
BCS Automotive Interface Solutions Romania s.r.l. (Romania)	—	8,626	7,912	—
BCS Automotive Interface Solutions US, LLC (USA)	—	1,468	1,490	—

Note receivables	As at 31 December			Nine months ended
				30 September
	2022	2023	2024	2025
Company name	RMB'000	RMB'000	RMB'000	RMB'000
立勝汽車科技(蘇州)有限公司	12,072	—	9,222	—
安徽拙盾安全技術有限公司	—	—	1,672	—
東南(福建)汽車工業股份有限公司	—	—	2,000	—
奇瑞商用車(安徽)有限公司	—	—	1,200	—
奇瑞新能源汽車股份有限公司	—	—	33,244	—
瑞鯨(安徽)供應鏈科技有限公司	—	—	67,867	—
蕪湖奇瑞汽車零部件採購有限公司	—	—	400	—

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The amounts due from related parties are trade in nature, unsecured, interest free and repayable on demand.

(vi) Amounts due to related parties

Contract liabilities	As at 31 December			Nine months ended
				30 September
	2022	2023	2024	2025
Company name	RMB'000	RMB'000	RMB'000	RMB'000
BCS Automotive Interface Solutions . . .	9	—	—	—
BCS Automotive Interface Solutions				
US, LLC (USA)	—	15	1,347	—
Luxsan Technology Limited	—	—	7,417	16,890
奇瑞新能源汽車股份有限公司	—	—	1,531	—
信濠光電(恩施)有限公司	—	—	7,312	42
BCS Automotive Interface Solutions				
GmbH (Germany)	—	—	—	12
安徽拙盾安全技術有限公司	—	—	—	4,514
Trade payables	As at 31 December			As at
				30 September
	2022	2023	2024	2025
Company name	RMB'000	RMB'000	RMB'000	RMB'000
岱煒科技股份有限公司	6,958	11,442	18,739	19,941
Luxvisions Innovation Technology Co.,				
Ltd.	150	1,217	969	17,404
立景創新科技有限公司	76	—	—	—
立勝汽車科技(蘇州)有限公司	7,368	9,830	1,615	485
立臻精密智造(昆山)有限公司	80,467	—	—	—
立臻科技(昆山)有限公司	1,054	—	—	36
日益茂工業股份有限公司	9,959	5,532	5,324	1,871
東莞高偉光學電子有限公司	2,404	—	—	1,377
Merry & Luxshare (Vietnam) Co., Ltd. .	13,130	43,590	106,486	314,540
BCS Automotive Interface Solutions . . .	382	—	—	—
Luxsan Technology Limited	907,792	338,536	971,975	474,539
立濠光電科技(南通)有限公司	268	3,012	476	—
立景創新科技(吉安)有限公司	1,812	4	1,279	183
立汕智造科技(廣東)有限公司	1,113	893	1,316	1,628
泰睿香港國際股份有限公司	899	2,521	8,265	28,009
泰睿智造(東莞)科技有限公司	1,653	14,283	29,022	4,259
訊牧信息科技(上海)有限公司	1,154	—	60	60
BCS Automotive Interface Solutions				
Romania s.r.l. (Romania)	—	3	6,592	1,415
BCS Automotive Interface Solutions				
US, LLC (USA)	—	10,065	2,867	1,193
BCS Automotive Interface Solutions				
GmbH (Germany)	—	—	376	—
Luxvisions Innovation Technology				
Limited	—	585	—	—
信光能源科技(安徽)有限公司	—	714	36	—

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ACCOUNTANTS’ REPORT

Trade payables	As at 31 December			As at 30 September
Company name	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
立臻投資(江蘇)有限公司	—	38,170	15,275	30,780
泰睿智造(桂林)科技有限公司	—	—	116	44
東莞杜博皮件有限公司	—	—	28,426	225,102
東南(福建)汽車工業股份有限公司	—	—	375	375
高偉光學電子有限公司	—	—	14	—
立昇汽車科技(廣州)有限公司	—	—	336	710
立臻智能裝備(昆山)有限公司	—	—	3,104	1,281
奇瑞汽車股份有限公司	—	—	94	—
奇瑞新能源汽車股份有限公司	—	—	5	—
立臻精密工業(昆山)有限公司	—	—	14,342	15,678
蕪湖奇瑞汽車零部件採購有限公司	—	—	1,206	—
上饒市立景創新科技有限公司	—	—	—	21
Luxsan (Hong Kong) Trading Limited	—	—	—	14
瑞鯨(安徽)供應鏈科技有限公司	—	—	—	3
廣東立德膠業精密組件有限公司	—	—	—	14,069
信濠光電(滁州)有限公司	—	—	—	8
訊濠光電(滁州)有限公司	—	—	—	280
安徽立德汽車部件有限公司	—	—	—	29,496
				Nine months ended
Other payables	As at 31 December			30 September
Company name	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
立臻投資(江蘇)有限公司	—	1,982	—	—
日益茂工業股份有限公司	9	—	—	—
泰睿香港國際股份有限公司	45	166	218	—
BCS AIS Ensembles Mexico S. de R.L.de C.V. (Mexico)	—	563	—	—
岱煒科技股份有限公司	—	—	19	54
BCS Automotive Interface Solutions US, LLC (USA)	—	—	—	11

The amounts due to related parties are trade in nature, unsecured, interest free and repayable on demand.

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(vii) Key management compensation

Key management personnels are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Compensation of the key management personnels of the Group, including amounts paid to the Company’s Directors as disclosed in Note 8, was as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Salaries, wages, bonuses and benefits in kind (including contributions to pension plans) . . .	13,666	12,830	21,978	17,386	18,044
Share-based compensation	3,842	12,020	10,872	3,707	7,600
	<u>17,508</u>	<u>24,850</u>	<u>32,850</u>	<u>21,093</u>	<u>25,644</u>

45 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Lease liabilities	Borrowings	Convertible Bond	Short-term financing bills	MTN	Total
	RMB’000 (Note 20)	RMB’000 (Note 33)	RMB’000 (Note 36)	RMB’000 (Note 38)	RMB’000 (Note 37)	RMB’000
As at 1 January 2022	427,387	17,102,518	2,805,785	1,607,038	—	21,942,728
Cash inflows	—	65,493,203	—	6,600,000	—	72,093,203
Payment on principal portion.	(114,524)	(58,773,171)	—	(4,400,000)	—	(63,287,695)
Interest paid	(44,538)	(972,517)	(6,000)	(38,967)	—	(1,062,022)
Payment on debt issuance costs	—	—	(4,185)	—	—	(4,185)
Interest expenses	44,538	804,500	116,989	72,044	—	1,038,071
Debt issuance costs.	—	—	4,185	—	—	4,185
Other non-cash movements.	667,158	1,291,519	(3,019)	—	—	1,955,658
As at 31 December 2022 and 1 January 2023	980,021	24,946,052	2,913,755	3,840,115	—	32,679,943
Cash inflows	—	91,681,516	—	2,800,000	—	94,481,516
Payment on capital portion.	(176,483)	(80,966,892)	(181,719)	(5,800,000)	—	(87,125,094)
Interest paid	(27,150)	(1,424,783)	(9,000)	(80,318)	—	(1,541,251)
Payment on debt issuance costs	—	—	(6,203)	—	—	(6,203)
Interest expenses	27,150	1,186,819	119,976	42,925	—	1,376,870
Debt issuance costs.	—	—	6,203	—	—	6,203
Other non-cash movements.	(121,841)	(181,262)	6,080	—	—	(297,023)
As at 31 December 2023 and 1 January 2024	681,697	35,241,450	2,849,092	802,722	—	39,574,961
Cash inflows	—	90,538,655	457,707	6,300,000	—	97,296,362
Payment on capital portion.	(239,235)	(68,733,973)	(49,930)	(2,100,000)	—	(71,123,138)
Interest paid	(36,018)	(1,444,655)	(45,000)	(24,811)	—	(1,550,484)
Payment on debt issuance costs	—	—	(8,782)	—	—	(8,782)
Interest expenses	36,018	1,234,031	130,703	61,901	—	1,462,653
Debt issuance costs.	—	—	8,782	—	—	8,782
Other non-cash movements.	439,468	199,888	(37,135)	—	—	602,221

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	Lease liabilities	Borrowings	Convertible Bond	Short-term financing bills	MTN	Total
	RMB'000 (Note 20)	RMB'000 (Note 33)	RMB'000 (Note 36)	RMB'000 (Note 38)	RMB'000 (Note 37)	RMB'000
As at 31 December 2024	881,930	57,035,396	3,305,437	5,039,812	—	66,262,575
As at 31 December 2023 and 1 January 2024	681,697	35,241,450	2,849,092	802,722	—	39,574,961
Cash inflows	—	63,514,923	457,707	6,300,000	—	70,272,630
Payment on capital portion	(65,643)	(40,092,563)	(49,930)	(1,600,000)	—	(41,808,136)
Interest paid	(29,843)	(2,182,375)	—	(19,638)	—	(2,231,856)
Payment on debt issuance costs	—	—	(8,782)	—	—	(8,782)
Interest expenses	29,843	965,662	89,169	36,002	—	1,120,676
Debt issuance costs	—	—	8,782	—	—	8,782
Exchange difference	—	—	(32,383)	—	—	(32,383)
Other non-cash movements	341,469	(1,088,872)	(15)	—	—	(747,417)
As at 30 September 2024	957,523	56,358,225	3,313,640	5,519,086	—	66,148,475
As at 31 December 2024 and 1 January 2025	881,930	57,035,396	3,305,437	5,039,812	—	66,262,575
Cash inflows	—	85,942,373	—	3,200,000	3,000,000	92,142,373
Payment on capital portion	(132,781)	(67,157,618)	—	(5,000,000)	—	(72,290,399)
Interest paid	(14,038)	(1,261,528)	—	(75,179)	—	(1,350,745)
Payment on debt issuance costs	—	—	—	—	(4,500)	(4,500)
Interest expenses	14,038	1,213,438	101,312	51,650	39,198	1,419,636
Debt issuance costs	—	—	—	—	4,500	4,500
Exchange difference	—	(51,243)	20,861	—	—	(30,382)
Other non-cash movement	2,073,957	9,830,357	(356)	—	—	11,903,958
As at 30 September 2025	2,823,106	85,551,175	3,427,254	3,216,283	3,039,198	98,057,016

Other non-cash movements included in borrowing mainly resulted from acquisition of subsidiaries and exchange movement and lease liabilities mainly resulted from the new leases contracts entered during the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025.

46 ACQUISITION OF SUBSIDIARIES

During the Track Record Period, the Group continued to actively seek for investment opportunities through acquisitions and has completed several material acquisitions of subsidiaries.

(a) Major acquisitions during the year ended 31 December 2022

(i) Time Interconnect Technology Limited (“Time Interconnect”)

Time Interconnect, a well-established supplier of customized interconnect solutions, is incorporated in the Cayman Islands with limited liability, and its shares have been listed on the Hong Kong Exchanges (HKEX) since February 2018. On 25 March 2022, the Group completed the acquisition of 70.92% equity interests of Time Interconnect at a cash consideration of HKD1,104,000,000 (equivalent to RMB900,157,000) from the third parties. The transaction was made as part of the Group’s strategy to expand its electronic components manufacturing business.

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This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB’000</i>
Property, plant and equipment	744,968
Intangible assets	176,053
Right-of-use asset	144,722
Trade and other receivables and prepayments	810,807
Inventory	545,385
Cash and bank balances	178,634
Other assets	88,245
Borrowing	(867,342)
Trade and other payables	(640,272)
Deferred tax liabilities	(454)
Other liabilities	(150,425)
Total identifiable net assets	<u>1,030,321</u>
Non-controlling interest	(305,833)
Fair value of net assets acquired	<u>724,488</u>
Cash consideration paid	900,157
Less: Fair value of net assets acquired	(724,488)
Goodwill	<u>175,669</u>
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	900,157
Less: Cash and bank balances acquired	(178,634)
	<u>721,523</u>

Through the acquisition, the Group and Time Interconnect will achieve synergistic leveraging of core competencies across precision manufacturing, digitalized operations, and strategic client resources, while aligning management philosophies. The multidimensional integration will perpetually enhance strategic synergies, thereby maximizing sustainable shareholder value.

Since the acquisition date, Time Interconnect has contributed approximately RMB4,623,758,000 to the Group’s revenue and a profit of approximately RMB151,274,000 to the overall result of the Group for the year ended 31 December 2022. No pro forma information for the acquisition of Time Interconnect was prepared as the acquisition was completed on 1 January 2022 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2022.

(ii) 深圳市華榮科技有限公司 (“華榮科技”)

On 21 April 2022, the Group acquired 76.024% of 華榮科技 for RMB266,084,000. 華榮科技 is incorporated in Shenzhen and established on 24 August 2001, a company engaged in manufacturing and sales of communication equipment, information technology equipment, low-voltage complete sets of equipment, as well as providing related technical consulting services.

APPENDIX I

ACCOUNTANTS’ REPORT

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, were excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	RMB’000
Property, plant and equipment	229,476
Intangible assets	10,874
Right-of-use assets	234,571
Trade and other receivables and prepayments	481,371
Inventories	126,553
Cash and bank balances	25,802
Other assets	35,849
Borrowings	(161,071)
Trade and other payables	(572,399)
Deferred tax liabilities	(2,967)
Other liabilities	(264,593)
Total identifiable net assets	143,466
Non-controlling interest	(34,395)
Fair value of net assets acquired	109,071
Cash consideration paid	266,084
Less: Fair value of net assets acquired	(109,071)
Goodwill	157,013
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	266,084
Less: Cash and bank balances acquired	(25,802)
	240,282

The Group focuses on core communications components, and intends to expand into finished goods manufacturing through the acquisition of 華榮科技.

Since the acquisition date, 華榮科技 has contributed approximately RMB2,426,985,000 to the Group’s revenue and a loss of approximately RMB5,882,000 to the overall result of the Group for the year ended 31 December 2022. No pro forma information for the acquisition of 華榮科技 is prepared as the acquisition was completed on 1 January 2022 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2022.

(b) Major acquisitions during the year ended 31 December 2024

(i) Cosmo Corporation Cayman Limited (“Cosmo”)

On 22 April 2024, the Group acquired 100% of Cosmo for RMB515,062,000. Cosmo is a holding company incorporated in Cayman Islands with several subsidiaries.

APPENDIX I

ACCOUNTANTS’ REPORT

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB’000</i>
Property, plant and equipment	157,059
Intangible assets	4,636
Right-of-use assets	67,324
Trade and other receivables and prepayments	146,473
Inventories	164,892
Cash and bank balances	114,420
Other assets	224,807
Borrowings	(64,444)
Trade and other payables	(196,651)
Deferred tax liabilities	(9,000)
Other liabilities	(97,402)
Net assets acquired	<u>512,114</u>
Cash consideration paid	515,062
Less: Fair value of net assets acquired	<u>(512,114)</u>
Goodwill	<u>2,948</u>
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	515,062
Less: Cash and bank balances acquired	<u>(114,420)</u>
	<u>400,642</u>

The acquisition of Cosmo further completes the Group’s consumer electronics value chain layout, elevating comprehensive competitiveness.

Since the acquisition date, Cosmo has contributed approximately RMB1,114,749,000 to the Group’s revenue and a profit of approximately RMB45,486,000 to the overall result of the Group for the year ended 31 December 2024. No pro forma information for the acquisition of Cosmo is prepared as the acquisition was completed on 1 January 2024 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2024.

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) *Qorvo Hong Kong Holding Pvt. Limited (“QHK”)*

On 2 May 2024, the Group acquired 100% of QHK for RMB1,184,927,000. QHK was a holding company incorporated in Hong Kong.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB’000</i>
Property, plant and equipment	519,888
Right-of-use assets	119,799
Trade and other receivables and prepayments	1,592
Inventories	345,647
Cash and bank balances	179,916
Other assets	469,554
Trade and other payables	(185,195)
Other liabilities	(275,138)
Net assets acquired	1,176,063
Cash consideration paid	1,184,927
Less: Fair value of net assets acquired	(1,176,063)
Goodwill	8,864
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	1,043,273
Less: Cash and bank balances acquired	(179,916)
	863,357

The acquisition finalizes the Group’s strategic deployment in the Radio Frequency (“RF”) chip sector, and increases market share in communication RF sector.

Since the acquisition date, QHK has contributed approximately RMB3,630,933,000 to the Group’s revenue and a profit of approximately RMB30,878,000 to the overall result of the Group for the year ended 31 December 2024. No pro forma information for the acquisition of QHK is prepared as the acquisition was completed on 1 January 2024 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2024.

(iii) *Qorvo Singapore Holding Pvt. Limited (“QSG”)*

On 2 May 2024, the Group acquired 100% of QSG for RMB469,236,000. QSG was a holding company incorporated in Singapore.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognized as an expense in the profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB'000</i>
Property, plant and equipment	377,398
Right-of-use assets	40,770
Trade and other receivables and prepayments	427
Inventories	471,016
Cash and bank balances	96,057
Other assets	85,684
Trade and other payables	(513,439)
Other liabilities	(94,150)
Net assets acquired	463,763
Cash consideration paid	469,236
Less: Fair value of net assets acquired	(463,763)
Goodwill	5,473
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	469,236
Less: Cash and bank balances acquired	(96,057)
	373,179

The acquisition finalizes the Group’s strategic deployment in the RF chip sector, and increases market share in communication RF sector.

Since the acquisition date, QSG has contributed approximately RMB3,007,695,000 to the Group’s revenue and a profit of approximately RMB48,206,000 to the overall result of the Group for the year ended 31 December 2024. No pro forma information for the acquisition of QSG is prepared as the acquisition was completed in May 2024 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2024.

(c) Major acquisitions during the nine months ended 30 September 2025

(i) Acquisition of 嘉興永瑞電子科技有限公司 (“嘉興永瑞”)

On 23 January 2025, the Group acquired 100% of 嘉興永瑞電子科技有限公司 for RMB569,881,000 from Wingtech. This transaction had been accounted for as acquisition of business using the acquisition method.

Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

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ACCOUNTANTS’ REPORT

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB’000</i>
Property, plant and equipment	211,101
Intangible assets	56,266
Trade and other receivables and prepayments	571,372
Inventory	190,667
Cash and bank balances	30,664
Other assets	106,142
Trade and other payables	(590,227)
Deferred tax liabilities	(10,637)
Other liabilities	(32,993)
Net assets acquired	<u>532,355</u>
Cash consideration	569,881
Less: Fair value of net assets acquired	<u>(532,356)</u>
Goodwill	<u>37,525</u>
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	569,881
Less: Cash and bank balances acquired	<u>(30,664)</u>
	<u>539,217</u>

The acquisition of 嘉興永瑞 further enhances the Group’s core competitiveness in consumer electronics customization business, optimizes our product portfolio and enriches our business and customer structure.

Since the acquisition date, 嘉興永瑞 has contributed approximately RMB1,099,134,000 to the Group’s revenue and a loss of approximately RMB 49,607,000 to the overall result of the Group for the nine months ended 30 September 2025. No pro forma information for the acquisition of 嘉興永瑞 is prepared as the acquisition was completed on 1 January 2025 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2025.

(ii) Acquisition of Leoni Kabel GmbH (“LCS”)

On 9 July 2025, the Group acquired 100% of LCS for RMB2,816,574,000. LCS was a limited liability company incorporated in Germany, established on 1 April 1999, and operated automotive cable products.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB’000</i>
Property, plant and equipment	2,031,591
Intangible assets	41,634
Right-of-use asset	100,758
Trade and other receivables and prepayments	1,782,077
Inventory	978,748
Cash and bank balances	3,245,610
Other assets	967,251
Borrowing	(3,397,181)
Trade and other payables	(2,017,190)
Deferred tax liabilities	(84,580)
Other liabilities	(830,418)
Net assets acquired	<u>2,818,300</u>
Cash consideration paid	2,816,574
Less: Fair value of net assets acquired	<u>(2,818,301)</u>
Gain on bargain purchase	<u>(1,727)</u>
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	2,816,574
Less: Cash and bank balances acquired	<u>(3,245,610)</u>
	<u>(429,036)</u>

The acquisition resulted in a gain from bargain purchase because the consideration of the acquisition was lower than the fair value of identified net assets of the business, as the business was in a loss-making position at the time of the acquisition and the seller facing liquidity issues which motivate the seller to divest the business. The Group can add value by implementing optimization strategies to improve the efficiency of asset utilization. the acquisition of LCS further strengthens the Group’s strategic presence in the automotive sector.

Since the acquisition date, LCS has contributed approximately RMB2,975,700,000 to the Group’s revenue and a profit of approximately RMB78,153,000 to the overall result of the Group for the nine months ended 30 September 2025. No pro forma information for the acquisition of LCS is prepared as the acquisition was completed on 1 January 2025 and the directors of the Company are of the opinion that there is no significant change to the Group’s revenue or profit for the current year had the acquisition been completed on 1 January 2025.

(iii) Acquisition of Leoni AG (“WSD”)

On 10 July 2025, the Group acquired 50.1% of WSD for RMB1,731,030,000. WSD was a holding company incorporated in Germany and established on 23 April 1917, a supplier of integrated automotive wiring harness system products and solutions.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB'000</i>
Property, plant and equipment	5,222,774
Intangible assets	649,046
Right-of-use asset	1,486,896
Trade and other receivables and prepayments	4,605,812
Inventory	3,359,876
Cash and bank balances	6,282,873
Other assets	755,465
Borrowing	(5,984,750)
Trade and other payables	(5,174,216)
Deferred tax liabilities	(235,144)
Other liabilities	(6,560,207)
Total identifiable net assets	4,408,425
Non-controlling interest	2,199,805
Fair value of net assets acquired	2,208,620
Cash consideration	1,731,030
Less: Fair value of net assets acquired	(2,208,620)
Gain on bargain purchase	(477,590)
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	1,731,030
Less: Cash and bank balances acquired	(6,282,873)
	(4,551,843)

The fair value of the trade and other receivables acquired as part of the business combination amounted to RMB4,605,812,000, with a gross contractual amount of RMB4,683,555,000. As of the acquisition date the Group’s best estimate of the contractual cash flow not expected to be collected amounted to RMB77,743,000.

The acquisition resulted in a gain from bargain purchase because the consideration of the acquisition was lower than the fair value of identified net assets of the business, as the business was in a loss-making position at the time of the acquisition and the seller facing liquidity issues which motivate the seller to divest the business. The Group can add value by implementing optimization strategies to improve the efficiency of asset utilization. the acquisition of WSD further strengthens the Group’s strategic presence in the automotive sector.

Since the acquisition date, WSD has contributed approximately RMB7,619,940,000 to the Group’s revenue and a profit of approximately RMB55,476,000 to the overall result of the Group for the nine months ended 30 September 2025.

Had the acquisition been completed on 1 January 2025, revenue for the year of the Group would have been RMB236,602,150,000, and profit for the year of the Group would have been RMB12,854,307,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

APPENDIX I

ACCOUNTANTS’ REPORT

In determining the ‘pro-forma’ revenue and profit of the Group had WSD been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of equipment at the date of the acquisition.

(iv) Acquisition of Other Mainland Consumer Electronics Businesses

On 2 July 2025, the Group acquired 100% of entire equity interest of subsidiaries comprising Other Mainland Consumer Electronics Businesses for RMB3,685,815,000 from Wingtech. Other Mainland Consumer Electronics Businesses were primarily engaged in Other Mainland Consumer Electronics Businesses for consumer electronics products.

This transaction had been accounted for as acquisition of business using the acquisition method. Acquisition-related costs, which were immaterial, are excluded from the cost of acquisition and have been recognised as an expense in the profit or loss.

Details of the fair value of identifiable assets and liabilities are as follows:

	Fair value
	<i>RMB’000</i>
Property, plant and equipment	2,857,355
Intangible assets	2,520
Right-of-use asset	174,170
Trade and other receivables and prepayments	10,818,761
Inventory	1,578,327
Cash and bank balances	331,856
Other assets	1,931,220
Borrowing	(150,086)
Trade and other payables	(11,996,648)
Deferred tax liabilities	(3,737)
Other liabilities	(2,068,657)
Net assets acquired	<u>3,475,081</u>
Cash consideration	3,685,815
Less: Fair value of net assets acquired	<u>(3,475,081)</u>
Goodwill	<u>210,734</u>
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	3,685,815
Less: Cash and bank balances acquired	<u>(331,856)</u>
	<u>3,353,959</u>

The fair value of the trade and other receivables acquired as part of the business combination amounted to RMB 10,818,761,000, with a gross contractual amount of RMB 10,821,239,000. As of the acquisition date the Group’s best estimate of the contractual cash flow not expected to be collected amounted to RMB 2,478,000.

The acquisition of Other Mainland Consumer Electronics Businesses further enhances the Group’s core competitiveness in consumer electronics customization business, optimizes its product portfolio and enriches its business and customer structure.

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ACCOUNTANTS’ REPORT

Since the acquisition date, Other Mainland Consumer Electronics Businesses has contributed approximately RMB7,973,758,000 to the Group’s revenue and a loss of approximately RMB157,787,000 to the overall result of the Group for the nine months ended 30 September 2025.

Had the acquisition been completed on 1 January 2025, revenue for the year of the Group would have been RMB238,292,887,000, and profit for the year of the Group would have been RMB12,255,115,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the ‘pro-forma’ revenue and profit of the Group had Other Mainland Consumer Electronics Businesses been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of equipment at the date of the acquisition.

47 PLEDGED ASSETS

At the end of each reporting period, the Group’s certain assets have been pledged to secure borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	1,596,426	635,803	2,220,048	3,054,889
Right of use assets	547,768	401,674	283,667	738,324
Trade and note receivables	1,519,143	164,567	—	245,027
Investment in subsidiaries	5,781,944	—	—	—
Restricted bank deposits	2,054,791	3,935,387	1,092,553	2,239,868
Term deposits	—	2,874,098	11,959,559	14,319,683
Financial asset at FVTPL	60,000	—	—	—
	<u>11,560,072</u>	<u>8,011,529</u>	<u>15,555,827</u>	<u>20,597,791</u>

48 COMMITMENTS

On 16 December 2023, the Company entered into an agreement with 威訊聯合半導體有限公司, proposing to acquire 100% equity interests in 威訊聯合半導體(新加坡)有限公司 (“威訊新加坡”) and 威訊聯合半導體(香港)有限公司 (“威訊香港”) from 威訊聯合半導體有限公司 (“威訊聯合半導體”). As of 31 December 2023, the Group paid a deposit of US\$20,000,000 to 威訊聯合半導體 for the equity acquisition. The transaction was completed and the equity interests were successfully transferred to the Group in May 2024.

49 CONTINGENT LIABILITIES

No material contingent liabilities were undertaken by or impacted on the Company or the Group as at each reporting date during the Track Record Period.

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ACCOUNTANTS’ REPORT

50 DIVIDEND

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Final dividend declared after the end of each financial year during the Track Record Period of RMB0.13, RMB0.3 and RMB0.2 per ordinary share in respect of the years ended 31 December 2022, 2023 and 2024.	926,948	2,153,403	1,449,476	N/A	N/A
	<u>926,948</u>	<u>2,153,403</u>	<u>1,449,476</u>	<u>N/A</u>	<u>N/A</u>

51 SUBSEQUENT EVENTS

No material subsequent events undertaken by or impacted on the Company or the Group subsequent to 30 September 2025 and up the date of this report.

52 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of its subsidiaries in respect of any period subsequent to 30 September 2025 and up to the date of this report.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

The information set out in this Appendix II does not form part of the Accountants’ Report from BDO Limited, Certified Public Accountants, the reporting accountants of the Company, as set out in Appendix I to this document, and is included herein for illustrative purposes only. The unaudited [REDACTED] financial information should be read in conjunction with the section headed “Financial Information” in this document and the Accountants’ Report set out in Appendix I to this document.

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited [REDACTED] statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company (the “Unaudited [REDACTED] Financial Information”) prepared in accordance with paragraph 4.29 of the Listing Rules is for illustrate purpose only, and is set forth here to illustrate the effect of the [REDACTED] on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 as if the [REDACTED] had taken place on 30 September 2025.

This unaudited [REDACTED] statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 or at any future dates following the [REDACTED]. It is prepared based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 as set out in the Accountants’ Report on historical financial information of the Group, the text of which is set out in Appendix I to this Document, and adjusted as described below.

Audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025	Estimated [REDACTED] from the [REDACTED]	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 per Share	
			RMB	HK\$
RMB'000	RMB'000	RMB'000	Note 3	Note 4
Note 1	Note 2			
Based on the [REDACTED] of HK\$[REDACTED] per H Share	76,917,737 [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- The audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 is extracted from the Accountants’ Report set out in Appendix I to this Document, which is based on the audited consolidated net assets of the Group attributable to the equity holders of the Company as of 30 September 2025 of approximately RMB80,276,654 with adjustments for the intangible assets attributable to the equity holders of the Company and goodwill as of 30 September 2025 of approximately RMB1,144,430,000 and RMB2,214,487,000, respectively.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

2. The estimated [REDACTED] from the [REDACTED] are based on [REDACTED] Shares at the [REDACTED] of HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) per Share, after deduction of the estimated [REDACTED] fees and other related [REDACTED] expenditure payable by the Company (excluding the [REDACTED] expenses that have been charged to profit or loss during the Track Record Period), taking into no account of shares which may be issued upon the exercise of the convertible bonds, the [REDACTED] and upon the vesting of share options that have been or may be granted from time to time under the share option plans.
3. The unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share is calculated on the total of [REDACTED] shares (representing [REDACTED] shares in issue as of 30 September 2025, adding [REDACTED] under the [REDACTED]), assuming that the [REDACTED] had been completed on 30 September 2025, taking into no account of shares which may be issued upon the exercise of the convertible bonds, the [REDACTED] and upon the vesting of share options that have been or may be granted from time to time under the share option plans.
4. For the purpose of this unaudited [REDACTED] statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 per Share, the amounts stated in Renminbi are converted from or into Hong Kong dollars at an exchange rate of HK\$1 to RMB0.8879. No representation is made that RMB has been, could have been or may be converted to HK\$, or vice versa, at that rate.
5. No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as of 30 September 2025 to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA

PRELIMINARY FINANCIAL INFORMATION

The following is the preliminary financial information of our Group as of and for the year ended 31 December 2025 (the “2025 Preliminary Financial Information”), together with comparative figures as of and for the year ended 31 December 2024 and a discussion and analysis of our Group’s financial condition and results of operations. The 2025 Preliminary Financial Information has not been audited. Investors should bear in mind that the 2025 Preliminary Financial Information in this Appendix IIA may be subject to adjustments.

2025 PRELIMINARY FINANCIAL INFORMATION

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APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The Shares of the Company shall be issued in an open, fair and equal manner. Each Share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the Shares shall be subscribed for at the same price by any subscriber.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed, the Company may increase the Share capital by the following methods upon approval of resolutions at the Shareholders’ meetings:

- (i) issuing Shares to unspecified parties;
- (ii) issuing Shares to specific targets;
- (iii) distribution of bonus Shares to existing Shareholders;
- (iv) converting the reserve funds into Share capital;
- (v) converting issued convertible corporate bonds into Shares (the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as changes in the Company’s Share capital resulting from the conversion, shall be handled in accordance with the terms set forth in the Company’s convertible corporate bond issuance documents);
- (vi) other methods approved by the laws, administrative regulations and other securities regulatory bodies of the places where the Shares of the Company are listed.

The Company may decrease the registered Share capital and shall comply with the procedures stipulated in the Company Law of the PRC, as well as other regulations and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own Shares, unless otherwise under the following circumstances:

- (i) to reduce the registered Share capital of the Company;
- (ii) to merge with other companies holding Shares in the Company;
- (iii) to use the Shares for an employee stock ownership plan or equity incentive plan;

APPENDIX III

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- (iv) to purchase the Shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders’ meeting upon their request;
- (v) to use the Shares for conversion of convertible corporate bonds issued by the Company;
- (vi) to safeguard corporate value and Shareholders’ interests as the Company deems necessary;
- (vii) other circumstances permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company’s Shares are listed.

If the Share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted by way of open centralized trading, or other methods permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company’s Shares are listed.

The Company shall repurchase its own Shares upon a resolution of the Shareholders’ meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own Shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the securities regulatory rules of the place where the Company’s Shares are listed.

After the Company repurchases its own Shares in accordance with the above provisions, it shall cancel the repurchased Shares within ten days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased Shares within six months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased Shares within three years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of Shares held by the Company shall not exceed 10% of the total number of Shares issued by the Company.

Transfer of Shares

Shares of the Company shall be transferred in accordance with the laws. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation’s chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

The Directors and senior management of the Company shall report to the Company the Shares they hold in the company and any changes in such Shares. During their term of office as determined at the time of their appointment, the Shares transferrable by them each year shall not exceed 25% of the total number of Shares of the same category held by them in the Company, except for changes in Shares resulting from judicial enforcement, inheritance, bequest, or division of property in accordance with the law. If the number of Shares held by them does not exceed 1,000 Shares, such Shares be transferred in full at one time, without being subject to the aforementioned transfer ratio limitation. The Shares in the Company held by them shall not be transferred within one year from the date on which the Company’s Shares are listed for trading. The Shares in the Company held by them shall not be

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transferred within half a year from their departure from the Company. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

Any gains from sale of Company’s Shares or other securities with the equity nature by the Directors and senior management or Shareholders holding 5% or more of the Company’s Shares within six months after their purchase of the same, and any gains from the purchase of the Shares or other securities with the equity nature by any of the aforesaid parties within six months after sale of the same shall belong to the Company, and the Board of Directors of the Company shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company’s Shares due to the purchase of remaining Shares after underwriting, or other circumstances stipulated by the CSRC. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail. Shares or other securities with the nature of equity held by Directors, senior management members and individual Shareholders as mentioned in this paragraph include Shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people’s accounts.

If the Board of Directors of the Company fails to comply with the preceding paragraph, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People’s Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in the preceding paragraph, the responsible Directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS’ MEETINGS

Shareholders

The Company shall establish a register of Shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company’s Shares. Shareholders shall enjoy rights and assume obligations according to the class of Shares they hold. Shareholders holding Shares of the same class shall enjoy the same rights and assume the same obligations.

The original register of Shareholders of H Shares is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed as well as section 632 of the Companies Ordinance. Any person who is a Shareholder registered on the register of Shareholders of H Shares or who requests his name be entered in the register of Shareholders of H Shares may, if his Share certificate relating to the Shares is lost, apply to the Company for a replacement Share certificate in respect of such Shares. Application by a holder of overseas listed Shares, who has lost his Share certificate, for a replacement Share certificate may be dealt with in accordance with the law of the place where the original register of Shareholders of overseas listed Shares is maintained, the rules of the stock exchange or other relevant regulations.

The rights of our Shareholders are as follows:

- (i) to receive dividends and other forms of interest distribution according to the number of Shares held;

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- (ii) to request, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' meeting, to speak at the Shareholders' meeting and exercise corresponding voting rights in accordance with laws, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed or applicable laws and regulations to abstain from voting on specific matters;
- (iii) to supervise operational activities of the Company, provide suggestions or submit queries;
- (iv) to transfer, grant and pledge the Company's Shares held according to the provisions of the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association;
- (v) to read and copy the Articles of Association, the register of Shareholders, minutes of the Shareholders' meeting, resolutions of the Board of Directors and financial and accounting reports; qualified Shareholders may inspect the Company's accounting books and accounting vouchers;
- (vi) to participate in the distribution of the remaining assets of the Company according to the proportion of Shares held upon the Company's termination or liquidation;
- (vii) to request the Company to acquire the Shares from Shareholders voting against the resolutions adopted at the Shareholders' meeting concerning the merger and division of the Company;
- (viii) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

In the event that any resolution of the Shareholders' meeting or resolution of the Board of Directors violates laws or administrative regulations, Shareholders are entitled to request the People's Court to determine the invalidity of such resolution. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, Shareholders are entitled to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

The obligations of Shareholders are as follows:

- (i) to abide by laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association;
- (ii) to pay the Share price according to the Shares they subscribe for and the method of subscription;
- (iii) not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;

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- (v) other obligations prescribed in laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

Any Shareholder who abuses Shareholders’ rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company’s creditors shall assume joint and several liability for the Company’s debts.

Controlling Shareholders and Actual Controllers

The Company’s controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and securities regulatory rules of the places where the Shares of the Company are listed, and shall safeguard the interests of the Company.

The Company’s controlling Shareholders and actual controllers shall comply with the following provisions:

- (i) to exercise Shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other Shareholders;
- (ii) to strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;
- (iii) to strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) not to appropriate the Company’s funds in any way;
- (v) not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to use the Company’s undisclosed major information to seek benefits, not to disclose the Company’s undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;
- (vii) not to damage the legitimate rights and interests of the Company and other Shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) to ensure the Company’s asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company’s independence in any way;
- (ix) other provisions stipulated by laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association.

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If the Company’s controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company’s affairs, the provisions of the Articles of Association on Directors’ duties of loyalty and diligence shall apply.

If the Company’s controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or Shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders’ meeting

The Shareholders’ meeting is the authority of the Company, which exercises its powers in accordance with applicable laws and regulations:

- (i) to elect or remove the Directors and to decide on matters relating to the remuneration of Directors;
- (ii) to examine and approve reports of the Board of Directors;
- (iii) to examine and approve the Company’s proposals for profit distribution plans and loss recovery plans;
- (iv) to decide on any increase or decrease of the Company’s registered capital;
- (v) to decide on the issue of corporate bonds by the Company;
- (vi) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) resolution on appointment and dismissal of an accounting firm undertaking the Company’s audit business and its remuneration;
- (ix) to examine and approve the provision of guarantees stipulated in Article 48 of the Articles of Association;
- (x) to examine matters relating to the purchases and disposals of the Company’s material assets within one year, which exceed 30% of the Company’s latest audited total assets;
- (xi) to examine and approve matters relating to changes in the use of proceeds;
- (xii) to examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) to examine and approve the repurchase of the Company’s Shares in accordance with the circumstances stipulated in subparagraphs (1) and (2) of paragraph 1 of Article 25 of the Articles of Association;
- (xiv) to examine the annual remuneration plans for Directors and senior management;

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- (xv) to examine and approve other matters which shall be decided by the Shareholders' meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of bonds by the Company. Unless otherwise provided for by laws, administrative regulations or the Articles of Association, the aforesaid powers of the Shareholders' meeting shall not be exercised by the Board of Directors or any other institution or individual on its behalf by way of authorization.

The following external guarantee behaviors of the Company shall be submitted to the Shareholders' meeting for review and approval:

- (i) any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;
- (ii) any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;
- (iii) any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;
- (iv) any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;
- (v) any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
- (vi) any guarantee provided to Shareholders, actual controllers, and their related parties;
- (vii) other guarantees required by the relevant laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters mentioned in item (iv) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the Shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to Shareholders, actual controllers, and their related parties, such Shareholders or the Shareholders controlled by such actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other Shareholders present at the meeting.

The Shareholders' meetings are divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) the number of Directors is less than the number prescribed in the Company Law of the PRC or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) the uncovered losses of the Company reach one-third of its total Share capital;

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- (iii) the Shareholders with 10% or more Shares of the Company separately or jointly request it;
- (iv) the Board of Directors considers it necessary;
- (v) the Audit Committee proposes to convene it;
- (vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

In the event that an extraordinary general meeting is convened at the request of securities regulatory rules of the places where the Shares of the Company are listed, the actual convening date of the extraordinary general meeting may be adjusted in accordance with the clearance progress of the stock exchange where the Shares of the Company are listed.

Convening of Shareholders' meetings

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of a majority of all independent Directors, an independent Director has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the Shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the Company's Shares have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall

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issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, Shareholders who individually or collectively hold more than 10% of the Company's Shares have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit such request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholders. If the Audit Committee fails to issue a notice of the Shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting. In such cases, Shareholders who individually or collectively hold more than 10% of the company's Shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

For Shareholders' meetings convened by the Audit Committee or Shareholders on their own, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of Shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or Shareholders on their own shall be borne by the Company.

Proposals and Notice of Shareholders' meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, as well as Shareholders who individually or collectively hold more than 1% of the Company's Shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's Shares may submit a temporary proposal in writing to the convener ten days prior to the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after receiving the proposal, announcing the content of the temporary proposal. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association, or if it is not within the scope of the Shareholders' meeting's authority.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The Shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the Shareholders' meeting or that do not comply with the provisions of the Articles of Association.

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The convener shall notify each Shareholder by announcement at least 21 days before the annual Shareholders’ meeting, and at least 15 days before the extraordinary Shareholders’ meeting. When calculating the start of the commencement period, the Company should not include the day the meeting is held. Where laws, regulations, securities regulatory rules of the places where the Shares of the Company are listed provide otherwise, such rules shall prevail.

The notice of a Shareholders’ meeting includes the following:

- (i) the time, place and duration of the meeting;
- (ii) the matters and proposals to be discussed at the meeting;
- (iii) a clear statement that all Shareholders have the right to attend the meeting of Shareholders, and may entrust a proxy in writing to attend the meeting and vote and such a proxy does not need to be a Shareholder of the Company;
- (iv) the record date of the Shareholders entitled to attend the meeting;
- (v) name and telephone number of the permanent contact person for conference affairs;
- (vi) timing and procedures of voting by Internet or other methods;
- (vii) other matters that need to be specified.

After the Shareholders’ meeting notice has been issued, the Shareholders’ meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If securities regulatory rules of the places where the Shares of the Company are listed have special provisions regarding the procedures for postponing or canceling a Shareholders’ meeting, these provisions shall prevail, provided that they do not violate the regulatory requirements of the domestic rules.

Holding of Shareholders’ meeting

All Shareholders registered on the record date for equity registration or their proxies shall be entitled to attend the Shareholders’ meeting. They shall be entitled to exercise voting rights at the meeting in accordance with relevant laws, regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed to abstain from voting on specific matters.

Shareholders may attend the Shareholders’ meeting in person or appoint a proxy to attend and vote on their behalf.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof that can indicate their identity, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the Shareholder.

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Corporate Shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney legally issued by the legal representative of the legal person Shareholder, except for Shareholder who is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or securities regulatory rules of the places where the Shares of the Company are listed or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders’ meeting shall specify the following content:

- (i) the name or title of the principal and the category and quantity of Shares held;
- (ii) the name or title of the proxy;
- (iii) specific instructions of the Shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders’ meeting;
- (iv) the date of issuance and validity period of the power of attorney;
- (v) the signature (or seal) of the principal. If the principal is a corporate Shareholder, the corporate seal shall be affixed; if the overseas corporate Shareholder does not have a seal, it may be signed by a legally authorized person.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company’s domicile or another place designated in the notice of the meeting.

If the Shareholder is a recognized clearing house (or its proxy), such Shareholder may authorize one or more persons it deems appropriate to act as its representative at any Shareholders’ meeting or creditors’ meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of Shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the recognized clearing house. The authorized person may exercise the rights of the recognized clearing house (or its proxy) (without presenting Shareholding certificates, notarized authorization, and/or further evidence of formal authorization) and shall enjoy the same statutory rights as other Shareholders, including the right to speak and vote, as if the person were an individual Shareholder of the Company.

If the Shareholders’ meeting requires Directors and senior management to attend the meeting, the Directors and senior management shall attend and accept Shareholders’ inquiries.

The Shareholders’ meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform his duties, one Director shall be elected by a majority of the Directors to preside over the meeting.

If the Shareholders’ meeting is convened by the Audit Committee, it shall be presided over by the chairman of the Audit Committee. If the chairman of the Audit Committee is unable or fails to perform his duties, one Audit Committee member shall be elected by a majority of the Audit Committee, to preside over the meeting. If the Shareholders’ meeting is convened by the Shareholders themselves, a

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representative shall be elected by the conveners to preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the Shareholders present and entitled to vote, the Shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

Voting at the Shareholders' meeting

The resolutions of the Shareholders' meeting divided into ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies). A special resolution at a Shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies).

The resolution of the Shareholders' meeting includes ordinary resolution and special resolution. The following matters shall be approved by the Shareholders' meeting through ordinary resolutions:

- (i) work reports of the Board of Directors;
- (ii) plans for the distribution of profits and for recovery of losses proposed by the Board of Directors;
- (iii) appointment or dismissal of the members of the Board of Directors, and their remuneration and payment methods;
- (iv) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

- (i) the increase or decrease of the registered capital of the Company;
- (ii) the division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) any amendment to the Articles of Association;
- (iv) purchase or sale of significant assets within a year which exceeds 30% of the Company's audited total assets for the latest period;
- (v) Share option incentive plan;
- (vi) other matters as required by the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association, and matters which have a significant impact on the Company if to be passed by an ordinary resolution of a Shareholders' meeting and which are deemed necessary to be passed as a special resolution.

Shareholders (including Shareholder proxies) shall exercise their voting rights based on the number of voting Shares they represent, with each Share having one vote, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed or applicable laws and regulations to abstain from voting on specific matters.

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When the Shareholders’ meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

The Shares held by the Company have no voting rights, and such Shares shall not be counted in the total number of voting Shares present at the Shareholders’ meeting.

If a Shareholder purchases voting Shares of the Company in violation of the paragraphs 1 and 2 of Article 63 of the Securities Law of the PRC, the voting rights of such Shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting Shares present at the general meeting.

According to applicable laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed, if any Shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such Shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting Shares.

The Board of Directors, independent Directors, Shareholders holding more than 1% of the voting Shares, or investor protection institutions established in accordance with laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed may publicly solicit Shareholders’ voting rights. The solicitation of Shareholders’ voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit Shareholders’ voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum Shareholding ratio restriction on the solicitation of voting rights.

DIRECTORS AND BOARD OF DIRECTORS

Directors

The Directors of the Company may include executive Directors, non-executive Directors, and independent Directors (the term “independent Director” has the same meaning as “independent non-executive Director” in the Hong Kong Listing Rules). Non-executive Directors refer to Directors who do not hold management positions in the Company. The appointment conditions, nomination and election procedures, and powers of independent Directors shall be implemented in accordance with the relevant provisions of the laws, the CSRC, and the stock exchange where the Shares of the Company are listed.

Directors shall possess the qualifications required by laws, administrative regulations, departmental rules, this Articles of Association, and securities regulatory rules of the places where the Shares of the Company are listed.

Directors not appointed as employee representative Directors shall be elected or replaced by the Shareholders’ meeting and may be removed from their positions by an ordinary resolution of the Shareholders’ meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the reappointment of Directors, such rules shall prevail.

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The employee representative Director shall be elected or removed by the employees of the Company through the democratic election at the employee representatives' meeting. The employee representatives' meeting may also remove the employee representative Director from office before the expiration of his term. The term of office of the employee representative Director shall be the same as that of the current Board of Directors, and he may be re-elected for consecutive terms upon expiration of the term.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association until the newly elected Directors assume office.

Subject to compliance with securities regulatory rules of the places where the Shares of the Company are listed, any person appointed by the Board of Directors to fill a temporary vacancy or increase the number of Directors on the Board of Directors shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A Director may also hold the position of general manager or other senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representative Directors, shall not exceed half of the total number of Directors of the Company.

Board of Directors

The Board of Directors consists of eight Directors, including three independent Directors, one employee representative Director, one Chairman and one Vice Chairman. The Chairman and Vice Chairman shall be elected by more than one half of all Directors.

The Board of Directors exercises the following powers:

- (i) to convene the general Shareholders' meeting and report on work to the Shareholder's meeting;
- (ii) to implement the resolutions of the Shareholder's meeting;
- (iii) to determine the business and investment plans of the Company;
- (iv) to formulate plans for the distribution of profits and for recovery of losses of Company;
- (v) to formulate the plans for increasing or decreasing the Company's registered capital, the issuance of corporate bonds or other securities, as well as the listing of the Shares of the Company;
- (vi) to formulate plans for major acquisitions of the Company, the repurchase of Shares of the Company in the case of the circumstances stipulated in items (1) and (2) of paragraph 1 of Article 25 of the Articles of Association, corporate merger, separation, dissolution and changing the form of the Company;

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- (vii) to determine the repurchase of Shares of the Company in case of the circumstances stipulated in items (3), (5) and (6) of paragraph 1 of Article 25 of the Articles of Association;
- (viii) to determine such matters as the Company’s external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external donation within the scope authorized by the Shareholders’ meeting;
- (ix) to establish and improve the Company’s management system on proceeds and ensure the effective implementation of such system;
- (x) to decide on the setup of the Company’s internal management organization;
- (xi) to decide on matters such as appointment or dismissal of the Company’s general manager, secretary to the Board of Directors and other senior management and on their compensation and incentives/disincentives; to decide on matters such as appointment or dismissal of the Company’s deputy general manager, chief financial officer and other senior management and on their compensation and incentives/disincentives based on the nominations by the general manager;
- (xii) to set the basic management systems of the Company;
- (xiii) to make the modification plan to the Articles of Association;
- (xiv) to manage the disclosure of company information;
- (xv) to propose to the Shareholders’ meeting to hire or replace the accounting firm auditing for the company;
- (xvi) to establish special committees such as the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee in accordance with the resolutions of the Shareholders’ meeting, and formulate corresponding working rules for these committees;
- (xvii) to attend to reports on the performance of duties, performance evaluation results, and compensation of Directors and general managers;
- (xviii) to attend to the work report of the general manager and review the work of the general manager;
- (xix) with the authorization of the Shareholders’ meeting, to decide on the issuance of Shares not exceeding 50% of the Company’s issued Shares within three years (however, if the issuance involves contribution of non-monetary property valued as capital, it shall be subject to the resolution of the Shareholders’ meeting);
- (xx) other powers and duties authorized by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, the Articles of Association or the Shareholders’ meeting.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Where the Board of Directors decides to issue Shares in accordance with the provisions of item (xix) of the preceding paragraph, resulting in changes to the Company’s registered capital and the number of issued Shares, the modification of the relevant records in the Articles of Association shall not require further approval by the Shareholders’ meeting, provided that such resolution of the Board of Directors shall be passed by more than two-thirds of all Directors.

Meetings of the Board of Directors shall be attended by more than one-half of the Directors before the Board of Directors meeting can be convened. Resolutions of the Board of Directors must be passed by a majority of all Directors. Where the Articles of Association, laws, regulations, or securities regulatory rules of the places where the Shares of the Company are listed provide otherwise, such rules shall prevail.

Voting on resolutions of the Board of Directors shall be conducted on a one person, one vote basis.

Independent Directors

The Company establishes a mechanism for special meeting attended solely by independent Directors. Matters such as related party transactions should be pre-approved by the special meeting of independent Directors before being submitted to the Board of Directors for consideration.

The Company shall hold special meetings of independent Directors. Matters listed in items (1) to (3) of the paragraph 1 of Article 131 and Article 132 of the Articles of Association shall be considered at a special meeting of independent Directors. The special meetings of independent Directors may study and discuss other matters of the Company as needed.

The special meetings of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent Directors may convene and elect a representative to preside over the meeting on their own.

Special Committees under the Board of Directors

The Board of Directors shall establish an Audit Committee to exercise the powers of the board of supervisors stipulated by the Company Law of the PRC. The members of an Audit Committee shall comprise three Directors who are not senior executives of the Company, the majority of which should be independent Directors, and an accounting professional among the independent Directors shall act as the convener.

The Board of Directors shall establish special committees such as Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, etc.

The special committees shall perform duties pursuant to the Articles of Association and the authorization of the Board of Directors, and submit proposals to the Board of Directors for consideration and decision.

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Senior Management Members

The Company shall have one general manager, several deputy general managers (the number of which shall be decided by the Board of Directors), and one chief financial officer, all of whom shall be appointed or dismissed by the Board of Directors. The general manager, deputy general managers, chief financial officer, secretary to the Board of Directors are considered senior management of the Company.

The general manager of the Company is responsible to the Board of Directors and exercises the following powers:

- (i) to be in charge of the Company’s production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- (ii) to organize and implement the Company’s annual business plan and investment proposals;
- (iii) to draft plans for the establishment of the Company’s internal management organizations;
- (iv) to draft the basic management system of the Company;
- (v) to formulate specific rules and regulations for the Company;
- (vi) to propose to the Board of Directors on the appointment or dismissal of deputy general manager and chief financial officer;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) other functions and powers authorized by securities regulatory rules of the places where the Shares of the Company are listed, the Articles of Association or the Board of Directors.

The general manager shall attend the meetings of the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and securities regulatory rules of the places where the Shares of the Company are listed.

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchange where the Shares of the Company are listed within four months from the end of each fiscal year, and its interim reports to the local office of the CSRC and the stock exchange where the Shares of the Company are listed within two months from the end of the first half of each fiscal year.

The above annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and securities regulatory rules of the places where the Shares of the Company are listed.

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The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph. Subject to a resolution of the Shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, the remaining after-tax profits shall be distributed according to the proportion of Shares held by Shareholders, unless otherwise stipulated in the Articles of Association.

If the Shareholders' meeting violates the provisions of the Company Law of the PRC, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company. The Shareholders, responsible Directors and senior management members shall be liable for compensation if the Company suffers losses as a result thereof.

No profit shall be distributed in respect of the Shares of the Company which are held by the Company.

The Company shall appoint one or more collection agents for H-Share Shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H-Share Shareholders the dividends distributed and other funds payable by the Company in respect of the H-Share Shareholders, and hold such monies in their custody pending payment to the H-Share Shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. When using reserve fund to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When the statutory reserve funds are converted into capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

Internal Audit

The Company has implemented an internal audit system which explicitly defines the leadership structure, authorities and responsibilities, staffing requirements, fund guarantee, application of audit results, and accountability mechanism in respect of the internal audit activities, etc.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors and publicly disclosed.

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SUMMARY OF THE ARTICLES OF ASSOCIATION

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law of the PRC, and securities regulatory rules of the places where the Shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be re-appointed. The appointment of accounting firm by the Company shall be subject to the approval of Shareholders' meetings. The Board of Directors shall not appoint accounting firm before the approval of the Shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit fees of the accounting firm or the method of determining audit fee shall be determined by the Shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 15 days in advance; when the Shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the Shareholders' meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. Unless a written

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agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When reducing its registered capital, the Company shall reduce the amount of capital contribution or Shares held by the Shareholders in proportion to their respective Shareholdings, unless otherwise provided for by law or the Articles of Association.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; if the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law; if a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;
- (ii) the Shareholders' meeting adopts a resolution to dissolve the Company;
- (iii) the Company needs to be dissolved for the purpose of merger or division;
- (iv) the business license of the Company is revoked, or the Company is ordered to close or be eliminated according to applicable laws;
- (v) where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the Shareholders, and the difficulties may not be overcome through other means, Shareholders who hold more than 10% of all voting rights of the Company's Shareholders may request the people's court to dissolve the Company.

Where any cause for dissolution as provided in the preceding paragraph occurs, the Company shall publicize the cause for dissolution within ten days on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統).

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SUMMARY OF THE ARTICLES OF ASSOCIATION

If the Company is in the situation as described in items (i) and (ii) above and has not yet distributed its properties to Shareholders, it can continue to exist by amending the Articles of Association or through a resolution of the Shareholders' meeting. The amendment of the Articles of Association or the resolution of the Shareholders' meeting as per this paragraph must be passed by more than two-thirds of the voting rights held by the Shareholders attending the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors or other persons decided by the Shareholders' meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it in the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the company's debts. The remaining assets shall be distributed among the Shareholders in proportion to their Shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the Shareholders before the aforementioned provisions have been complied with.

After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the court.

Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and file it with the company registration authority to apply for the cancelation of the company registration and announce the termination of the Company.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after the Company Law of the PRC or relevant laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed are amended, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the Shareholders’ meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the Shareholders’ meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders’ meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws, regulations or securities regulatory rules of the places where the Shares of the Company are listed shall be announced in accordance with provisions thereof.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established in the PRC as a limited liability company on May 24, 2004 and was converted into a joint stock company with limited liability under the Company Law with effect from February 26, 2009. Our Company completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002475) in September 2010.

Our Company has established a principal place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on August 29, 2025. Ms. Leung Wai Yan (梁慧欣) has been appointed as our authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix III—Summary of the Articles of Association” to this document.

2. Changes in the Share Capital of Our Company

As considered and approved by the 11th meeting of the sixth session of the Board on April 25, 2025, due to the independent exercise of the options by the grantees under the Share Option Incentive Plans and the conversion of the Convertible Bonds during May 31, 2024 to April 24, 2025, our Company’s total share capital increased from 7,179,340,589 to 7,247,395,805.

As of the Latest Practicable Date, due to the independent exercise of the options by the grantees under the Share Option Incentive Plans and the conversion of the Convertible Bonds, our Company’s total share capital increased from 7,247,395,805 to 7,285,984,560.

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

3. Further Information about Our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within two years immediately preceding the date of this document. For details, see “Waivers and Exemptions—Particulars of Information of our Subsidiaries” in this document.

There has been no alteration in the registered capital of our Major Subsidiaries taken place within the two years preceding the date of this document.

4. Resolutions of our Shareholders

At the extraordinary general meeting of our Company held on August 8, 2025, among other things, the following resolutions were passed by our Shareholders:

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STATUTORY AND GENERAL INFORMATION

- (i) the [REDACTED] of H Shares with a nominal value of RMB1.00 each by our Company and such H Shares be [REDACTED] on the Stock Exchange;
- (ii) the number of H Shares to be issued pursuant to the [REDACTED] before the exercise of the [REDACTED] shall not exceed [REDACTED]% of the enlarged share capital of our Company upon completion of the [REDACTED], and the [REDACTED] shall not exceed [REDACTED]% of the above number of H Shares to be issued;
- (iii) subject to the completion of the [REDACTED], the Articles of Association to become effective on the [REDACTED] shall be conditionally adopted, and the Board and its authorized person have been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and
- (iv) to authorize the Board and its authorized person to handle the matters relating to, among others, the [REDACTED], the issuance and [REDACTED] of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contract

We have entered into the following contract (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this document that is or may be material:

- (a) the [REDACTED].

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Expiry Date
1.		305373441	9	Our Company	HK	September 2, 2030
2.	立讯精密	78893181A	42	Our Company	PRC	January 20, 2035
3.	LUXSHARE ICT	78917917	7	Our Company	PRC	February 27, 2035
4.		77259354	38	Our Company	PRC	September 20, 2034
5.		77259605	38	Our Company	PRC	June 27, 2035
6.		69080558	9	Our Company	PRC	October 20, 2033
7.	LUXlax	56584278	10	Our Company	PRC	December 27, 2031
8.	立可松	56600035	9	Our Company	PRC	December 27, 2031
9.		54005997	9	Our Company	PRC	October 6, 2031

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No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Expiry Date
10.	立讯	50910866	9	Our Company	PRC	September 6, 2031
11.		45538660	9	Our Company	PRC	June 6, 2031
12.	Optamax Twinax	32954956	9	Our Company	PRC	May 13, 2029
13.		22270150	7	Our Company	PRC	January 27, 2028
14.	LuXshare	18084817	9	Our Company	PRC	November 27, 2026
15.		71169178	9	Luxshare Smart Manufacturing	PRC	October 27, 2033
16.		56837787	9	Luxcase ICT Yancheng	PRC	July 27, 2032
17.	ICT-LANTO	42670241	9	Lanto Kunshan	PRC	July 6, 2031
18.	 联滔	32027124	9	Lanto Kunshan	PRC	April 6, 2029

(b) Patents

As of the Latest Practicable Date, our Group was the registered proprietor of the following patents which, in the opinion of our Directors, are or may be material to our business:

No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application
1.	Electromagnetic shielding fiber, cable and manufacturing method thereof (電磁屏蔽纖維、線纜和線纜的製造方法)	CN202010377587.3	Our Company	PRC	May 7, 2020
2.	Device and method for molding FPC and plastic parts (一種FPC與塑膠件成型的裝置及方法).	CN202010187137.8	Our Company	PRC	March 17, 2020
3.	Digitally remote-controlled sandblasting system based on digitalization (一種基於數字化遠程控制的噴砂系統) . . .	CN202210382462.9	Jiashan Rishan	PRC	April 12, 2022
4.	Online real-time glossiness detection system for products after sandblasting (一種產品噴砂後光澤度在線實時檢測系統).	CN202210382786.2	Jiashan Rishan	PRC	April 12, 2022
5.	High-precision positioning device (一種高精度的定位裝置)	CN202210393398.4	Rida Intelligent Manufacture	PRC	April 14, 2022
6.	Automated loading and unloading production management system for electrode production (一種電極生產用自動化上下料的生產管理系統)	CN202410568972.4	Rida Intelligent Manufacture	PRC	May 9, 2024

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application
7.	Composite multi-angle adjustable adsorption robotic arm (一種複合多角度可調節吸附機械臂)	CN202410877269.1	Rida Intelligent Manufacture	PRC	July 2, 2024
8.	Dual-line coordinated grinding system and method (一種雙線配合的研磨系統及方法)	CN202411207734.7	Rida Intelligent Manufacture	PRC	August 30, 2024
9.	Flexible circuit board bending equipment and bending method (柔性電路板折彎設備及折彎方法)	CN201911103749.8	Luxshare Smart Manufacturing	PRC	November 12, 2019
10.	High-speed signal equal-length control algorithm, PCB routing method and PCB (高速信號等長控制算法、PCB 的布線方法及PCB)	CN201710790808.8	Luxshare Chuzhou	PRC	September 5, 2017
11.	Wiring method for electrical connector plug (電連接器插頭的排線方法)	CN202010221050.8	Luxshare Chuzhou	PRC	March 25, 2020
12.	Device and method for integrally forming TWS earphones based on two-color microporous molding technology (基於雙色微孔成型技術一體成型TWS耳機的裝置和方法)	CN202110126938.8	Luxshare Technology Kunshan	PRC	January 29, 2021
13.	Wireless earphone, mobile phone and sound wave ranging method (無線耳機、手機和聲波測距方法)	CN202111459996.9	Luxshare Technology Kunshan	PRC	December 2, 2021
14.	Wireless communication module and electronic device including the wireless communication module (無線通信模塊及包括無線通信模塊的電子設備)	CN202210496859.0	Luxshare Technology Kunshan	PRC	May 9, 2022
15.	RF transceiver component, RF signal transceiving method and electronic device (一種射頻收發組件、射頻信號收發方法以及電子設備)	CN202210477960.1	Luxshare Technology Kunshan	PRC	April 29, 2022
16.	Design automatic test method, platform, storage medium and electronic device (一種設計自動測試方法、平台、存儲介質和電子設備)	CN202110969878.6	Luxshare Technology Kunshan	PRC	August 23, 2021
17.	Automated assembly equipment (一種自動化組裝設備)	CN202210955046.3	Luxcase ICT Yancheng	PRC	August 10, 2022
18.	Anodizing device with dual current loops (雙電流回路的陽極氧化裝置) . .	CN202211428669.1	Luxcase ICT Yancheng	PRC	November 15, 2022

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application
19.	Cable assembly, electronic device having the cable assembly and assembly method thereof (線纜組件、具有該線纜組件的電子裝置及其組裝方法).	CN202110307411.5	Lanto Kunshan	PRC	March 23, 2021
20.	Optical image stabilization camera device (光學圖像穩定化攝像裝置). . .	CN202110550472.4	Lanto Kunshan	PRC	May 20, 2021
21.	Camera device with image compensation and autofocus functions (兼具影像補償與自動對焦功能的攝像裝置)	CN202110550462.0	Lanto Kunshan	PRC	May 20, 2021
22.	Thin-film coil and electronic device (薄膜線圈及電子裝置)	CN201810517534.X	Lanto Kunshan	PRC	May 25, 2018
23.	Antenna module and preparation method thereof, terminal (天線模組及其製備方法、終端)	CN202110931322.8	Lanto Kunshan	PRC	August 13, 2021
24.	Multi-coil structure, manufacturing method thereof and electronic device having the same (多線圈結構、其製造方法及具有其的電子設備).	CN202211486440.3	Lanto Kunshan	PRC	November 24, 2022
25.	Manufacturing process of millimeter-wave antenna and RF integrated module (一種毫米波天線與射頻集成模組的製備工藝)	CN202110253272.2	Lanto Kunshan	PRC	March 5, 2021
26.	Charging robot control method, device, electronic equipment and readable storage medium (充電機器人控制方法、裝置、電子設備及可讀存儲介質). . .	CN202311407829.9	Lanto Kunshan	PRC	October 27, 2023
27.	Vehicle charging method, vehicle charging system and vehicle (車輛充電方法、車輛充電系統和車輛)	CN202410154108.X	Lanto Kunshan	PRC	June 29, 2023
28.	Robot handling and pressure-holding fixture for Bluetooth earphone production (一種用於藍牙耳機生產的機器人搬運保壓治具)	CN202011240014.2	Smart Manufacturing Jiangxi	PRC	November 9, 2020
29.	Optical module (光模塊).	CN202210756821.2	Dongguan Xuntao	PRC	June 30, 2022
30.	Electrical connector (電連接器).	CN202311287150.0	Dongguan Xuntao	PRC	September 28, 2023

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(c) Copyrights

As of the Latest Practicable Date, we were the registered proprietor of the following copyrights which, in the opinion of our Directors, are material to our business:

No.	Copyright	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Registration
1.	LuxGUI—Luxshare Precision AC Charging Pile Graphical User Interface Software [Abbreviation: LuxGUI]V1.0 (LuxGUI—立訊精密交流充電樁圖形用戶界面軟件[簡稱：LuxGUI]V1.0)	2024SR1613281	Our Company	PRC	October 25, 2024
2.	IPQC Email Generation System [Abbreviation: IPQCEmailGenerator] V1.0 (IPQC郵件生成系統[簡稱：IPQCEmailGenerator] V1.0)	2025SR0779056	Jiashan Rishan	PRC	May 14, 2025
3.	UG Intelligent BOM Export System [Abbreviation: Lux_Nx_Bom] V1.0 (UG智能導出BOM系統[簡稱：Lux_Nx_Bom] V1.0).	2023SR1271440	Jiashan Rishan	PRC	October 20, 2023
4.	Design Version Change Traceability System [Abbreviation: Lux_Version_Update] V1.0 (設計版本變更追溯系統[簡稱：Lux_Version Update] V1.0)	2023SR1269417	Jiashan Rishan	PRC	October 20, 2023
5.	Tooling Part Number Retrieval System [Abbreviation: LTRS] V1.0 (刀具料號檢索系統[簡稱：LTRS] V1.0)	2023SR1264342	Jiashan Rishan	PRC	October 19, 2023
6.	Manual Gauge Management System [Abbreviation: Manual Gauge Management] V1.0 (手打表管理系統[簡稱：手打表管理] V1.0).	2022SR0186737	Jiashan Rishan	PRC	January 28, 2022
7.	Electronic Notice Management System [Abbreviation: Electronic Notice] V1.0 (電子告示管理系統[簡稱：電子告示] V1.0)	2022SR0186742	Jiashan Rishan	PRC	January 28, 2022
8.	Critical Equipment Management System [Abbreviation: Critical Equipment Management] V1.0 (重要設備管理系統[簡稱：重要設備管理] V1.0)	2022SR0186744	Jiashan Rishan	PRC	January 28, 2022
9.	Scuba Diving Test Control System [Abbreviation: Automatic Control] V1.0 (一種水肺潛水測試控制系統[簡稱：自動調控] V1.0).	2024SR2049601	Luxshare Smart Manufacturing	PRC	December 11, 2024
10.	Watch NFC Test Device Control Software [Abbreviation: NFC] V2.0 (手錶NFC測試裝置控制軟件[簡稱：NFC] V2.0)	2023SR0972900	Luxshare Smart Manufacturing	PRC	August 24, 2023

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No.	Copyright	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Registration
11.	Intelligent Tooling Processing Control & Measurement System V1.0 (治具加工智能管制量測系統V1.0)	2024SR0345451	Luxcase ICT Yancheng	PRC	March 4, 2024
12.	MRB Abnormality Intelligent Traceability System V1.0 (MRB異常智能追溯系統V1.0)	2024SR0136034	Luxcase ICT Yancheng	PRC	January 19, 2024
13.	FQCSI Yield Intelligent Monitoring System V1.0 (FQCSI良率智能監控系統V1.0)	2023SR1786292	Luxcase ICT Yancheng	PRC	December 27, 2023
14.	Multi-Function Comparator Intelligent Measurement & Control System V1.0 (多功能對比儀智能量測管制系統V1.0).	2023SR1786185	Luxcase ICT Yancheng	PRC	December 27, 2023
15.	CPK Intelligent Data Monitoring System V1.0 (CPK智能數據監控系統V1.0).	2023SR1610658	Luxcase ICT Yancheng	PRC	December 12, 2023
16.	AGV Smart Cart Map Programming System V1.0 (AGV智能小車地圖編寫系統V1.0)	2023SR1609844	Luxcase ICT Yancheng	PRC	December 12, 2023
17.	CNC Tool Closed-Loop Management System [Abbreviation: Tool Management] V1.0 (CNC 刀具閉環管理系統[簡稱：刀具管理] V1.0)	2023SR1604691	Luxcase ICT Yancheng	PRC	December 11, 2023
18.	Dial Indicator Intelligent Measurement & Control System V1.0 (千分錶智能量測管制系統V1.0)	2023SR1524387	Luxcase ICT Yancheng	PRC	November 28, 2023
19.	SD Foam Automatic Assembly System V1.0 (SD 泡棉自動組裝系統V1.0)	2023SR1523598	Luxcase ICT Yancheng	PRC	November 28, 2023
20.	Production Management System [Abbreviation: MES] V1.0 (生產管理系統[簡稱：MES] V1.0)	2023SR1521736	Luxcase ICT Yancheng	PRC	November 28, 2023
21.	AGV Utilization Rate System V1.0 (AGV稼動率系統V1.0).	2023SR1407834	Luxcase ICT Yancheng	PRC	November 9, 2023
22.	Press Control & Data Acquisition System V1.0 (壓合控制及數據采集系統V1.0)	2023SR1404045	Luxcase ICT Yancheng	PRC	November 8, 2023
23.	Notebook Shell 2D Dimension Automatic Measurement System V1.0 (筆記本外殼2D尺寸自動量測系統V1.0).	2023SR1100290	Luxcase ICT Yancheng	PRC	September 19, 2023
24.	Punch Management System [Abbreviation: Punch Management] V1.0 (沖頭管理系統[簡稱：沖頭管理] V1.0).	2023SR0894727	Luxcase ICT Yancheng	PRC	August 4, 2023

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No.	Copyright	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Registration
25.	CNC Machine Group Program Intelligent Monitoring System [Abbreviation: Monitoring System] V1.0 (數控加工機群程式智能監控系統 [簡稱：監控系統] V1.0)	2021SR0965837	Luxcase ICT Yancheng	PRC	June 29, 2021
26.	Information Security Guardian System V1.0 (資安安全衛士系統V1.0).	2024SR0525289	Lanto Kunshan	PRC	April 18, 2024
27.	Luxshare Security App Store System V1.0 (立訊安全應用商店系統V1.0)	2023SR1803766	Lanto Kunshan	PRC	December 29, 2023
28.	Barcode Laser Sensing Client/Server Management System [Abbreviation: Barcode Laser Sensing Management System] V1.1 (條碼激光感應客戶端/服務端管理系統[簡稱：條碼激光智能感應管理系統] V1.1).	2011SR022782	Lanto Kunshan	PRC	April 22, 2011
29.	Automatic Image Comparison Software [Abbreviation : AIC] 1.24.7.24 (自動圖像比對軟件[簡稱：AIC] 1.24.7.24)	2025SR0307121	Smart Manufacturing Jiangxi	PRC	February 21, 2025
30.	Chamber Temperature & Humidity Monitoring Software V1.0 (Chamber溫濕度監控軟件V1.0)	2025SR0307835	Smart Manufacturing Jiangxi	PRC	February 21, 2025
31.	VI Tool Software V2.0 (VI Tool軟件V2.0)	2024SR0216068	Smart Manufacturing Jiangxi	PRC	February 1, 2024
32.	Analysis Tool Software V2.0 (Analysis Tool軟件V2.0)	2023SR0978547	Smart Manufacturing Jiangxi	PRC	August 25, 2023
33.	Show Information Software V1.0 (Show Information軟件V1.0).	2022SR1102744	Smart Manufacturing Jiangxi	PRC	August 11, 2022
34.	Compare_FATP_SN Software V1.0.0 (Compare_FATP_SN軟件V1.0.0)	2022SR0811194	Smart Manufacturing Jiangxi	PRC	June 22, 2022
35.	TE Panel Software V1.0 (TE Panel軟件V1.0).	2022SR0811191	Smart Manufacturing Jiangxi	PRC	June 22, 2022
36.	Downtime Manager System [Abbreviation: Downtime Manager] V1.0 (Downtime Manager系統[簡稱：Downtime Manager] V1.0)	2022SR0688819	Smart Manufacturing Jiangxi	PRC	June 2, 2022

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C. FURTHER INFORMATION ABOUT DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

1. Disclosure of interests of Directors, Chief Executive and Substantial Shareholders of our Company

To the best knowledge of our Directors, saved as disclosed below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]), none of our Directors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(a) Interests in Shares of our Company

Name	Position(s)	Nature of interest ¹	Number and description of Shares	Percentage of the issued Shares immediately after the [REDACTED]
Ms. Wang	Chairlady of our Board, executive Director and general manager	Interest in controlled corporation ²	2,731,537,636 A Shares	[REDACTED]
Mr. Wang	Vice chairman of our Board and executive Director	Interest in controlled corporation ²	2,731,537,636 A Shares	[REDACTED]
		Beneficial owner	19,854,147 A Shares	[REDACTED]
Mr. Qian Jiwen (錢繼文)	Executive Director and vice general manager	Beneficial owner ³	4,127,992 A Shares	[REDACTED]
Mr. Hao Jie (郝杰)	Executive Director and vice general manager	Beneficial owner ⁴	3,420,197 A Shares	[REDACTED]
Mr. Chen Weihang (陳蔚航) . .	Executive Director (Employee Director) and the securities affairs representative	Beneficial owner ⁵	96,000 A Shares	[REDACTED]

Notes:

1. All interests stated are long positions.

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2. Luxshare Limited is owned as to 50% by Ms. Wang and 50% by Mr. Wang. By Virtue of the SFO, each of Ms. Wang and Mr. Wang is deemed to be interested in the Shares in which Luxshare Limited is interested.
3. Mr. Qian Jiwen holds 853,992 A Shares and is granted options to subscribe for 3,274,000 A Shares pursuant to the Share Option Incentive Plans.
4. Mr. Hao Jie holds 135,197 A Shares and is granted options to subscribe for 3,285,000 A Shares pursuant to the Share Option Incentive Plans.
5. Mr. Chen Weihang holds 4,000 A Shares and is granted options to subscribe for 92,000 A Shares pursuant to the Share Option Incentive Plans.

(b) Substantial Shareholders

Save as disclosed in “Substantial Shareholders,” our Directors are not aware of any persons (other than our Directors and chief executive of our Company) who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]), will have or be deemed or taken to have interests and/or short position in our Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any types of the issued voting shares of any member of our Group.

2. Particulars of Directors’ service contracts and appointment letters

Each of our Directors [has] entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors’ remuneration

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind and discretionary bonuses) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB22 million.

For details of the Directors’ remuneration, see “Directors and Senior Management—Compensation of Directors and Senior Management” and Note 8(c) to the Accountants’ Report as set out in Appendix I to this document.

4. Agency fees or commissions received

Save as disclosed in “[REDACTED]” in this document, no commissions, discounts, agency fee, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

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5. Disclaimers

- (a) save as disclosed in this section, none of our Directors or chief executive of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code once our H Shares have been [REDACTED] on the Stock Exchange;
- (b) within the two years immediately preceding the date of this document, none of our Directors nor any of the experts referred to under “—E. Other Information—6. Qualifications and Consents of Experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors nor any of the experts referred to under “—E. Other Information —6. Qualifications and Consents of Experts” in this Appendix, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (d) save as disclosed in this section, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) save as disclosed in “—C. Further information about Directors, Chief Executive and Substantial Shareholders of Our Company” above, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group; and
- (f) so far as is known to our Directors as of the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in any of our top five suppliers and top five customers.

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D. SHARE OPTION INCENTIVE PLANS

The following is a summary of the principal terms of the Share Option Incentive Plans, including the 2021 Share Option Incentive Plan, the 2022 Share Option Incentive Plan and the 2025 Share Option Incentive Plan. Given no further share options will be granted under the Share Option Incentive Plans after the [REDACTED], the terms of the Share Option Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) Purpose

The purpose of the Share Option Incentive Plans is to enhance our Group’s corporate governance structure and incentive mechanism and incentivize our Group’s management and key employees to achieve a sustained and healthy development of our Group. The Share Option Incentive Plans are implemented to align the interests of the Shareholders with the interests of our Group and the incentivized employees which will benefit the sustained development of our Group.

(ii) Administration

The Share Option Incentive Plans have been approved by the Shareholders’ meeting, and are subject to the administration of the Board and the supervision of the Remuneration and Appraisal Committee.

(iii) Participants

The participants of the Share Option Incentive Plans include Directors, senior management, mid-level management and key technical personnel, but exclude independent Directors, supervisors and Shareholders or actual controller who individually or collectively hold 5% or more of the Shares and their spouse, parents and children.

(iv) Number of options

The Shares underlying the options granted under the Share Option Incentive Plans are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to subscribe for one Share within the exercise period at the exercise price. The number of options granted under each of the Share Option Incentive Plans are as follows:

Share Option Incentive Plan	Number of options granted
2021 Share Option Incentive Plan	64,877,800
2022 Share Option Incentive Plan	168,513,000
2025 Share Option Incentive Plan	221,500,000

(v) Duration of the Share Option Incentive Plans

The Share Option Incentive Plans shall be valid for a term of 72 or 84 months, which shall commence from the date of grant of the initial batch of options under the relevant plan and lapse when all options granted thereunder have been exercised or canceled.

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(vi) Date of grant of options

The date on which the options under the initial batch are granted shall be a trading day determined by the Board within 60 days after the date of approval of the Share Option Incentive Plans by the Shareholders’ meeting. The grant of options shall be approved by the Board, registered and announced within 60 days after the approval of the Share Option Incentive Plans by the Shareholders’ meeting. The options under the reserve batch shall be granted within 12 months after the date of approval of the Share Option Incentive Plans by the Shareholders’ meeting.

(vii) Conditions to the grant of options

The options under the Share Option Incentive Plans will only be granted to selected participants if the following conditions are fulfilled:

- (a) with respect to our Company, none of the following circumstances having occurred:
 - (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to our Company’s accountants’ report for the most recent fiscal year;
 - (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to the internal control report contained in accountants report for the most recent fiscal year;
 - (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its [REDACTED];
 - (4) the applicable laws and regulations prohibit the implementation of any share incentive arrangement; or
 - (5) any other circumstances determined by the CSRC.
- (b) with respect to a grantee, none of the following circumstances having occurred:
 - (1) the grantee has been regarded as an inappropriate person by the Share exchange within the last 12 months;
 - (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;
 - (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material breach of laws and regulations within the last 12 months;
 - (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;
 - (5) the grantee is prohibited from participating in any share incentive arrangement of listed companies according to applicable laws and regulations; or

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(6) any other circumstances determined by the CSRC.

No consideration is paid/payable for the options granted under Share Option Incentive Plans.

(viii) Exercise of options

Options may be exercised by a grantee provided that (i) the conditions set out under paragraph (vii) above are fulfilled at the time of exercise of options; and (ii) the annual assessment and performance targets as set out under the Share Option Incentive Plans are achieved.

The exercise price for the options granted under the 2021 Share Option Incentive Plan and the 2022 Share Option Incentive Plan are determined at a price which shall not be below the nominal value of the Shares and not be below the higher of (i) the average trading price of the Shares in the trading day before the announcement of the draft plan; and (ii) the average trading price of the Shares during 20 trading days before the announcement of the draft plan.

The exercise price for the options granted under the 2025 Share Option Incentive Plan are determined at a price which shall not be below the nominal value of the Shares and not be below 80% of the higher of (i) the average trading price of the Shares in the trading day before the announcement of the draft plan; and (ii) the average trading price of the Shares during 20 trading days before the announcement of the draft plan.

The exercise price for the options granted under each of the Share Option Incentive Plans are as follows:

Share Option Incentive Plan	Exercise price
2021 Share Option Incentive Plan	RMB35.13
2022 Share Option Incentive Plan	RMB29.72
2025 Share Option Incentive Plan	RMB25.15

The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus Shares, subdivision of Shares and issue of new Shares.

The options granted are exercisable in tranches of 20% in each of the five exercise periods that occur between the first trading day after the 12-month anniversary from the date of grant and the last trading day up to the 72-month anniversary of the date of grant.

The exercise of the options granted under the 2021 Share Option Incentive Plan and the 2022 Share Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 30 days before the publication of annual report, interim report and quarterly report; (ii) 10 days before the publication of earnings forecast and preliminary earnings estimate, (iii) the period starting from the date of occurrence of any significant price-sensitive event on the trading of our Shares and derivatives or the decision-making process in respect of such event until two trading days after the date of announcement of such event; and (iv) any other period stipulated by the CSRC and the Shenzhen Stock Exchange.

The exercise of the options granted under the 2025 Share Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 15 days before the publication of annual report and interim report, (ii) 5 days before the publication of quarterly report, earnings forecast and preliminary earnings estimate, (iii) the period starting from the date of occurrence of any

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significant price-sensitive event on the trading of our Shares and derivatives or the decision-making process in respect of such event until the date of announcement of such event; and (iv) any other period stipulated by the CSRC and the Shenzhen Stock Exchange.

The grantees must exercise their options within the validity period of the respective options. Upon the expiry of the validity period, options granted but not exercised will cease to be exercisable and shall be canceled by our Company.

(ix) Lock-up

If the grantee is a Director or a senior management of our Company, the Shares to be transferred in each year shall not exceed 25% of the total Shares he holds during the term of his employment, and no share held by such Director or senior management can be transferred within six months after termination of his employment.

If the grantee is a Director or senior management of our Company, income gained through the sale of Shares within six months of the purchase, or purchase of Shares within six months of the sale, shall belong to our Company and will be forfeited by the Board.

If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

(x) Outstanding options

As of the Latest Practicable Date, the number of A Shares underlying the outstanding options granted under the Share Option Incentive Plans amounted to [REDACTED] A Shares, representing [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED] (assuming that the [REDACTED], the options granted under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]). As of the Latest Practicable Date, the outstanding options were held by over 4,000 grantees, comprising (a) three Directors; (b) two other members of the senior management; (c) 28 grantees who are the Other Connected Persons and (d) over 4,000 grantees who are employees of our Company and are not Directors, members of the senior management or Other Connected Persons. Assuming full exercise of all outstanding options granted under the Share Option Incentive Plans, the issued and outstanding shareholding of the Shareholders immediately following completion of the [REDACTED] will be diluted by [REDACTED]%. The dilution effect on our earnings per Share would be [REDACTED]%.

The table below sets forth the details of the options granted to the Directors and our senior management under the Share Option Incentive Plans which were outstanding as of the Latest Practicable Date:

Name of grantee	Position in our Company	Address	Date of grant	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
<i>Directors</i>							

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							A Shares underlying outstanding options as a percentage of issued Shares immediately after the
Name of grantee	Position in our Company	Address	Date of grant	Number of A Shares underlying outstanding options	Exercise price	Exercise period	[REDACTED] ¹
Mr. Qian Jiwen (錢繼文).	Executive	No. 184, Lane 428, Mingxing Road, Xinqiao Town, Songjiang District, Shanghai, PRC	December 5, 2022	774,000	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
	Director and vice general manager		May 23, 2025	1,500,000	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
			November 21, 2025	1,000,000	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%
Mr. Hao Jie (郝杰).	Executive	Zone D2, No. 88 Courtyard, Wanyuan Road, Dianshanhu Town, Kunshan, Jiangsu Province, PRC	December 5, 2022	600,000	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
	Director and vice general manager		May 23, 2025	1,500,000	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
			November 21, 2025	1,185,000	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%
Mr. Chen Weihang (陳蔚航).	Executive	Building 2, Pingguo Community Phase II, Country Garden, Huancheng East Road, Dongcheng District, Dongguan, Guangdong Province, PRC	December 5, 2022	12,000	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
	Director (Employee Director) and the securities affairs representative		May 23, 2025	80,000	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
Senior management							
Ms. Xiao Yunxi (肖雲兮).	Board secretary	Unit 3, Building 1, Taoyuan Fengjingyuan, Xixiang Street, Bao'an District, Shenzhen, Guangdong Province, PRC	December 5, 2022	60,000	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
			May 23, 2025	150,000	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%

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Name of grantee	Position in our Company	Address	Date of grant	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
Mr. Wu Tien-sung (吳天送)	Financial director	No. 6, Tongde Fifth Street, Taoyuan District, Taoyuan, Taiwan, PRC	December 5, 2022	240,000	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
			May 23, 2025	400,000	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
			November 21, 2025	100,000	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%

Note:

- The calculation is based on the assumption that the [REDACTED], the options under the Share Option Incentive Plans and the conversion rights for the outstanding Convertible Bonds are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED].

The table below sets forth the details of the options granted to the Other Connected Persons² of under the Share Option Incentive Plans which were outstanding as of the Latest Practicable Date:

Share Option Incentive Plan	Date of grant	Number of grantee ³	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
2021 Share Option Incentive Plan . .	December 3, 2021	4	264,000	RMB35.13	December 4, 2025 to December 3, 2027	[REDACTED]%
2022 Share Option Incentive Plan . .	December 6, 2022	24	7,180,800	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
2025 Share Option Incentive Plan . .	May 23, 2025	25	26,440,700	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
	November 21, 2025	8	19,150,000	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%

Notes:

- Comprising connected persons who are our employees and are only connected persons at the subsidiary level.
- The individual grantees may have options granted in one or more of the Share Option Incentive Plans.

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The table below sets forth the details of the options granted to the remaining grantees (being grantees who are not our Directors, members of our senior management or Other Connected Persons) under the Share Option Incentive Plans, categorized by the number of underlying A Shares, which were outstanding and exercisable as of the Latest Practicable Date:

Category by number of underlying A Shares	Date of grant	Number of grantees ³	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
1 to 10,000	December 3, 2021	103	405,635	RMB35.13	December 4, 2024 to December 3, 2025	[REDACTED]%
10,001 to 20,000 . .	December 3, 2021	4	66,800	RMB35.13	December 4, 2024 to December 3, 2025	[REDACTED]%

The table below sets forth the details of the options granted to the remaining grantees (being grantees who are not our Directors, members of our senior management or Other Connected Persons) under the Share Option Incentive Plans, categorized by the number of underlying A Shares, which were outstanding and not yet exercisable as of the Latest Practicable Date:

Category by number of underlying A Shares	Date of grant	Number of grantees ³	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
1 to 20,000	December 3, 2021	661	8,826,600	RMB35.13	December 4, 2025 to December 3, 2027	[REDACTED]%
	September 15, 2022	255	3,318,200	RMB35.13	October 18, 2025 to October 17, 2028	[REDACTED]%
	December 5, 2022	1,715	19,861,500	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
	May 23, 2025	1,205	19,135,480	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
	November 21, 2025	161	2,267,437	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%
20,001 to 50,000 . .	December 3, 2021	159	5,000,000	RMB35.13	December 4, 2025 to December 3, 2027	[REDACTED]%
	September 15, 2022	18	499,200	RMB35.13	October 18, 2025 to October 17, 2028	[REDACTED]%
	December 5, 2022	1,052	30,468,780	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
	May 23, 2025	1,263	44,172,660	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%

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Category by number of underlying A Shares	Date of grant	Number of grantees ³	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
	November 21, 2025	218	6,940,063	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%
50,001 or above . .	December 3, 2021	25	2,784,774	RMB35.13	December 4, 2025 to December 3, 2027	[REDACTED]%
	December 5, 2022	284	32,158,920	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
	May 23, 2025	608	83,252,900	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
	November 21, 2025	48	13,639,500	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%

The table below sets forth the details of the options granted to the remaining grantees (being grantees who are not our Directors, members of our senior management or Other Connected Persons) under the Share Option Incentive Plans, categorized by the type of the Share Option Incentive Plans, which were outstanding as of the Latest Practicable Date:

Share Option Incentive Plan	Date of grant	Number of grantee ³	Number of A Shares underlying outstanding options	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED] ¹
2021 Share Option Incentive Plan . .	December 3, 2021	845	16,611,374	RMB35.13	December 4, 2025 to December 3, 2027	[REDACTED]%
	September 15, 2022	107	472,435	RMB35.13	October 18, 2024 to October 17, 2025	[REDACTED]%
		273	3,817,400	RMB35.13	October 18, 2025 to October 17, 2028	[REDACTED]%
2022 Share Option Incentive Plan . .	December 5, 2022	2,779	23,589,909	RMB29.72	December 6, 2024 to December 5, 2025	[REDACTED]%
		3,051	82,489,200	RMB29.72	December 6, 2025 to December 5, 2028	[REDACTED]%
2025 Share Option Incentive Plan . .	May 23, 2025	3,076	146,561,040	RMB25.15	May 23, 2026 to May 22, 2031	[REDACTED]%
	November 21, 2025	427	22,847,000	RMB25.15	November 22, 2026 to November 21, 2027	[REDACTED]%

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E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the PRC.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us which may have a material and adverse impact on our business, financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$1,500,000 for acting as the sponsors for the [REDACTED].

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED]. All necessary arrangements have been made enabling the H Shares to be admitted into [REDACTED].

4. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

5. Promoters

The promoters of our Company are as follows:

No.	Name of promoters of our Company
1.	Zixin Investment
2.	Luxshare Limited

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters named above in connection with the [REDACTED] and the related transactions described in this document.

6. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

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Name	Qualifications
CITIC Securities (Hong Kong) Limited	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Goldman Sachs (Asia) L.L.C.	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities
BDO Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Han Kun Law Offices	Legal advisors to our Company as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

7. Interests of experts in our Company

Except as disclosed in this document and save for its obligations under the [REDACTED], none of the persons named in “—6. Qualifications and Consents of Experts” above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

8. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

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STATUTORY AND GENERAL INFORMATION

10. Miscellaneous

Save as disclosed in the section headed “Financial Information” and this Appendix, in connection with the [REDACTED] or otherwise waived or exempted from disclosure pursuant to the waivers and exemptions disclosed in the section headed “Waivers and Exemptions”,

- (i) within the two years immediately preceding the date of this document, to the best of our knowledge,
 - (a) neither our Company nor any of our Major Subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and
 - (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our Major Subsidiaries;
- (ii) no share or loan capital of our Company or any of the Major Subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
- (iv) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months proceeding the date of this document; and
- (v) our Company has no outstanding convertible debt securities or debentures.

11. Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this document, the English version shall prevail.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix IV—Statutory and General Information —E. Other Information—6. Qualifications and Consents of Experts” to this document; and
- (b) a copy of each of the material contracts referred to in “Appendix IV—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contract” to this document.

B. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.luxshare-ict.com) up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from the Reporting Accountants, the text of which is set out in Appendix I to this document;
- (c) the report from the Reporting Accountants in respect of the unaudited [REDACTED] financial information, the text of which is set out in Appendix II to this document;
- (d) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025;
- (e) the legal opinion issued by Han Kun Law Offices, our PRC Legal Advisors, in respect of certain general corporate matters of our Group;
- (f) the written consents referred to in “Appendix IV—Statutory and General Information —E. Other Information—6. Qualifications and Consents of Experts” to this document;
- (g) the material contracts referred to in “Appendix IV—Statutory and General Information —B. Further Information about Our Business—1. Summary of Material Contract” to this document;
- (h) the service agreements and letters of appointment entered into between our Company and each of our Directors (as applicable) referred to in “Appendix IV—Statutory and General Information—C. Further Information about Directors, Chief Executive And Substantial Shareholders of Our Company—2. Particulars of Directors’ service contracts and appointment letters” to this document;
- (i) the industry report issued by Frost & Sullivan, the summary of which is set forth in “Industry Overview” in this document;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (j) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation; and
- (k) the rules of the Share Option Incentive Plans.