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OVERVIEW

We are a high-tech enterprise specializing in the research, development, production and sale of printed circuit boards (“PCBs”). Since our establishment, we have focused on building comprehensive capabilities across engineering design, process technology and manufacturing execution. Our product portfolio spans single-layer, double-layer and multilayer PCBs, encompassing thick-copper boards, metal core boards, high-density interconnect (“HDI”) boards, high-frequency/high-speed boards, ultra-thin rigid boards, half-hole boards and other advanced PCB solutions. PCBs such as HDI boards, high-frequency/high-speed boards and ultra-thin rigid boards involve more advanced manufacturing processes and typically carry higher value-added characteristics. In recent years, we have strategically increased our focus on such high value and special-process PCB products to optimize our product mix and enhance our overall competitiveness. Supported by our accumulated process know-how and flexible production capabilities, this product portfolio enables us to meet diverse performance, reliability and customization requirements across our targeted application sectors. Our PCBs are widely used in automotive electronics, consumer electronics, industrial control and smart-home household appliance products, demonstrating both the breadth of our downstream markets and the versatility of our production platform.

In addition to our four primary application sectors, we also plan to expand our presence in medical-device, optical communication, artificial intelligence and robotics applications. These sectors increasingly require PCB products with high reliability, stable performance and strict process control, particularly for applications involving long service life, continuous operation and compliance with industry-specific standards. Leveraging our existing capabilities in higher-value-added PCB products, quality-management systems and flexible manufacturing, we intend to gradually strengthen our ability to support customers in optical communication equipment, artificial intelligence and other technically advanced industries. This additional focus is expected to further diversify our application portfolio and enhance the resilience of our business as demand for reliable electronic components continues to grow across these sectors. Together, these higher-value-added PCB products form the technological foundation for our ongoing product upgrading and expansion into higher-end application segments.

We maintain an established position in China’s PCB industry, with particular strength in the Yangtze River Delta region. We are a recognized participant in the single-layer PCB manufacturing segment in East China and remain a competitive player in the domestic market for double-layer PCBs and customized small- to medium-batch multilayer PCBs. According to the F & S Report, we ranked 42th among PCB manufacturers in China and 6th in the Yangtze River Delta region in terms of revenue in 2024, reflecting our long-standing regional presence and established manufacturing and process capabilities. In particular, we have established a strong competitive position in higher-value application areas such as automotive intelligent-driving systems and high-end consumer electronics, where customers place greater emphasis on product reliability, process consistency and collaborative engineering support. Benefiting from years of accumulated technical experience, mature production workflows and our ability to work closely with customers on process optimization and engineering coordination, we are well positioned to maintain and further strengthen our market position in these higher-end application segments.

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Headquartered in Kunshan, Jiangsu Province, we have gradually established a coordinated manufacturing layout across our Kunshan and Dongtai facilities. In terms of business model, we operate under a dual-track production strategy that combines large-volume manufacturing with flexible small- to medium-batch production to address the diverse requirements of our customer base and downstream application scenarios, supported by our internally optimized production-scheduling and panel-combination mechanisms. For single-layer PCBs, our competitive focus lies in scale manufacturing, cost efficiency and stable delivery performance, supported by mature process standardization and years of accumulated production experience. For double-layer and multilayer PCBs, we emphasize a strategy centered on small- to medium-batch, multi-variety production, supported by intelligent production equipment, reliable production technologies and stringent quality control, with flexibility and rapid response as core priorities. This enables us to effectively address customers’ diversified product requirements and accelerated product-development and iteration cycles. Through optimized production scheduling, efficient order consolidation and flexible line switching, we are able to maintain stable delivery performance and consistent quality across a wide range of product types and specifications. Leveraging years of manufacturing experience, process know-how and collaborative development with customers, we have formed a competitive model characterized by precision processes, rapid response and joint product development, enabling us to maintain stable customer relationships and establish a solid industry position across multiple specialized PCB application segments.

Our PCB products are supported by a comprehensive product portfolio, a mature process-technology platform and a well-established manufacturing and quality-management framework, enabling us to serve a broad range of applications across automotive electronics, consumer electronics, industrial control and smart-home household appliances.

Automotive-electronics sector. In the automotive-electronics sector, our PCBs are applied in key functional modules such as battery-management systems (BMS), lidar and ultrasonic radar units, intelligent cockpit systems, body-control modules, inverters, domain controllers, headlight-control systems and vehicle-charging systems. Products used in these modules must withstand long-term thermal cycling, vibration, humidity variation and high-power operating environments. Our accumulated process capabilities, including thick-copper processing, metal-core PCB technology, special-material processing, precision drilling, high-reliability electroplating, ion-contamination control and reinforced surface-treatment systems, enable us to meet these stringent performance and reliability requirements.

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Consumer-electronics sector. In the consumer-electronics sector, our PCBs are used in gaming consoles, PC-related battery-management systems, power adapters, touch-control devices, docking stations, mice and other personal-electronic devices. These products typically have short product-iteration cycles and require flexible production planning and stable quality performance. Supported by our multi-variety, small- to medium-batch production model and mature engineering and manufacturing workflows, we are able to respond quickly to customers’ frequent design updates and shortened development cycles. Our established process-control systems and manufacturing discipline also enable us to maintain consistent product quality across different specifications, ensuring stable supply for fast-moving consumer-electronics applications.

Industrial-control sector. In the industrial-control sector, our PCB products are applied in industrial PC mainboards, servo systems, programmable logic controllers (“PLCs”), variable-frequency drives, industrial meters and electronic control units, which emphasize high reliability and precise process control. Through years of accumulated process expertise and stringent manufacturing controls, we are able to meet the high stability, durability and consistency requirements of these industrial applications. Our capabilities in multilayer fabrication, thick-copper processing and precision electroplating further enable us to deliver stable performance under demanding operating conditions.

Smart-home household appliance sector. In the smart-home household appliance sector, our PCBs are applied in televisions, air conditioners, projectors, robot vacuum cleaners, smart wearables and related electronic modules. These applications often involve frequent power-on and power-off cycles, varying thermal loads and prolonged operating periods, requiring PCBs with strong mechanical stability, reliable copper-thickness control and consistent dielectric performance. Leveraging our accumulated process capabilities and flexible manufacturing model, we are able to deliver stable-quality PCBs across multiple product variants, supporting the diverse and evolving needs of home-appliance and smart-device manufacturers.

In addition to these four primary application sectors, we are also expanding into communication equipment and other emerging application fields, including medical devices, optical communication, AI servers, AI-related computing products, 5G base stations, energy-storage systems, robotics and unmanned aerial vehicles. These sectors represent new growth opportunities driven by rising demand for intelligent connectivity, digital infrastructure and next-generation computing. As part of our long-term development strategy, we plan to deepen customer collaboration, enhance our responsiveness to rapid product-iteration requirements and gradually expand our product offerings to support these fast-growing application scenarios, thereby strengthening our participation in these emerging markets. Leveraging our existing production foundation and accumulated engineering experience, we aim to establish a meaningful market presence in these emerging sectors over time.

Our ability to meet the performance, reliability and delivery expectations of our targeted industries is fundamentally supported by the strength of our manufacturing facilities and our mature production capabilities. Our operations are anchored by two core production bases located in Kunshan and Dongtai, which together form a coordinated dual-base manufacturing system, with each base serving distinct product segments within our overall manufacturing framework.

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The Kunshan facility focuses on the stable and large-scale production of traditional single-layer PCBs, providing reliable and consistent output for mature product categories with steady demand. This facility plays a key role in ensuring supply stability, cost efficiency and standardized manufacturing performance for products with established application profiles. The Dongtai facility focuses on the production of higher-value-added PCB products, including double-layer and multilayer PCBs, metal core boards, HDI boards, high-frequency/high-speed boards, backplane boards and ultra-thin PCBs. The Dongtai facility is supported by a process layout designed to meet higher technical complexity and reliability requirements, and is undergoing continuous capacity expansion. To address expanding downstream demand and support long-term product upgrading, we are advancing the planned expansion of the Dongtai facility to further increase production capacity and enhance our ability to accommodate a broader range of higher-value-added PCB products.

Together, the Kunshan and Dongtai facilities form a complementary and differentiated manufacturing structure, enabling us to flexibly allocate production resources according to different product structures and technology requirements. This dual-base layout strengthens our production flexibility, supports stable output for mature products, and provides scalable manufacturing capacity for higher-value-added and more complex applications.

In addition to reinforcing our domestic manufacturing footprint, we are also undertaking the establishment of a production facility in Thailand as part of our longer-term development strategy. This overseas facility is intended to support future capacity requirements and lay the foundation for a more diversified and globally oriented manufacturing layout, enhancing our ability to serve customers with international supply-chain needs. We expect to complete the Phase I development of our Thailand facility and begin production in the second half of 2026.

Our production system is underpinned not only by standardized manufacturing processes but also by advanced process technologies and digital-management capabilities accumulated over years of operation. In addition to maintaining clearly defined operating procedures across each stage of PCB fabrication — from data engineering, drilling and plating to imaging, etching, solder-mask application and final finishing — we have introduced MI/CAM automation, design anti-error systems and intelligent data-processing tools to enhance engineering accuracy, process stability and production efficiency. These capabilities support the stable industrialization of higher-value-added PCB products under multi-variety production conditions. Our manufacturing platform also incorporates high-precision drilling and special-hole processing technologies, wide-window copper-plating processes, fine-line circuit-patterning controls and the ability to produce metal core, HDI and ultra-thin PCB structures, enabling us to meet the technical and reliability requirements of diverse and demanding application scenarios.

Our quality-assurance and quality-control systems span incoming-material inspection, in-process monitoring and end-of-line testing, and are supplemented by reliability, environmental and mechanical testing as well as full-process data traceability. Through these systems, combined with our mature process-control framework, equipment-management practices and continuous-improvement mechanisms, we are able to deliver products that meet the stringent performance, reliability and durability expectations of customers in automotive electronics, consumer electronics, industrial control and smart-home household appliance applications, particularly for higher-value-added PCB products requiring long lifecycle stability and consistent quality performance.

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Our manufacturing capabilities are fundamentally enabled and strengthened by our long-term commitment to research and development. Over years of continuous investment, we have established an R&D system that integrates technology development, process innovation, product engineering and customer co-development, forming the technological foundation that supports the industrialization of higher-value-added PCB products under multi-variety production conditions. Our R&D efforts focus on optimizing core PCB manufacturing processes, expanding special-process capabilities, and strengthening technological reserves for higher-end products, particularly in automotive electronics (including intelligent driving) and optical communications. These initiatives support ongoing product mix optimization and enhance resilience across industry cycles.

Our R&D achievements are supported by a portfolio of independently developed intellectual property. As of December 31, 2025, we hold 91 patents, comprising 17 invention patents and 74 utility-model patents, all obtained through in-house development. These patents cover key areas such as special-hole drilling, thermal-management structures, plating technology, surface-treatment processes and advanced PCB structural designs. We also own a registered trademark under Class 09, further supporting our brand identity in the PCB industry. Our R&D capabilities are also reflected in our certifications and recognized qualifications. We have been certified as a High and New Technology Enterprise (HNTE) jointly by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation, demonstrating the recognition of our technological strength. Our capabilities are further validated by a comprehensive set of international industry certifications, including ISO9001, ISO14001, ISO45001, ISO50001, ISO14064, IATF16949, QC080000, CQC and UL, which together demonstrate the maturity of our quality, environmental, energy-management, safety and product-compliance systems.

We adhere to an operating philosophy of “technological innovation, high-end manufacturing, multi-variety small- to medium-batch production, and rapid response,” and have consistently invested in research and development and process optimization to strengthen our differentiated capabilities. Supported by years of accumulated know-how in precision drilling, plating, imaging, circuit patterning and special-process fabrication, we aim to provide customers with comprehensive PCB solutions that emphasize high reliability, application-specific performance and strong value creation. Our flexible production model, combined with our engineering-driven approach and standardized quality-management systems, enables us to serve customers whose products require both stable mass-production capability and rapid iteration. Guided by the core values of integrity, customer-orientation, people development and collaborative success, we strive to build long-term, stable customer relationships and to foster an industry ecosystem that supports joint development and shared growth.

Looking ahead, our mission is to grow into a high-quality, distinctive PCB leader in the East China region, supported by our expanding technological foundation and manufacturing footprint. We will continue to focus on high-growth application sectors such as automotive intelligent-driving systems, AI computing, high-frequency/high-speed board, and optical communication products — areas where our existing capabilities in multilayer fabrication, thick-copper and metal core PCBs, fine-line processing and reliability assurance provide a solid foundation for further advancement. We plan to accelerate product-mix upgrading and technological enhancement through continuous R&D efforts and customer co-development.

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At the same time, we will further refine our dual-base manufacturing system across Kunshan and Dongtai and develop a more globally oriented production layout, while strengthening sustainable-manufacturing practices, environmental compliance and resource efficiency. By enhancing both our technological capabilities and our operational resilience, we aim to build an internationally competitive high-end PCB platform and achieve stable, long-term development within the global value chain.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success:

We leverage our precise strategic positioning to capture multi-dimensional growth opportunities

We have established a development strategy centered on precise product positioning, coordinated manufacturing deployment and proactive engagement with evolving customer demand, enabling us to capture growth opportunities across multiple application dimensions. By aligning our product matrix and production layout with both existing customer requirements and emerging downstream trends, we are able to support sustained business growth while maintaining operational stability.

Driven by the accelerating penetration of AI technologies and the continued expansion of global computing-power demand, data infrastructure-related PCB applications are entering a new growth cycle. In addition to traditional application segments, the increasing complexity of AI computing architectures and high-speed communication systems creates demand for multilayer, high-frequency and thermally optimized PCB solutions. We position ourselves to participate in this structural upgrade by proactively enhancing relevant product capabilities and manufacturing readiness.

From a product-strategy perspective, we adopt a dual-track approach that combines deepening penetration into existing customer applications with continuous expansion into new product categories that align with customers’ evolving business needs. On the one hand, we work closely with customers to understand application-specific requirements in automotive electronics, consumer electronics, industrial control and smart-home household appliances, and continuously optimize product designs, materials and processes to enhance performance, reliability and cost efficiency. On the other hand, we actively develop new PCB products and process capabilities to support customers’ expansion into emerging application fields such as medical devices, optical communication, AI servers, AI-related computing products, 5G base stations, energy-storage systems, robotics and unmanned aerial vehicles, allowing us to participate in customers’ next-generation product platforms at an early stage.

In AI computing and data-infrastructure applications, we leverage our accumulated material-application and process-engineering capabilities to support high-speed material platforms and multilayer PCB structures. We possess manufacturing capability for multilayer PCBs with more than 20 layers and advanced HDI structures with enhanced line density and signal-integrity performance, enabling us to address increasingly stringent requirements for high-speed interconnection, structural precision and thermal stability. We are also advancing next-generation HDI technology development to further upgrade line width/spacing and microvia capability, positioning ourselves for future AI-related product evolution.

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This customer-driven product development strategy is supported by a comprehensive and differentiated product matrix, covering single-layer, double-layer and multilayer PCBs, as well as higher-value-added products such as HDI boards, metal core boards, high-frequency/high-speed boards, backplanes and ultra-thin PCBs. By continuously enriching our product portfolio and upgrading process capabilities, we are able to respond flexibly to changes in customers’ product roadmaps and application scenarios, while reducing reliance on any single product type or end market.

Our strategic positioning is further reinforced by a coordinated dual-base manufacturing layout, which allows us to translate product strategy into reliable execution. The Kunshan facility focuses on the stable, large-scale production of traditional single-layer PCBs for mature applications, providing a solid foundation of capacity, cost efficiency and delivery stability. The Dongtai facility concentrates on the production of higher-value-added PCB products and supports more complex structures and stricter technical requirements, and is undergoing continuous expansion to accommodate growing demand for advanced PCB solutions. In parallel, we are progressing with the development of our Thailand manufacturing footprint, including land acquisition and facility preparation, to support future capacity needs and enhance our ability to serve customers with international supply-chain requirements.

Within this framework, we have developed a flexible manufacturing and delivery model characterized by multi-variety, small- to medium-batch production with stable and reliable delivery performance. Supported by optimized production scheduling, panel-combination mechanisms and standardized process control, we are able to handle frequent order changes, diverse product specifications and accelerated delivery timelines while maintaining consistent quality and on-time delivery. This flexibility is particularly important in AI computing, optical communication and intelligent-driving-related applications, where product iteration cycles are short and customization requirements are high.

This strategic and operational alignment is further enabled by our integrated digital management systems, which support coordinated execution across product development, manufacturing and delivery. Through the deployment of ERP, MES and CRM systems, we are able to connect customer requirements, engineering data, production scheduling and delivery execution within a unified framework. These systems provide real-time visibility into production status, facilitate efficient order consolidation and flexible line switching, and support stable execution under multi-variety, small- to medium-batch production conditions.

Our production plants are supported not only by physical capacity and equipment configuration, but also by a strong foundation of proprietary technology and process know-how. We currently hold 91 patents, comprising 17 invention patents and 74 utility-model patents covering key areas such as special-hole drilling, thermal-management structures, plating technology, surface-treatment processes and advanced PCB structural designs. These technological capabilities are embedded in our daily production activities and enhance yield, reliability and process stability.

Through the combination of clear strategic direction, precise product positioning, coordinated factory deployment, digitalized execution systems and proprietary process capabilities, we are well positioned to capture growth opportunities arising from both existing applications and emerging technologies. This integrated strategy enables us not only to respond effectively to current customer demand, but also to align our capabilities with long-term industry trends, supporting sustainable growth across multiple dimensions.

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We maintain a broad PCB product portfolio together with highly flexible production capabilities, enabling us to meet the diverse and evolving needs of customers across different application sectors.

We have established a business foundation built on a broad PCB product portfolio and highly flexible production capabilities, which together enable us to meet diverse customer requirements across multiple end-markets. Over years of manufacturing experience, we have developed a broad range of PCB products encompassing single-layer, double-layer and multilayer boards, as well as a variety of special-material and special-process types required for more complex application scenarios. At the same time, we have formed a production model centered on multi-variety, small- to medium-batch manufacturing, supported by mature processes, standardized operating systems and rapid engineering coordination. These combined capabilities allow us to respond quickly to customer customization needs, support accelerated product-iteration cycles and deliver stable, high-quality output across different application sectors.

Our PCB product system covers single-layer, double-layer and multilayer boards, forming a complete portfolio capable of meeting the structural and functional requirements of multiple downstream applications. Single-layer PCBs constitute one of our core product categories and are designed to provide stable electrical performance and reliable manufacturability, making them suitable for large-scale applications in consumer electronics and smart-home household appliances. Double-layer PCBs support more complex circuit layouts and a wider range of electronic-control functions, and benefit from our established process flow and standardized operating procedures, which help ensure consistent quality across diverse product specifications. Multilayer PCBs serve customers with higher integration and reliability needs, particularly in automotive electronics, where durability, process stability and long service life are essential. Across all layers, our accumulated process know-how, mature production organization and ability to coordinate engineering and manufacturing allow us to handle multi-variety and small- to medium-batch orders efficiently, while maintaining stable quality and supporting customer product-iteration cycles.

Under the offering PCBs across different layer configurations, our product portfolio also covers a broad range of material systems and specialized process structures. Based on customers’ application requirements, we supply thick-copper PCBs designed for power-electronics and power-management modules that require high current-carrying capability, as well as metal core PCBs, including aluminum-based and copper-based PCBs and thermal-electrical separation structures, which are widely used in products requiring enhanced heat-dissipation performance. We also manufacture PCBs using specialized materials for high-end or application-specific scenarios, such as high-frequency/high-speed PCBs for optical communication modules, and ultra-thin rigid PCBs used in compact consumer-electronics. In addition, we produce half-hole boards and other customized PCB structures to meet customers’ requirements for specialized assembly interfaces or tailored functional designs.

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The availability of these material systems, together with our ability to produce differentiated PCB structures across single-layer, double-layer and multilayer formats enables us to support a wide range of application requirements across our four primary downstream sectors: automotive electronics, consumer electronics, industrial control and smart-home household appliance products. Each of these industries places distinct expectations on PCB performance, from the long-term reliability and structural stability required in automotive and industrial-control modules to the rapid iteration cycles and diversified specifications typical of consumer-electronics and smart-home household appliance products. By offering a broad selection of materials and process options in combination with flexible, multi-variety production capabilities, we are able to adapt to these differing technical and operational needs and provide customers with PCB solutions that align with their product-design objectives and market requirements. These capabilities also position us to expand our focus into communication equipment and other emerging application fields such as including AI servers, optical communication, 5G base stations, energy-storage systems, unmanned aerial vehicles and AI-related computing products. computing products, where the need for dependable PCB performance and application flexibility continues to grow.

Our flexible production capabilities form a core component of this strength and are deeply embedded in our operating model. We have established a multi-variety, small- to medium-batch production framework that allows us to adjust capacity allocation, process routing and production scheduling in response to diverse customer requirements for rapid product supply time. This flexibility is supported by mature production organization across all major process steps from drilling, imaging, etching, plating, solder-mask coating and testing, each of which operates under standardized workflows that enable stable transitions between different product types and specifications. Through this system, we are able to maintain orderly production even when handling high model counts and frequent product-iteration requests, a characteristic that aligns closely with the needs of automotive, industrial-control and consumer-electronics applications.

Our flexible manufacturing is further strengthened by front-loaded engineering support, including data processing, MI/CAM preparation and process verification prior to mass production. These activities ensure that engineering design, process planning and production execution are tightly coordinated, which shortens lead times, reduces production risk and improves first-pass yield for customized orders. This engineering-driven production model enables us to respond quickly to customer design changes, support small-batch prototype runs and efficiently transition to stable mass production when required.

Operational flexibility is also reflected in our ability to manage rapid production switching across thousands of PCB models. The combination of our self-developed panel-combination system and mature workflow coordination allows us to minimize downtime associated with model changeovers and maintain high capacity utilization. As emphasized in the business materials, this system enhances our ability to schedule production dynamically, optimize material usage and preserve cost efficiency under multi-variety conditions, thereby providing reliable delivery performance across different order structures and customer timelines.

Our ability to support comprehensive product coverage and a flexible, multi-variety manufacturing model is grounded in the complementary capabilities of our Kunshan and Dongtai production facilities, which together form a coordinated and resilient manufacturing system aligned with different PCB product structures and technology requirements.

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The Kunshan facility focuses on the stable and large-scale production of traditional single-layer PCBs, providing consistent and reliable output for mature product categories with steady demand. This stable production base supports cost efficiency, delivery reliability and long-term supply continuity for customers whose applications require proven and standardized PCB solutions.

The Dongtai facility is dedicated to the production of higher-value-added PCB products, including double-layer and multilayer PCBs, metal core boards, HDI boards, high-frequency/high-speed board, backplanes and ultra-thin PCBs, and other special-process PCBs. Supported by extensive certificated industrial space and a complete process layout, Dongtai is designed to meet higher technical, reliability and process-control requirements associated with automotive electronics, industrial control and other higher-end application segments. The facility currently maintains a monthly production capacity of approximately 125,000 sq.m., covering more than approximately 3,000 product models, and is undergoing planned expansion to further strengthen its ability to industrialize higher-value-added PCB products and accommodate increasingly diversified customer needs.

Through this product-structure-based dual-base layout, we are able to align manufacturing resources with varying levels of product complexity, maintain stable quality under multi-variety production conditions, and flexibly allocate capacity between mature and higher-value-added product categories. This coordinated manufacturing structure supports ongoing product upgrading, enhances our responsiveness to customer requirements, and enables us to provide reliable supply across a broad range of application sectors while progressively increasing the contribution of higher-value-added PCB products to our overall business.

Taken together, our broad product portfolio, flexible multi-variety production model and the coordinated capabilities of our Kunshan and Dongtai facilities form an integrated manufacturing foundation that is both adaptable and scalable. This combination enables us to match different levels of product complexity with the appropriate engineering and production resources, maintain stable quality and delivery performance under diverse order structures, and support customers through rapid design iterations and customized application requirements. By aligning broad product coverage with agile manufacturing execution and a complementary dual-base layout, we have established a differentiated operational platform that allows us to serve multiple downstream industries with consistency and reliability, reinforcing our competitive position and providing a solid basis for continued growth and product upgrading.

We Drive Product Upgrading Through Continuous Technology Innovation and Deep Integration of R&D With Manufacturing

We have established a technology-driven development model that emphasizes continuous innovation and process optimization, enabling us to upgrade our product portfolio in response to the increasingly complex requirements of downstream markets. Our R&D efforts focus on higher-value-added PCB product categories, including thick-copper boards, metal core boards, high-frequency/high-speed boards and HDI boards which are aligned with major growth trends in automotive electronics, industrial control, optical communication equipment and emerging AI-computing applications. A key feature of our R&D approach is its emphasis on industrialization and commercial application, ensuring that process innovations are developed with manufacturability, reliability and scalability in mind.

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Through targeted enhancement of core processes, including high-current carrying capability, thermal-management performance, impedance control, drilling precision, plating uniformity and structural-design optimization, we continue to strengthen the technical foundation underpinning our PCB solutions for higher-reliability use cases. By closely integrating R&D activities with manufacturing execution, we are able to translate these process innovations into stable mass production, supporting customers’ product-platform upgrades and long-term application requirements.

Our ability to sustain this innovation pathway is supported by a structured R&D system that integrates data engineering, MI/CAM automation, design-verification tools and production-simulation workflows. This framework ensures that new technologies can be efficiently validated and industrialized, primarily at our Dongtai facility, which serves as the main platform for the production of higher-value-added PCB products. We maintain consistent R&D investment and operate a dedicated R&D and engineering team comprising more than 130 personnel. Our technological achievements are reflected in our portfolio of patents, covering core areas such as high-current thick-copper PCB structures, metal-core thermal dissipation mechanisms, precision manufacturing of ultra-thin rigid boards, HDI board manufacturing and high-frequency/high-speed PCB. In addition, we have been recognized as a High and New Technology Enterprise by the Jiangsu Provincial Department of Science and Technology, underscoring the technological depth of our operations.

A defining characteristic of our innovation system is the “self-development + collaborative development” model, through which we work closely with leading customers in automotive electronics, industrial power systems, optical communication modules and emerging AI-computing hardware. Through early-stage engineering reviews, process-verification discussions, prototype validation and iterative optimization, we align our R&D roadmap with customer product-platform development, improve the adaptability of our technology solutions and shorten commercialization cycles. This collaborative approach also provides early insight into evolving application requirements, guiding our advancement toward, higher-speed and more complex PCB architectures.

Our technology-innovation capability is further reinforced by the stability and refinement of our manufacturing processes. We maintain a complete production-process system covering drilling, desmear, electroless and electrolytic copper plating, imaging, etching, solder-mask application, surface finishing and electrical testing, each governed by standardized operating procedures and in-process quality-control checkpoints. We have implemented targeted improvements in key reliability parameters — including hole-wall quality, ionic-contamination control and copper-thickness consistency — to enhance product durability and long-term stability in demanding automotive and industrial applications. These process advancements not only support the performance of our existing products but also provide a robust foundation for the industrialization of more advanced PCB structures.

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Our technology-upgrading trajectory is closely aligned with the long-term evolution of downstream industries, which increasingly demand higher integration, improved thermal performance and more sophisticated signal transmission. Building on capabilities already established for thick-copper, metal core and high-frequency/high-speed PCBs, we are preparing for progressive expansion into multilayer boards, HDI boards, high-bandwidth optical-module PCBs and PCBs designed for AI-computing platforms. By aligning our R&D agenda with the technology roadmaps of leading customers, we seek to elevate our product mix, enhance the value contribution of our offerings and reinforce our positioning in high-end application markets.

Through continuous R&D enhancement, proprietary process development, customer-aligned innovation and strong industrialization capability, we have established a robust technology-innovation system that supports both our current product offerings and our future development trajectory. This system, and enables us to upgrade our product mix, expand into more complex and higher-value PCB categories and position ourselves to capture long-term opportunities in high-growth application sectors. Our capability to translate technological progress into scalable, reliable and commercially viable PCB solutions is a core pillar of our competitiveness and a key driver of our long-term growth.

We Benefit From an Integrated Capacity Layout and a Well-Coordinated Supply Chain Across Upstream and Downstream Partners

We have established an integrated capacity layout across our Kunshan and Dongtai facilities, which allows us to coordinate production resources across different product families and respond flexibly to variations in customer demand. By leveraging the complementary roles of the two facilities, we are able to achieve flexible collaboration between different manufacturing lines and product types, enabling smooth capacity switching and stable output under multi-variety, small- to medium-batch production conditions. This dual-base structure enhances our ability to support both volume products and application-specific projects, while ensuring stable and reliable supply across multiple downstream industries.

On the upstream side, we maintain long-standing and stable partnerships with major suppliers of critical raw materials such as copper-clad laminates, copper foil, prepregs and metal core PCBs. The reliable supply of these materials — which directly influence key PCB performance attributes such as dielectric stability, conductivity, thermal management and long-term reliability — is essential to maintaining manufacturing continuity and product consistency. Because PCB performance is highly sensitive to material uniformity and batch-to-batch quality control, these enduring supplier relationships ensure that we have consistent access to the necessary materials to support high-quality production. Through regular technical exchanges, supplier audits and material-verification procedures, we are able to maintain alignment between upstream material specifications and customer requirements in automotive electronics, consumer electronics and industrial control. This stable upstream foundation not only strengthens our supply-chain resilience but also underpins our ability to deliver reliable and high-quality PCB products across diverse application scenarios.

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Our downstream customer base is closely aligned with our four primary application sectors — automotive electronics, industrial control, consumer electronics and smart-home household appliances. In the automotive-electronics sector, our cooperation with leading module and system manufacturers reflects our ability to meet the stringent reliability, qualification and lifecycle requirements inherent in automotive platforms. In the industrial-control sector, we serve major enterprises, whose products emphasize stable long-term performance, precise process control and high consistency across batches. In the consumer-electronics sector, our multi-year partnerships with our established customers demonstrate our capability to support rapid product cycles, diversified specifications and tight delivery schedules. In the smart-home household appliance segment, we supply PCBs used in products such as televisions, air conditioners and projectors, benefiting from long-standing cooperation with mainstream manufacturers. The alignment of our customer base with these key application sectors — each of which requires deep engineering collaboration, disciplined quality management and stable manufacturing performance — reinforces the resilience of our order structure and enhances our ability to participate in the long-term growth of these application markets.

In the high-growth new-energy-vehicle sector, we have further enhanced our downstream ecosystem through indirect supply via module customers. This model allows our PCBs to be incorporated into product platforms of rapidly expanding brands. This module-driven pathway provides us with early exposure to new vehicle programs, faster qualification cycles and broader participation in NEV ecosystem expansion, strengthening our overall downstream positioning.

Beyond supply-chain connectivity, our upstream and downstream coordination enhances operational resilience and long-term competitiveness. The stability of our material supply, combined with the flexibility of our dual-base production system, allows us to mitigate risks associated with raw-material fluctuations, production interruptions or sudden shifts in customer demands. Meanwhile, our close downstream engagement enables us to anticipate customer needs, support product-iteration cycles and deepen our integration into the technology roadmaps of leading customers in automotive electronics, industrial-control and consumer-electronics sectors. This coordinated supply-chain ecosystem allows us to allocate capacity efficiently, maintain consistent quality under complex production mixes and respond rapidly to new business opportunities.

Taken together, the synergy between our integrated manufacturing layout, stable upstream procurement system and long-standing downstream customer relationships forms a resilient and well-coordinated operational platform. This platform strengthens our ability to meet diverse market demands, enhances our responsiveness to industry developments and reinforces our competitive position across multiple high-growth application sectors.

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We Are Supported by a Stable and Experienced Management and Technical Team

Our long-term development is supported by a stable core management team, technical experts and sales and marketing professionals who collectively lead our business operations and future development. We have built a management structure composed of individuals with extensive experience in PCB manufacturing, process engineering, operational management and customer development, each bringing more than ten years of professional background in their respective fields. This cohesive leadership group provides strategic direction, ensures disciplined execution across our Kunshan and Dongtai bases, and supports the continuous upgrading of our products and processes. Supported by a multidisciplinary technical team and a commercially seasoned sales organization, our management system enables us to operate efficiently under a multi-variety, small- to medium-batch production model, respond quickly to customer requirements, and maintain stable performance across design, engineering, manufacturing and customer-service functions.

Our senior management team is anchored by Mr. Wang Xuegen, our Chairman of the Board, who plays a central role in setting our strategic direction, overseeing our operational development and guiding the long-term expansion of our business. As the head of the board, Mr. Wang provides overall leadership in corporate governance, organizational planning and key decision-making, ensuring that we maintain consistent operational standards across our Kunshan and Dongtai bases. Under his leadership, we have strengthened our management systems, expanded our production footprint and enhanced our capability to serve multiple downstream industries. Mr. Wang’s continued involvement supports the stability of our management structure and provides strategic continuity as we advance toward higher-value product segments and broader market participation.

In addition to the leadership of our Chairman, our day-to-day operations are overseen by Mr. Wang Liguang, our General Manager, who plays a central role in coordinating our production, sales and operational activities. Mr. Wang is responsible for organizing and supervising production execution, operational planning and cross-departmental coordination across our Kunshan and Dongtai facilities, ensuring that our multi-variety, small- to medium-batch production model operates efficiently and consistently. He also oversees the development of our Thailand production base, a strategic project intended to support overseas customer needs, enhance global delivery capability and strengthen our long-term internationalization strategy. Mr. Wang’s operational leadership supports our ability to execute manufacturing plans, maintain supply stability and advance our expansion into the global PCB market.

Our management team is composed of industry professionals each with more than ten years of experience in PCB manufacturing, electronic components, materials engineering or related fields, bringing stability and seasoned judgment to our operations. Collectively, they possess deep expertise in production management, cost control, supply-chain coordination and factory-level operational governance, which enables them to oversee a multi-facility manufacturing system spanning Kunshan and Dongtai and to ensure consistent execution across engineering, production, quality and delivery functions. The management team has led us through successive product-structure upgrades, expanded capacity, strengthened operational processes and guided the transition toward higher-value applications such as automotive electronics and industrial-control systems. Their accumulated industry experience and long-term service provide organizational continuity and strategic discipline that support our sustainable development.

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Our technical and R&D personnel come from professional backgrounds including environmental engineering, materials chemistry, mechanical engineering, chemical engineering and process technology, automation control and instrumentation, and chemical-equipment and manufacturing disciplines. This multidisciplinary foundation equips the team with the capabilities required to support process development, product customization, reliability validation and continuous manufacturing optimization. The team anchors the our R&D model — which combines self-directed development with customer-collaborative engineering — and enables rapid translation of design requirements into manufacturable solutions. Through a “progressive optimization” approach emphasizing practical industrialization, the team focuses on improving core processes such as drilling precision, plating uniformity, image transfer, thermal management and material handling, while also supporting the development of higher-value PCB categories including thick-copper boards, high-frequency/high-speed boards, HDI boards and optical-module PCBs. Their work ensures that new technologies can be absorbed into production efficiently and that our manufacturing platform remains aligned with downstream application trends.

Our sales and customer-coordination teams play an essential role in bridging customer requirements with engineering and production execution. Supported by deep understanding of downstream applications in automotive electronics, consumer electronics, industrial control and smart-home household appliance products, the team maintains close communication with customers throughout the full product lifecycle — from early-stage requirement clarification and engineering-data exchanges to sample validation, mass-production readiness and ongoing quality-feedback management. Their ability to coordinate rapidly across internal engineering, planning and manufacturing units enables timely responses to design iterations, accelerated delivery needs and customized specifications. This capability is especially important for long-cycle, high-reliability customer segments, where sustained communication, disciplined documentation control and high responsiveness to engineering-change requests are essential. Through long-term engagement and consistent service quality, the sales team has helped establish stable cooperative relationships with leading domestic and international customers.

Supported by this integrated talent structure with experienced management, multidisciplinary technical teams and industry-aligned sales professionals, we have established a resilient organizational foundation capable of sustaining product innovation, supporting manufacturing excellence, and driving long-term customer development across multiple application sectors.

OUR STRATEGIES

We believe the following strategies will contribute to our long-term success:

Advancing Overseas Capacity Expansion and Upgrading Intelligent Manufacturing Capabilities

As part of our long-term development plan, we aim to expand our presence in overseas markets and strengthen our ability to serve global customers, and the construction of our Thailand production base is an important step toward establishing this international footprint. The Thailand project lays the foundation for a more geographically diversified manufacturing system and will complement our existing capacities in Kunshan and Dongtai by enabling us to provide localized supply, shorten delivery cycles and enhance our supply-chain resilience. We

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expect to complete the Phase I development of the Thailand facility and begin production in the second half of 2026. Once completed, our Thailand facility will incorporate energy-efficient equipment and automated production lines to enhance operational efficiency and manufacturing stability, thereby strengthening our ability to better address demand in overseas markets

In parallel with the overseas expansion, we plan to deepen the digital transformation and intelligent-manufacturing capabilities across our production system. Building on our existing ERP + MES + CRM integrated digital management platform, we intend to introduce additional automation tools, intelligent scheduling systems and data-driven process-optimization technologies. These upgrades will further support our “multi-variety, small- to medium-batch, rapid-delivery” production model by improving order-switching efficiency, enhancing capacity utilization and enabling quicker responses to customer-specific requirements. As downstream applications continue to diversify and product cycles become shorter, strengthening our intelligent-manufacturing framework will remain a key priority.

Upon full commissioning, the Thailand facility will enhance our role in the global supply chain by supporting the localized production needs of major customers, particularly as these customers continue expanding their manufacturing presence in Southeast Asia. The overseas capacity will also improve our ability to mitigate international trade and logistics risks, support global market development and reinforce our long-term positioning as a reliable PCB supplier with an international production footprint.

Enhancing R&D Capabilities and Advancing High-End Product Development

We plan to further strengthen our R&D platform to support the development and industrialization of higher-value-added PCB products, particularly HDI, high-frequency/high-speed boards, and automotive electronic PCBs centered around intelligent driving. Building on our existing engineering capabilities, process foundations and reliability-testing systems, we intend to enhance our R&D infrastructure across process research, sample fabrication, pilot-scale verification and reliability validation. These initiatives are designed to optimize our product mix, increase the proportion of higher-value-added PCB products in our overall portfolio, and enhance our ability to translate technological advancements into stable commercial production, thereby strengthening our resilience against industry cycles.

In parallel, we will continue to promote a development model that integrates independent R&D with collaborative innovation alongside key customers, ensuring that new processes, material systems and product designs remain aligned with evolving downstream requirements. This approach allows us to focus our R&D resources on application-driven development and to support customers’ long-term product-platform upgrades, particularly in sectors with higher technical thresholds and longer qualification cycles.

We are also building technical reserves for high-growth application areas such as new-energy vehicles, autonomous-driving systems and AI-related computing modules. Our future R&D focus will continue to align with these growth drivers, including (i) higher-performance PCBs for new-energy-vehicle power and control modules, (ii) advanced PCBs for autonomous-driving sensing, computing and communication units, and (iii) lightweight, high-speed/high-frequency PCB solutions for optical-communication modules and related devices. These efforts are intended to enhance our participation in higher-end application segments where reliability, performance stability and lifecycle support are increasingly important.

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The continued enhancement of our R&D capabilities is expected to support ongoing product-structure upgrading, increase the contribution of higher-value-added PCB products and strengthen our competitive positioning in higher-end application markets. By aligning R&D direction with downstream technology trends and focusing on scalable industrialization, we aim to reinforce our long-term growth foundation and improve our ability to adapt to evolving industry demands.

Optimizing Customer Structure and Product Structure Through Coordinated Development

We plan to further strengthen our ability to serve major customers and key target accounts by enhancing delivery stability, shortening response cycles and deepening technical collaboration throughout the product-development process. Many of our customer relationships extend beyond five years and involve continuous cooperation in engineering review, prototype validation and production ramp-up. Building on this foundation, we intend to refine our customer-tiering and account-management system to better identify core customers, allocate resources more effectively and enhance our capability to support long-term customer development. By improving the coordination between engineering, planning and manufacturing teams, we aim to increase customer stickiness and maximize customer lifecycle value.

On the product side, we plan to align our product-structure upgrading with the needs of high-growth downstream sectors. Leveraging ongoing production-line upgrades and enhancements to our R&D platform, we intend to gradually strengthen our supply capability for HDI boards, high-frequency/high-speed boards, backplane boards and other higher-value PCB products, which are increasingly required in intelligent driving, optical communication and AI-related computing platforms. These products typically involve higher technical thresholds, longer qualification cycles and more stable demand profiles, and expanding our presence in these segments will support both improved product margins and greater operational resilience.

By advancing customer-structure optimization in parallel with product-structure upgrading, we aim to deepen our integration into customers’ product platforms while improving the value contribution of our own product mix. As our capability to support core customers with higher-reliability, higher-complexity products expands, we expect to strengthen our competitive position across multiple application fields and enhance our overall profitability and anti-cyclicalities. This coordinated optimization between customer development and product evolution will serve as an important driver of our long-term growth and strategic positioning.

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Strengthening Energy Management and Advancing Green Manufacturing

We plan to further strengthen our energy-management and environmental-protection capabilities by upgrading energy-efficient equipment, enhancing clean-production processes and improving wastewater and waste-gas treatment systems. Our operations already incorporate environmental-management technologies and pollution-control infrastructure, and we intend to build on this foundation by introducing equipment and production methods that improve overall energy-use efficiency and reduce resource consumption across key manufacturing stages such as drilling, plating, imaging and surface finishing. These measures will support cleaner production, reduce operational variability linked to environmental factors and reinforce the long-term sustainability of our manufacturing platform.

We will also continue enhancing our environmental-monitoring systems and greenhouse-gas management framework. Consistent with the requirements of ISO14001 environmental management and ISO14064 greenhouse-gas management, we plan to implement more refined monitoring of energy usage, emissions intensity and waste discharge, and strengthen automated data capture within our digital production systems. These upgrades will enable more accurate tracking of environmental indicators, support compliance with evolving regulatory requirements and provide a more transparent basis for environmental reporting. Through these improvements, we aim to enhance the stability and controllability of our manufacturing processes while reducing the environmental impact of our operations.

The establishment of a more comprehensive green manufacturing system will further support our competitiveness in high-reliability application sectors such as automotive electronics and industrial-control equipment, where downstream customers increasingly emphasize supplier compliance with environmental standards, sustainable manufacturing practices and long-term operational stability. By integrating energy-efficiency upgrades, clean-production enhancements and structured environmental-governance systems into our production model, we expect to strengthen our ability to provide stable, high-quality PCB products while aligning with the sustainability expectations of our global customers and regulatory authorities.

OUR PRODUCTS

We are principally engaged in the design, manufacture and sale of PCBs and provide an extensive portfolio of PCB products, with an increasing focus on higher-value-added and special-process PCB solutions, and emphasize customized, end-to-end solutions designed to deliver high value services to our customers. Our products are designed for use in automotive electronics (including intelligent driving), consumer electronics, industrial control systems and smart-home household appliances, serving a wide spectrum of downstream applications. Our product lineup includes single-layer, double-layer, and multilayer PCBs inclusive of metal-based boards, HDI PCBs, high-frequency/high-speed PCBs, backplanes and ultra-thin boards, enabling us to support varying levels of product complexity and integration requirements.

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Driven by the rapid evolution of artificial intelligence and advanced computing technologies, we have continued to enhance our capabilities in higher-value-added PCB products supporting AI and high-performance computing applications, achieving a series of technological advancements in recent years. Our products are applied in intelligent driving, optical communication, servers and other advanced computing systems, which demand high transmission speed, strong signal integrity, effective thermal management and long-term reliability. These higher-value-added PCB products form an important part of our R&D, strategic planning and support our expansion into higher-end application segments. Overall, we supply a broad range of PCB solutions for automotive electronics, consumer electronics, industrial control systems and smart-home household appliances, meeting the diverse requirements of customers across multiple end markets.

Product Portfolio

We offer a broad range of PCBs that cater to the diversified needs of our customers. Our PCB solutions are designed to provide reliable electrical interconnection and mechanical support for electronic components, enabling stable signal transmission, effective heat dissipation and overall system performance. Leveraging our process capabilities in single-layer, double-layer and multilayer PCBs and supported by our increasing focus on high value-added PCB products and specialized process technologies such as HDI, metal-core, high-frequency and high-speed boards, backplanes and ultra-thin boards, we provide customized, high-performance PCB products. These products are designed to meet stringent technical and reliability requirements across a wide range of application scenarios, including both mass-production and prototype-development stages.

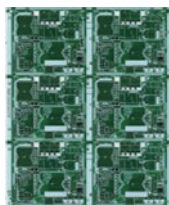
Product Type	Layer Count	Technical Features	Application Segment/Industry
Single-layer PCBs	1	- Conductive copper foil is laminated on one side of the substrate. - Only one conductive layer; routing connections are achieved through through-hole components or jumper wires. - Mature manufacturing process, suitable for stable high-volume production.	Smart-home household appliances; mid- to low-end consumer electronics

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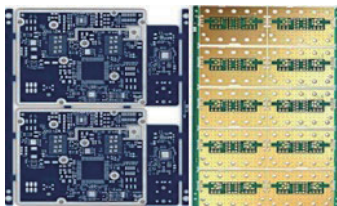
Product Type	Layer Count	Technical Features	Application Segment/Industry
Double-layer PCBs	2	1. Conductive layers on both sides, with electrical connection between the two sides achieved through plated through-holes. 2. A conductive layer is formed on the inner wall of plated holes through electroless copper deposition and electroplating, enabling reliable interconnection between both sides. 3. Standardized production processes support double-sided circuit design and accommodate more component installation.	Smart-home household appliances; mid- to low-end consumer electronics; industrial control power supplies; automotive lighting
Multilayer PCBs	≥4	1. Multiple conductive layers are laminated together through high-precision alignment and lamination processes, enabling complex circuit designs within limited space. 2. Interlayer interconnection is achieved through laser drilling, resin-filled vias, and mechanical drilling, delivering superior electrical performance. 3. Thick inner copper layers and thermal vias efficiently conduct heat, enhancing long-term stability, reliability and thermal performance.	Automotive electronic; high-end consumer electronics; industrial control; medical devices; optical communications; AI servers; artificial intelligence applications

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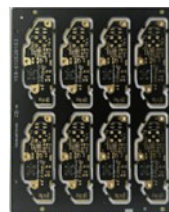
Images of Sample PCB Products



Multilayer PCBs



**High Speed/
High Frequency PCBs**



HDI PCBs

Single-layer PCBs

Single-layer PCBs are the simplest form of printed circuit boards, consisting of a single layer of conductive copper laminated onto an insulating substrate. They are ideal for electronic products requiring straightforward interconnections, stable performance, and cost-efficient mass production.

Our single-layer PCBs feature:

- High mechanical stability and uniform copper distribution, ensuring consistent electrical performance;
- Precision drilling and punching processes are used to form guide holes and outer profiles of components, ensuring high accuracy and reliability; and
- Commonly used surface finishes such as OSP, HASL and ENIG, enhancing corrosion resistance and solderability.

These boards are primarily used in power adapters, LED driver boards, air conditioners and small household appliances, where reliable performance and manufacturing efficiency are critical. The simplicity and scalability of single-layer designs also make them suitable for consumer-electronics peripherals and standardized industrial modules, serving as a stable and mature product category within our portfolio.

Double-layer PCBs

Double-layer PCBs feature two conductive copper layers separated by an insulating dielectric material. The two layers are interconnected through plated-through vias, allowing for enhanced routing flexibility, improved signal performance and greater circuit complexity compared with single-layer boards.

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Our double-layer PCBs incorporate:

- Optimized drilling and desmear processes, ensuring uniform via plating and stable electrical connectivity;
- High-precision imaging and etching processes, delivering line width and spacing down to 75 μm ;
- Material types include FR-4 materials, metal-based materials, mid-Tg materials, high-Tg materials, high-CTI materials and halogen-free materials, supporting a wide range of mechanical and thermal performance requirements; and
- Automated inspection and electrical testing (AOI + ET) for 100% quality verification.

Double-layer PCBs are widely used in control circuits, display boards, computer peripherals, power supplies and mid-range consumer and industrial electronic products, where balanced cost, electrical performance and reliability are required. Together with single-layer PCBs, double-layer PCBs account for a significant portion of our shipment volume and form the foundation of our product portfolio, supporting the development and industrialization of more complex PCB structures.

Multilayer PCBs

Multilayer PCBs consist of four or more conductive layers separated by dielectric insulation, offering high circuit density and compact design flexibility. Our multilayer PCBs are designed with 4 to 24 layers, featuring:

- Layer-to-layer registration accuracy within ± 50 μm using advanced optical alignment systems;
- Copper thickness up to 210 μm per layer, supporting high-current and high-power applications;
- High aspect ratios (up to 16:1) and controlled impedance for stable signal transmission; and
- Optimized stack-up structures, including core, prepreg, and embedded copper block configurations.

Multilayer PCBs account for the largest proportion of our revenue. Our multilayer PCBs are widely used in battery management systems (BMS), automotive inverters, motor control units, servo drives, industrial power supplies and network communication equipment. For high-current applications, thick-copper multilayer PCBs are adopted to ensure superior heat dissipation and mechanical strength.

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High value-added PCBs commonly refer to multilayer PCBs manufactured using specialized materials, advanced process technologies and more stringent reliability controls, designed to meet the requirements of high-end applications. Compared with standard PCB products, these products typically involve greater technical complexity, longer qualification cycles and higher performance expectations.

HDI PCBs exemplify our higher-value printed circuit boards and represent a key strategic focus for our future growth. HDI PCBs are primarily used in automotive intelligent driving systems, communication equipment (including optical communication), AI servers, artificial intelligence and other emerging electronic applications that require compact form factors, lightweight designs and high levels of integration. We place significant emphasis on this product category as we expect it to drive substantial expansion in the coming years. They enable compact designs, lightweight structures, and high wiring density, supporting electronic devices with limited space, complex interconnection requirements, and dynamic structural demands. These products are increasingly used in applications that require miniaturization and functional integration.

Other high value-added PCB products include:

- High-frequency/high-speed PCBs that support signal integrity and stable transmission in applications such as communications, AI servers, automotive intelligent driving and artificial intelligence;
- Ultra-thin PCBs, used in applications such as wearable devices, enabling extreme thinness and miniaturization while reducing overall weight; and
- Specialized process designs tailored to customers’ specific technical and reliability requirements.

The production and commercialization of our high value-added PCB products are primarily concentrated at our Dongtai facility, which is equipped with dedicated production lines and quality systems designed to support higher technical thresholds. The continued expansion of our high value-added PCB portfolio supports ongoing product mix upgrading and enhances our ability to serve high-end application fields with stable and scalable manufacturing solutions.

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Revenue by Product Type

The following table sets forth a breakdown of our revenue by the principal application sectors of our PCB products for the periods indicated.

Layer Count	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	<i>(in RMB thousands)</i>		
Single-layer PCBs	263,130	254,717	216,728
Double-layer PCBs	295,177	284,882	352,160
Multilayer PCBs	362,687	431,047	512,098
Total	920,994	970,646	1,080,986

Through our broad product portfolio, we provide customers with integrated PCB products capable of meeting diverse functional and environmental demands. Our advanced material systems, precision process control and strict quality assurance ensure that every board delivers reliability, manufacturability, and long-term performance. This broad portfolio allows us to serve a wide range of customers in automotive electronics, consumer electronics, industrial control systems and smart-home household appliances, while maintaining flexibility to adapt to new applications in emerging technologies such as smart mobility and energy-efficient electronics.

Products and Applications

PCBs are critical interconnection components used in the assembly of virtually all electronic devices. PCBs not only provide electrical connections between electronic components, but also perform key functional roles in power supply, digital and analog signal transmission, and radio-frequency and microwave signal processing. Benefiting from the wide range of electronic applications, our products are used across diverse downstream sectors, including automotive electronics, consumer electronics, industrial control systems and smart-home household appliances.

Automotive Electronics

Our PCB products play a critical role in modern automotive electronics, including intelligent driving systems, vehicle stability control systems, intelligent cockpits, on-board electronic control units and electric vehicle charging equipment. As vehicles become increasingly intelligent, electrified and connected, demand for high-performance, high-reliability PCBs has expanded rapidly. Automotive components are expected to operate safely and stably for more than 15 years under wide temperature ranges, humidity variations and mechanical vibration; consequently, our PCBs must satisfy stringent standards of thermal resistance, electrical stability, mechanical durability and long-term reliability.

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We provide PCBs for a broad range of powertrain, safety, control and energy-management applications, including driving-control systems, inverters, battery-management systems (BMS), pressure-sensing and monitoring modules, charging-pile controllers, headlight-control units, electronic power-steering systems, motor-drive modules, automotive power-supply controllers and microcontroller units. These boards are designed to withstand high current loads and continuous thermal cycling while ensuring low signal loss and stable impedance for precise control performance.

In response to the accelerating shift toward new-energy vehicles and advanced driver-assistance systems, we have enhanced our product structures and manufacturing processes to address the miniaturization, multi-layer integration and high-current requirements of automotive electronics. We employ thick-copper plating, high-temperature laminates, and controlled-depth drilling technologies to improve heat dissipation and reliability, particularly in high-power conversion and sensing modules. Our engineering teams collaborate closely with major automotive-electronics suppliers to conduct joint design and validation, ensuring our products meet international automotive quality standards and contribute to safer, smarter and more energy-efficient vehicles.

Consumer Electronics

Our PCB products are extensively used across a wide spectrum of consumer electronic devices designed to meet end-users’ needs for communication, information processing, and entertainment. These applications cover mainstream and emerging product categories such as notebook computers, tablet computers, gaming console, smart wearable devices and Internet of Things (“**IoT**”) devices, which together represent one of the most dynamic and innovation-driven sectors of the global electronics industry.

As consumer electronics continue to evolve toward higher integration, lighter weight, thinner profiles, and flexible form factors, PCB design requirements have become increasingly demanding. Our products must ensure high circuit density, precise impedance control, and superior heat dissipation while maintaining mechanical strength and signal stability within ultra-compact devices. To meet these challenges, we leverage advanced manufacturing processes to achieve microvia accuracy and consistent layer alignment, enabling reliable performance in high-frequency and high-speed circuits.

Our PCBs are widely adopted in gaming consoles, computer peripherals such as mice and keyboards, power adapters, touch screens, connectors, docking stations, and display modules. In addition, our ongoing product development ensure that we are able to meet the demands for next-generation consumer electronics, where miniaturization, flexibility, and reliability are paramount. By continuously optimizing our design capabilities and process technologies, we position ourselves to capture growth opportunities driven the emergence of new and advanced consumer electronic technologies and equipment.

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Industrial Control

Our PCB products are primarily used in industrial power supplies, industrial control computer motherboards, servo systems, variable frequency drives and industrial instrumentation, which require high electrical precision and thermal reliability. Industrial control involves the integration of electronic, electrical, mechanical and software systems to achieve automated operation and monitoring in manufacturing environments, thereby improving production efficiency, consistency and visibility. Industrial equipment typically operates under harsh and continuously demanding conditions, including exposure to magnetic fields, dust, vibration, high temperatures and humidity. Accordingly, the PCBs used in this segment must possess strong electromagnetic compatibility, resistance to interference, long service life and high operational stability to ensure uninterrupted and accurate performance in industrial automation systems.

Our PCBs are primarily used in industrial power supplies, servo systems, variable-frequency drives and industrial meters, which require high electrical precision and thermal reliability. These applications demand fine-tuned circuit control and mechanical robustness to support continuous operation and prevent downtime in mission-critical equipment. Through ongoing process optimization and quality control, we continue to enhance the reliability, consistency and durability of our industrial-grade PCBs, ensuring that our products perform effectively in challenging industrial environments and meet the evolving requirements of automated manufacturing and intelligent control systems.

Smart-Home Household Appliances

Our products are primarily used in LCD televisions, projectors, air conditioners, floor scrubbers, robotic vacuum cleaners, smart sports watches and other large and small household appliances that require compact size, stable electrical performance and long service life. These appliances operate continuously under varying voltage and temperature conditions, requiring PCBs with excellent heat resistance, current-carrying capacity and moisture resistance to ensure reliable performance.

In response to the growing trend toward intelligent, energy-efficient and connected home appliances, we have enhanced our production processes to deliver multi-layer and high-density PCB solutions that enable more complex control circuits and communication modules within limited space. Our PCBs are designed to support precise power management, sensor integration and smart connectivity, allowing appliance manufacturers to improve energy efficiency and user experience. Through continuous process refinement and strict quality management, our PCBs help smart-home household appliance customers achieve stable operation, safety assurance and product longevity, meeting both domestic and export market standards for reliability and performance.

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OUR TECHNOLOGY AND R&D

We place strong emphasis on research and development and continue to strengthen our technological capabilities in new technologies and manufacturing processes to keep pace with the rapid evolution of downstream electronic-information products. Our R&D efforts are directed toward continuously improving our technological competitiveness and meeting customers’ stringent quality and performance requirements.

While expanding our overall R&D foundation, we actively adjust our technology development roadmap in line with trends in downstream electronic applications. Our R&D team continues to deepen its expertise in multilayer PCBs, metal-core PCBs, HDI PCBs, and high-frequency/high-speed PCBs. Through in-depth research on material performance and continuous optimization of key manufacturing processes such as drilling, electroplating and etching, we enhance our manufacturing capabilities and strengthen our core technologies to deliver products that meet stringent standards for quality, reliability and stability.

Core Technologies

We have established a comprehensive and advanced technology system that underpins our PCB manufacturing capabilities. Through continuous investment in research and development, we have successfully developed and refined multiple proprietary process technologies that enhance precision, stability and production efficiency. These innovations span the entire production chain and are designed to meet the increasingly stringent technical requirements of automotive electronics, consumer electronics, industrial control, communications and medical applications. The following representative technologies demonstrate our commitment to engineering excellence, cost optimisation and product reliability.

Segmented gold-finger processing technology: We have developed a proprietary gold-finger processing solution incorporating internal lead interconnection and wet solder-mask printing technology. This process supports multi-segment gold-finger configurations with spacing as narrow as 5 Mils or below, enables three-sided gold plating of gold fingers, and accommodates complex gold-finger design requirements for various optical communication products.

Plasma desmearing technology: We have developed diversified plasma desmearing solutions with customised processing parameters tailored to different materials. This technology supports the desmearing requirements of high-frequency, high-speed, PTFE and conventional high-aspect-ratio products, providing technical capabilities for processing a wide range of materials used in optical communication and intelligent driving applications.

Precision impedance control technology: By adapting lamination cycles and presses to different materials, we maintain uniform and stable dielectric thickness. Through the implementation of insoluble anode processing solutions, we enhance copper-thickness uniformity. Dielectric thickness, line width and copper thickness are controlled within a deviation range of 5%, and impedance is controlled within 7%, enabling comprehensive impedance control solutions suitable for various communication products.

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Ion-contamination control technology: In compliance with IPC-TM-650 2.3.25.1 standards, this technology reduces ionic residues and enhances functional stability, supporting long-term reliability in high-density and safety-critical applications such as automotive electronics.

Precision profile machining technology: We comprehensively apply LDI-based automatic scaling compensation technology to circuit image transfer processing, solder-mask alignment processing and automated CCD alignment in profiling. This enhances pattern-to-edge tolerance from ± 0.1 mm to ± 0.05 mm, meeting the dimensional design requirements of high-precision optical module products.

High-precision circuit patterning technology: Supporting both acidic and alkaline etching processes for fine-line and high-density layouts, this technology effectively controls burr formation and minimises top-to-bottom line-width variation across entire panels.

Copper-surface roughness enhancement technology: We have developed a proprietary micro-etch formulation based on a formic-acid system to create a uniform “honeycomb” copper surface structure, strengthening dry-film adhesion and supporting ultra-fine-line and high-frequency designs.

High-precision circuit image-transfer technology: We have enhanced imaging resolution and alignment accuracy to support finer spacing and tighter tolerances required by advanced PCB structures.

Together, these technologies form a robust and highly integrated process platform that supports our product upgrades. The continued advancement of our manufacturing precision and process control enables us to achieve superior electrical performance, thermal management and mechanical stability across our product categories. Through ongoing innovation in high-precision processing, material optimization and process automation, we aim to strengthen our technological leadership and provide customers with high-quality, reliable and cost-effective PCB solutions tailored to next-generation electronic applications.

Technology Applications

Building on our suite of proprietary core process technologies, we have extended our technical expertise to application-level innovations to enhance product differentiation and address the performance, reliability and cost-efficiency requirements of different downstream industries. By integrating precision drilling, plating, etching and surface-finishing capabilities with material and structural design optimization, we have developed specialized technologies that translate our process strengths into practical applications. These technology applications support high-current, high-heat, and high-density scenarios across diverse end markets. The following representative technologies demonstrate how our core competencies are applied to deliver advanced, customized PCB solutions tailored for automotive electronics, consumer electronics, industrial control and smart-home household appliances.

- *Thick-copper and metal-based substrate technologies*, designed for high current and superior heat dissipation, primarily used in industrial control, automotive and consumer electronics.

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- *Product-consolidation (paneling) technology*, enabling combined panel production to reduce changeover losses in multi-variety, small-batch manufacturing and improve cost efficiency — particularly valuable in automotive electronics.
- *Ultra-thin rigid PCB technology*, enabling high-precision and lightweight designs, used in new energy vehicle camera modules, wireless chargers and smart wearable devices.
- *Half-hole PCB technology*, supporting three-dimensional assembly and compact customized structures, widely applied in automotive intelligent cockpits and network communication modules.

Our core technologies are the result of independent research and development, combined with the assimilation and secondary innovation of advanced international equipment and materials. Together, these advancements enhance the precision, consistency, thermal performance and production efficiency of our products. Through continuous innovation and process improvement, we have established a mature and stable technology system that serves the evolving needs of our automotive electronics, industrial and consumer customers. Our ongoing programs focus on high-density interconnection, thermal management, miniaturization and reliability engineering, ensuring our processes remain technologically advanced, cost-efficient and aligned with next-generation electronic-information products.

Research and Development

We are a high-tech enterprise with a dedicated corporate R&D and technology center. Guided by market demand and customer-driven innovation, we continuously strengthen our R&D capabilities to enhance process stability, product performance and production efficiency. Through continuous investment in technology development, we have established a mature innovation framework that integrates product design, process optimization, material research and mass-production validation. Our aim is to improve yield rates, ensure reliability and provide differentiated, higher-value PCB solutions to our customers.

Our R&D and technology center coordinates research programs across product and process innovation. The center comprises specialized teams for:

- Process development, responsible for optimising end-to-end manufacturing processes, including drilling, electroplating, etching, lamination, dimensional scaling control and impedance control.
- Product innovation, focusing on next-generation PCB structures, including thick-copper PCBs, metal-core PCBs, HDI PCBs, high-frequency/high-speed PCBs, backplanes and ultra-thin PCBs;

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- Material and reliability research, evaluating dielectric and surface-treatment materials to meet high-temperature, high-current and high-frequency demands; and
- Testing and quality engineering, supporting validation of electrical, mechanical and environmental performance.

The R&D center operates an independent laboratory equipped with high-precision measurement, plating and imaging systems, enabling prototype testing and verification prior to mass production.

Our principal R&D efforts concentrate on the following technology domains:

- R&D of optical communication product manufacturing technologies, applicable to communication platforms, artificial intelligence and high-performance AI computing;
- R&D of 6 oz thick-copper solder mask printing technology, mastering core manufacturing technologies for high-end thick-copper PCBs and enabling access to higher value-added markets;
- R&D of thermal-electric separation technology for metal-core PCBs, applicable to automotive electronics and industrial control applications with high heat dissipation requirements;
- R&D of micro blind-via immersion tin technology, establishing key surface treatment capabilities for HDI PCBs;
- R&D of fine-line processing capabilities, continuously advancing and optimizing precision circuit fabrication to build technological reserves for next-generation communication products;
- R&D of ultra-thin PCB and half-hole PCB technologies, supporting breakthroughs in extreme lightweight design, high density and high reliability, applicable to cutting-edge applications with stringent space and integration requirements; and
- R&D of high-frequency/high-speed material application technologies, establishing integrated R&D, processing and testing capabilities for high-frequency/high-speed materials, closely aligned with developments in communication platforms, artificial intelligence, 5G communications and high-performance AI computing.

BUSINESS

Through continuous innovation, we have developed mature and stable manufacturing technologies to support the production of multilayer PCBs, metal-core PCBs, HDI PCBs, high-frequency/high-speed PCBs, backplanes and ultra-thin PCBs. These advancements have resulted in:

- Enhanced thermal management and power-handling capabilities, including uniformity control of 6 oz copper plating and improved etching capabilities;
- Upgraded specialized surface treatment processes, achieving uniform and dense chemical immersion tin deposition in micro blind vias;
- High-precision mechanical and laser processing capabilities, enabling high-precision milling of ultra-thin PCBs; and
- Mature and stable process capabilities for high-frequency/high-speed PCBs, achieving significant advancements in materials engineering and processing technologies.

Our core technologies have been applied successfully in automotive control systems, industrial automation, consumer electronics and energy-management devices, strengthening our competitiveness and customer trust.

We have been recognized as a National High-Tech Enterprise, reflecting our long-term commitment to technological innovation. We will continue to expand R&D investment in:

- HDI and high-frequency/high-speed material technologies for automotive intelligent driving and optical communication applications;
- Any-layer interconnect HDI technology for 5G communications and AI computing applications;
- Green, low-carbon manufacturing technologies to align with national environmental goals.

By combining process innovation, material research and smart manufacturing, we aim to sustain our leadership in precision PCB technologies and deliver higher-value products to our global customers.

MANUFACTURING

We have established a vertically integrated manufacturing system supported by modern process equipment, digital management platforms and a comprehensive quality control framework. Our production bases are equipped to manufacture single-layer, double-layer and multilayer PCBs, covering thick-copper PCBs, metal-core PCBs, HDI PCBs, high-frequency/high-speed PCBs, backplanes, ultra-thin PCBs and other PCBs utilizing specialized materials and processes, for applications in automotive electronics, consumer electronics, industrial control and smart-home household appliances.

BUSINESS

Our manufacturing philosophy emphasizes precision, flexibility, and environmental responsibility. Through systematic process optimization, equipment upgrades, and energy-efficient practices, we have developed a stable and efficient production system capable of delivering high-quality, high-reliability PCB products to both domestic and international customers.

Production Facilities

Our manufacturing operations are conducted at two major sites strategically located in Jiangsu Province, forming a coordinated dual-base manufacturing system aligned with different PCB product structures and technology requirements.

The Kunshan Plant serves as our headquarters and focuses on the stable, large-scale production of traditional single-layer PCBs, supporting mature product categories with consistent demand. The Kunshan Plant also undertakes centralized operational and administrative functions, enabling standardized production execution and effective coordination across the Group.

The Dongtai Plant is our primary manufacturing base for multilayer PCBs, thick-copper PCBs, metal-core PCBs, HDI PCBs, high-frequency/high-speed PCBs, backplanes and ultra-thin PCBs. It is equipped with advanced electroplating, lamination and etching systems and has obtained ISO 9001, ISO 14001, ISO 45001, IATF 16949, QC080000, ISO 50001 and ISO 14064 certifications, meeting the stringent reliability and quality requirements of automotive electronics and industrial control applications. The Dongtai Plant currently has a planned monthly production capacity of 125,000 sq.m. and supports more than approximately 3,000 product models, serving as the principal platform for the industrialization of our high value-added PCB products.



The image above shows the main building of our Dongtai facility.

BUSINESS

Dongtai Facility Expansion

To support ongoing product upgrades and rising demand for higher value-added PCB products, we are advancing the planned expansion of the Dongtai Plant. This expansion is expected to increase production capacity, enhance process capabilities, and improve manufacturing efficiency for double-layer and multilayer PCBs. In addition, we are in the process of finalizing an investment agreement to acquire additional land and construct new facilities dedicated to expanding our HDI PCB production capacity, which will further strengthen our ability to serve higher-end application segments, improve delivery stability under complex production mixes, and reinforce our long-term manufacturing competitiveness. In connection with these expansion initiatives, the equipment to be procured is expected to include advanced PCB manufacturing and testing machinery, such as laser drilling machines, lamination systems, electroplating lines, imaging and exposure equipment, etching equipment, AOI (automated optical inspection) systems, and other related production and quality control equipment.

Thailand Expansion Plan and Strategic Importance

In addition to our domestic manufacturing footprint, we are undertaking the establishment of a production facility in Thailand as part of our overseas expansion strategy. The Thailand facility is intended to serve as an important extension of our manufacturing capacity for our PCB products, particularly for customers with manufacturing operations in Southeast Asia and other overseas markets. By establishing localized production capability, we aim to shorten delivery lead times, enhance supply-chain resilience and better support customers’ regional production needs.

The development of our Thailand production base will be carried out in phases. Phase I is expected to commence operations in the second half of 2026, while Phase II is scheduled to begin construction in the second half of 2027 and is expected to commence operations in the first half of 2029. The Thailand facilities will support our research and development activities, improve operational efficiency and strengthen our overall production capabilities and infrastructure. The Phase II development will involve the construction and renovation of manufacturing facilities with a planned gross floor area of approximately 39,084 square meters, including dedicated engineering and product development centers, pilot lines, volume production lines and supporting infrastructure.

The Thailand expansion also plays a strategic role in diversifying our manufacturing footprint, mitigating international trade and logistics risks, and strengthening our long-term global market presence. Together with our Kunshan and Dongtai plants, the Thailand facility will form a more geographically balanced production network, supporting our continued growth and its ability to serve customers across multiple regions with stable and reliable PCB supply.

BUSINESS

Certifications and Standards Compliance

In the PCB industry, compliance with internationally recognized management systems and regulatory standards is critical to ensuring consistent product quality, manufacturing reliability, environmental responsibility and occupational safety. PCB products are widely used in applications with long service life and high reliability requirements which require suppliers to operate under disciplined process controls and verifiable management frameworks. Maintaining comprehensive certifications not only supports stable production and quality assurance, but also forms an essential basis for customer qualification, long-term cooperation and regulatory compliance across different markets.

Our production facilities have obtained and maintain a comprehensive set of internationally recognized management system certifications, including:

- ISO 9001: Quality Management System, governing standardized process control and continuous quality improvement;
- IATF 16949: Automotive Quality Management System, meeting the stringent requirements of automotive-electronics applications;
- ISO 14001: Environmental Management System, supporting environmental compliance and pollution control;
- ISO 45001: Occupational Health and Safety Management System, ensuring workplace safety and risk management;
- ISO 50001: Energy Management System, enhancing energy-efficiency management and resource utilization;
- ISO 14064: Greenhouse Gas Management System, supporting structured carbon-emission monitoring and reporting; and
- QC 080000: Hazardous Substance Process Management System, governing the control of restricted substances in electronic products.

In addition, our products and manufacturing processes comply with applicable RoHS and REACH requirements, and relevant UL safety certifications for PCB materials and processes. Certain facilities and products have also obtained CQC certifications, further demonstrating compliance with applicable safety and quality standards in the PRC market.

Our quality records, inspection data, test reports and audit results are maintained through integrated digital management systems, enabling full traceability across raw materials, production processes and finished products. This comprehensive certification and compliance framework supports our ability to meet customer audit requirements, maintain stable manufacturing performance and deliver PCB products that conform to regulatory and industry standards across multiple application sectors.

BUSINESS

Equipment and Smart Manufacturing

As of December 31, 2025, we operated more than 400 sets of major production and inspection equipment, including:

- CNC drilling machines and laser drilling machines for high-precision microvia formation;
- High-precision vacuum lamination presses for multilayer PCB lamination;
- LDI (laser direct imaging) digital step-and-scan exposure systems for fine-line circuit imaging with high precision;
- Plasma desmear systems for physical desmearing of special materials;
- Horizontal PTH (plated through-hole) lines for electroless copper deposition;
- VCP (vertical continuous plating) lines for copper electroplating;
- Vacuum resin plugging machines for resin-filled via processes;
- Vacuum etching machines for precision circuit etching;
- Surface finishing lines, including ENIG (electroless nickel immersion gold) lines, gold plating lines, lead-free HASL equipment, OSP lines and immersion tin lines; and
- Automated optical inspection (AOI) systems, electrical testing (ET) systems and automated infrared visual inspection (AVI) systems for in-line defect detection.

Our equipment supports line width and spacing down to 50/50 μm , and finished board thicknesses up to 10 mm for thick-copper and metal-core products. We continue to invest in intelligent manufacturing technologies such as MES (Manufacturing Execution System), ERP-integrated process control, and SPC-based yield management, achieving greater transparency, efficiency, and reliability throughout the production chain.



The image above shows the manufacturing area at our Dongtai Facility

BUSINESS

Manufacturing Process Flow

Our PCB production processes cover the full cycle from material preparation to final inspection and shipment, with variations depending on product structure and layer count. The main process flow is as follows:

1. *Material Preparation and Cutting:* Copper-clad laminates and prepregs are cut and pre-treated for drilling and imaging.
2. *Drilling and Desmear:* Laser and mechanical drilling form through-holes and microvias, followed by desmearing for clean, conductive via walls.
3. *Plasma desmearing:* Residual resin inside drilled holes is removed through a physical process.
4. *Electroless copper deposition and electroplating:* Electroless copper plating followed by electrolytic copper plating ensures reliable interlayer conductivity.
5. *Resin plugging:* Insulating resin material is filled into plated through-holes or blind vias after electroplating.
6. *Copper Deposition and Electroplating:* Chemical copper deposition and electrolytic plating ensure reliable interlayer conductivity.
7. *Imaging, Developing, and Etching:* Photolithography transfers circuit patterns, followed by precision etching for copper trace formation.
8. *Solder Mask Application and Surface Finish:* Protective coatings and finishes such as ENIG, OSP, or immersion tin are applied for solderability and corrosion resistance.
9. *Profiling and Electrical Testing:* Finished panels are routed or V-cut to final dimensions and undergo AOI and flying-probe electrical tests.
10. *Final Inspection and Packaging:* Each product is subject to visual and dimensional checks before being packaged in anti-static materials for shipment.

All process steps are monitored digitally through MES and barcode traceability, ensuring full process transparency and defect traceability.

Production Capacity and Utilization

Our manufacturing capacity has expanded steadily in recent years in line with market demand. The following table summarizes our manufacturing capacity and utilization.

BUSINESS

Kunshan Plant

<u>Year</u>	<u>Production Volume</u>	<u>Production Capacity¹</u>	<u>Capacity Utilization Rate²</u>
	<i>(thousand sq.m.)</i>	<i>(thousand sq.m.)</i>	
2023.	1,434	2,100	68.3%
2024.	1,435	2,100	68.4%
2025.	1,174	2,100	55.9%

Dongtai Plant

<u>Year</u>	<u>Production Volume</u>	<u>Production Capacity</u>	<u>Capacity Utilization Rate</u>
	<i>(thousand sq.m.)</i>	<i>(thousand sq.m.)</i>	
2023.	1,006	1,092	92.1%
2024.	1,101	1,200	91.7%
2025.	1,293	1,380	93.7%

Note 1: The annual production capacity is the sum of the monthly production capacities over the 12 months of the year. Monthly production capacity projected based on the minimum value of the overall process and equipment capacity.

Note 2: Capacity utilization rate equals production volume divided by production capacity.

The Kunshan Plant primarily focuses on the production of single-layer PCBs, while the Dongtai Plant concentrates on the volume production of double-layer PCBs, multilayer PCBs, metal-core PCBs, HDI PCBs, high-frequency/high-speed PCBs, backplanes and ultra-thin PCBs, and also maintains flexible small-batch production and rapid turnaround capabilities.

Manufacturing Management

Our production operates under a sales-to-order model, aligning schedules with confirmed customer forecasts. Each manufacturing stage is subject to comprehensive quality control measures, including incoming material inspection, in-process checks, and final testing.

We maintain proper certifications to ensure that our management systems meet international standards. AOI, electrical testing, impedance verification, and reliability tests (thermal shock, vibration, and humidity) are conducted regularly to ensure compliance with customer and regulatory requirements.

To ensure sustainable production, both Kunshan and Dongtai Plants have implemented energy-saving and environmental management systems consistent with the national “Green Factory” standards, incorporating wastewater recycling, heat recovery, and low-carbon energy usage.

BUSINESS

Inventory Management

We have established a systematic inventory-management framework to support our production operations, ensure stable material supply, and maintain high production efficiency. Our inventory management covers raw materials, work-in-progress and finished goods, with each category subject to differentiated monitoring and control requirements. Inventory operations are performed primarily by our warehouse department, which is responsible for inventory accuracy, material issuance and receipt, and daily stock monitoring, and operates under strict internal-control procedures.

Our warehouse adopts a first-in-first-out system for all materials and finished products to ensure quality stability and to minimize the risk of material aging or obsolescence. The warehouse department is responsible for the daily receipt and dispatch of goods and must ensure that materials are supplied to production in a timely manner to support uninterrupted manufacturing. Inventory records and reports are maintained according to internal protocols and retained for audit purposes.

To support real-time monitoring, our warehouse operations are integrated our ERP system. The system tracks incoming raw materials, batch issuance, WIP movement and finished-goods storage, allowing us to maintain visibility of inventory levels across production sites. This system also helps to identify slow-moving or idle stock, enabling timely handling to reduce inventory-holding risk.

QUALITY CONTROL AND QUALITY ASSURANCE

We attach great importance to product quality as it directly affects customer satisfaction, brand reputation, and our long-term competitiveness. We have established a comprehensive quality control and assurance system that spans the entire production process — from raw material inspection to final product testing — ensuring that every PCB we produce meets international standards and customer specifications.

Our quality system is designed in accordance with industry, occupational health and safety standards. Continuous improvement, defect prevention, and process control are central to our approach, enabling us to maintain consistent reliability and performance across high-volume, multi-variety production.

Quality Management Framework

Our quality management system is supervised by the Quality Management Department, which reports directly to senior management. The department oversees:

- Incoming Quality Control (IQC) for raw materials and components;
- In-Process Quality Control (IPQC) across key manufacturing stages such as drilling, plating, etching, lamination, and imaging;
- Final Quality Control (FQC) prior to shipment; and
- Final Quality Assurance (FQA) for finished-product verification and packaging inspection.

BUSINESS

We adopt a PDCA (Plan–Do–Check–Act) cycle and Statistical Process Control (SPC) methodology to continuously monitor process capability and yield. Non-conformance analysis and corrective/preventive actions are systematically implemented through our ERP and MES systems.

Inspection and Testing

Each production stage includes dedicated quality checkpoints to detect and eliminate potential defects early:

- *Raw Material Inspection:* Copper-clad laminates, prepregs, copper foils, and chemical materials are tested for dielectric properties, surface quality, thickness tolerance, and contamination.
- *In-process inspection:* Systematic and standardized quality inspection and control activities conducted after each critical stage of the printed circuit board manufacturing process.
- *Process Inspection:* AOI (Automated Optical Inspection) is performed after inner-layer imaging and etching to detect open/short circuits and pattern deviations.
- *Electrical Testing:* 100% electrical continuity and isolation testing is performed using flying-probe and fixture testers.
- *Dimensional and Visual Inspection:* Critical dimensions, hole diameters, and copper thickness are measured using high-resolution microscopes and coordinate measuring instruments.
- *Reliability Testing:* Thermal shock, solderability, peel-strength, and high-humidity endurance tests are conducted for automotive and industrial applications.

We maintain an in-house reliability laboratory, equipped with thermal cycling chambers, solderability testers, and impedance analyzers, supporting ongoing process validation and product qualification.

Defect Prevention and Continuous Improvement

We implement real-time quality monitoring through our manufacturing execution system, enabling immediate traceability from raw material lot to final product serial number. Each production batch is tracked by barcode, allowing instant root-cause analysis and defect isolation.

Routine cross-departmental reviews are conducted to analyze first-pass yield, defect trends, and customer returns, feeding directly into our process improvement initiatives. Our Quality Engineering team works closely with the R&D and production departments to refine drilling precision, plating uniformity, and etching consistency — areas identified as key yield drivers.

BUSINESS

We follow a zero-defect management principle emphasizing prevention rather than correction. Training and certification programs are regularly held for production and inspection personnel to ensure quality awareness and operational standardization across all lines.

Supplier Quality Management

We have established a supplier evaluation and approval system that ensures the quality and stability of raw materials. Major supplier undergoes periodic assessments based on product quality, delivery performance, environmental compliance, and ESG (Environmental, Social, and Governance) standards.

Incoming raw materials are subject to lot-based inspection and must comply with our specifications for mechanical strength, copper purity, dielectric properties, and reliability. Non-conforming materials are rejected or returned to the supplier, and suppliers are required to implement corrective actions within defined timelines.

Certifications and Standards Compliance

All our production facilities have passed the following system certifications:

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- IATF 16949: Automotive Quality Management System
- ISO 45001: Occupational Health and Safety Management System

In addition, we comply with RoHS, REACH, and relevant UL safety certifications for PCB materials and processes. Our quality records, test reports, and audit results are maintained electronically to ensure full traceability and audit readiness.

Customer Assurance and After-Sales Support

We maintain a customer-oriented quality assurance process, offering technical support from pre-production design review to after-sales service. Our engineering and QA teams provide failure analysis, reliability validation, and continuous feedback to customers.

We generally maintain production data traceability for our PCBs for a period of 15 years, covering end-to-end manufacturing data and ensuring that all products comply with applicable specifications. During the Track Record Period, we did not experience any material product recalls or significant quality disputes.

Through rigorous quality control and assurance systems, advanced inspection technology, and a culture of continuous improvement, we ensure that our PCB products consistently meet or exceed customer expectations for reliability, precision, and durability. Our integrated quality framework supports long-term customer partnerships and strengthens our position as a trusted supplier in automotive, industrial, and consumer electronics markets.

BUSINESS

SALES AND MARKETING

We primarily adopt a direct-sales model, through which we maintain close and continuous communication with our customers directly across the entire lifecycle of product development and production. Given the highly customized nature of our PCB products, this model allows us to respond quickly to customer requirements, participate in product co-design, and provide integrated engineering and quality services that go beyond conventional sales activities. Our marketing philosophy centers on high-quality products delivered on time, emphasizing technical value, stable supply, reliability, and long-term cooperation rather than price-driven competition.

Our sales and marketing activities are carried out by multiple regional sales and customer service teams that cover major end markets including the PRC, North America, Europe, South Korea and Southeast Asia. These regional teams enable us to maintain proximity to our customers, provide timely technical interaction, and ensure effective communication regarding order forecasts, engineering changes and delivery schedules. Within China, our sales teams are positioned in key electronics manufacturing clusters, supporting rapid service response and on-site technical coordination whenever required.

We implement a comprehensive service model focuses on four aspects of customer engagement sales, technical support, quality services and customer services. Our sales teams coordinate order intake, forecasting and commercial arrangements. Technical support teams participate in early-stage product co-design and provide engineering consultation. Quality service teams manage quality assurance, inspection feedback, and corrective/preventive action. Our customer service teams maintain daily communication, track delivery status and ensure fast response to customer feedback. This comprehensive service model allows us to provide customers with integrated and reliable support and enables us to offer seamless end-to-end support and helps strengthen long-term customer relationships.

Customer Engagement and Service Management

Consistent with industry practice for customized PCB solutions, we participate in customer projects from the earliest stages of development. Our engagement typically follows a structured lifecycle:

1. *R&D Need Assessment and Market Research:* Evaluating customer requirements and industry trends to determine material systems, technical feasibility and application-specific constraints.
2. *Early-Stage Co-Design:* Assisting customers in PCB stack-up design, material selection, electrical and thermal feasibility studies and manufacturability assessment.
3. *Prototyping and Joint Verification:* Supporting prototype fabrication, design verification testing, signal integrity validation, and engineering refinements based on customer feedback.
4. *Comprehensive Review and Release:* Conducting in-house reliability testing and engineering reviews prior to release for mass production.

BUSINESS

5. *Mass Production and Scaled Delivery:* Leveraging our digitalized MES–ERP integrated system to ensure stable yield, consistent quality and timely scheduled delivery.
6. *Continuous Iteration Collaboration:* Participating in customers’ next-generation platform design and providing ongoing optimization recommendations.

This lifecycle approach enhances product quality and supports the rapid iteration cycles characteristic of automotive electronics, consumer electronics, industrial control and smart-home household appliances.

Standard Contract Terms

Our sales are conducted primarily through direct engagement under agreements with customers for purchase orders specifying unit prices, product specifications, quantity and delivery terms. Commercial terms generally include:

- *Contract Duration:* Typically one to two years with standard renewal options.
- *Pricing:* Determined through purchase orders based on product complexity, material costs, order size and customer relationship.
- *Payment Terms:* We generally deliver products before payment and grant 90-120 days of credit depending on customer engagement history and credit rating.
- *Return and Exchange:* Customers may return or exchange products upon demonstration products failed to meet required specifications or quality standards.

After-Sales Service

We maintain a formal after-sales standard operating procedure covering customer complaint intake, problem verification, defect analysis and CAPA execution. We maintain production data traceability for a period of 15 years. During the Track Record Period, we did not experience any product recalls, material customer disputes or material quality-related incidents, demonstrating the effectiveness of our quality management and customer service systems.

CUSTOMERS

We serve a broad and diversified customer base spanning China, North America, Europe, South Korea, and Southeast Asia, reflecting the increasingly globalized nature of our end markets. Through our regional sales and customer-service teams, we maintain direct engagement with customers in major global markets. Our overseas revenue experienced a steady increase during the Track Record Period. Our overseas revenue is generated through long-standing relationships with domestic customers whose operations extend internationally. These overseas subsidiaries typically procure products from us based on established commercial arrangements consistent with those applicable to our domestic customers.

BUSINESS

Our customers operate in a wide range of industries, including automotive electronics, consumer electronics, industrial control and smart-home household appliances covering sectors such as electronics manufacturing services, information and communications technology, display technologies, smart hardware, automotive control systems and AI-related electronic modules. Many of our customers are well-established multinational enterprises with global production footprints. This geographic and industry diversification enhances the resilience of our customer portfolio and allows us to participate in multi-regional product development cycles, while our engineering-driven service model enables us to support customers’ increasing demands for high reliability, stable supply and customized PCB solutions across different markets.

Customer Applications by Industry

Our PCB products are used in a wide range of applications across multiple industries:

Automotive Electronics: Driving control systems, inverters, battery management systems (BMS), pressure and sensor modules, charging pile controllers, headlamp control systems, electronic power steering (EPS) systems, motor drive systems, and intelligent driving applications such as LiDAR, millimetre-wave radar and surround-view cameras.

Consumer Electronics: Gaming consoles, computer peripherals such as mice and keyboards, power adapters, docking stations, connectors, touch screens and other peripheral modules.

Industrial Control: Industrial power supply units, servo drives, variable-frequency drives (VFDs) and industrial metering equipment.

Smart-Home Household Appliances: LCD televisions, projectors, household air conditioners, floor-washing devices and related control modules.

This wide application base ensures stable demand for our products and aligns with long-term growth trends in consumer automation, electrification, and intelligent equipment.

Top Customers

Our customer structure is consistent with industry norms, where large OEMs and Tier-1 manufacturers account for a meaningful share of revenue due to long qualification cycles, high technical requirements and stable, recurring orders. We believe that our level of customer concentration does not reflect undue reliance, given the breadth of our product applications and the diversity of our customer base across multiple industries and regions.

BUSINESS

The following tables set forth our top five customers during the Track Record Period.

For the year ended December 31, 2025

Rank	Customer	Sales Amount (in RMB thousands)	% of Revenue	Industry – Company Description	Initial Engagement	Credit Period
1	Customer A	145,109	12.3%	Taiwan Stock Exchange-listed company; a leading provider of power management and thermal management solutions. Its business covers power management products, video products, components, industrial automation products and infrastructure products	Aug 2014	90 days
2	Customer B	139,934	11.9%	Taiwan Stock Exchange-listed company specializing in the R&D and manufacturing of lithium-ion battery modules. Since 2002, it has established production bases in Shanghai, Changshu (Jiangsu) and Chongqing, and has developed a global supply chain across Asia, the Americas and Europe. It holds a leading global market share in notebook battery products	Mar 2021	90 days
3	Customer C	68,890	5.8%	A well-known German automotive components company, primarily providing solutions for automotive electrical systems, industrial electrical systems, connectors and testing equipment	Dec 2020	90 days
4	Customer D	58,005	4.9%	A well-known Taiwan-based enterprise and a global leading brand in switching power supplies, primarily engaged in the manufacture of various switching power supply products	June 2014	60 days

BUSINESS

Rank	Customer	Sales Amount (in RMB thousands)	% of Revenue	Industry – Company Description	Initial Engagement	Credit Period
5	Customer E	52,700	4.5%	Listed automotive components company principally engaged in automotive lighting products and LED optoelectronic products	June 2014	120 days
Total	-	464,638	39.4%	-	-	-

For the year ended December 31, 2024

Rank	Customer	Sales Amount (in RMB thousands)	% of Revenue	Industry – Company Description	Initial Engagement	Credit Period
1	Customer B	140,272	13.5%	Taiwan-listed company specializing in R&D and manufacturing of lithium battery modules; has built a global supply chain across Asia, the Americas and Europe, and is a leading supplier in the notebook battery market	Mar 2021	90 days
2	Customer A	130,578	12.5%	Taiwan-listed company; leading provider of power management solutions, with business covering power management products, video products, retail components, industrial automation products and infrastructure products	Aug 2014	90 days
3	Customer E	66,797	6.4%	Listed automotive components company principally engaged in automotive lighting products and LED optoelectronic products	June 2014	120 days

BUSINESS

Rank	Customer	Sales Amount (in RMB thousands)	% of Revenue	Industry – Company Description	Initial Engagement	Credit Period
4	Customer D	54,761	5.3%	Taiwan-based well-established enterprise and a global leading brand in switching power supplies, principally engaged in the design and manufacture of switching power supply products	June 2014	60 days
5	Customer C	53,247	5.1%	Germany-based well-established automotive components company, primarily engaged in providing solutions for automotive electrical systems, industrial electrical systems, connectors and testing equipment	Dec 2020	90 days
Total	-	445,655	42.7%	-	-	-

For the year ended December 31, 2023

Rank	Customer	Sales Amount (in RMB thousands)	% of Revenue	Industry – Company Description	Initial Engagement	Credit Period
1	Customer A	147,487	15.0%	Taiwan-listed company; leading provider of power management solutions, with business covering power management products, video products, retail components, industrial automation products and infrastructure products	August 2014	90 days

BUSINESS

Rank	Customer	Sales Amount (in RMB thousands)	% of Revenue	Industry – Company Description	Initial Engagement	Credit Period
2	Customer B	128,812	13.1%	Taiwan-listed company specializing in R&D and manufacturing of lithium battery modules; has built a global supply chain across Asia, the Americas and Europe, and is a leading supplier in the notebook battery market	March 2021	90 days
3	Customer E	78,110	7.9%	Listed automotive components company principally engaged in automotive lighting products and LED optoelectronic products	June 2014	120 days
4	Customer F	55,110	5.6%	Taiwan-listed company and leading connector component manufacturer; products include connectors for branded computers, mobile camera modules, digital cameras and peripheral computer equipment	May 2014	120 days
5	Customer G	53,568	5.4%	Fortune Global 500, Korea-listed company; business covers R&D and production of display devices, digital product modules, micromotors and new electronic components	November 2012	90 days
Total . . .	-	463,086	47.1%	-	-	-

BUSINESS

Strategic Collaboration With Major Customers

In addition to our customer sales relationships, we collaborate with several leading companies in the electronics and automotive industries on technology development, process innovation and application validation. These collaborations serve as important channels for us to stay aligned with evolving market trends and technical requirements.

Our scope of collaborations typically involve early participation in PCB architecture and feasibility studies, joint development of prototype boards for new applications, validation of PCB reliability, thermal performance and structural stability and integration testing for automotive control units, industrial modules and high-reliability consumer devices. These cooperative relationships allow us to align our technological development roadmap with industry advancements and enhance our ability to deliver solutions for high-performance, high-reliability applications.

PROCUREMENT AND SUPPLIERS

We source raw materials, auxiliary materials, and production equipment from a diversified group of qualified suppliers. Our procurement activities are designed to ensure the stable supply of key materials required for PCB manufacturing. To support our production needs and quality standards, we have established a comprehensive supplier management system that governs supplier selection, onboarding, evaluation and continuous performance monitoring. Our procurement process emphasizes quality stability, supply reliability, environmental compliance and cost efficiency, consistent with industry best practices and the requirements of our customers, many of whom operate in the automotive and industrial-control fields with stringent quality and traceability standards. During the Track Record Period, we did not experience any material disruptions in the supply of raw materials, nor did we encounter any material quality issues relating to materials supplied by our suppliers.

Raw Materials

The production of printed circuit boards requires a wide range of raw materials that directly affect product performance, electrical reliability, thermal characteristics and long-term durability. The principal raw materials that we procure include copper-clad laminates, copper foil, copper balls, prepreg, chemical solutions used across drilling, desmear, plating, etching and surface finishing, as well as solder mask, inks and structural materials. These materials constitute a significant portion of our production costs and are critical to ensuring stable yield rates across multi-variety, small-batch and high-mix production demands.

Our raw materials are sourced primarily from suppliers in the PRC, with certain specialized materials procured from overseas manufacturers. Material prices fluctuate based on market dynamics, including global copper price movements, upstream supply conditions and downstream demand from industries such as consumer electronics and automotive electronics. We work with multiple qualified suppliers for each major material category to mitigate the risks of supply interruption or price volatility. During the Track Record Period, we did not experience any significant shortage of raw materials nor any significant quality issues, demonstrating the robustness of our procurement framework and supplier base.

BUSINESS

The principal raw materials used in our PCB production include:

- Copper-clad laminates
- Copper foil and copper balls for metallization, plating and conductive layers
- Prepreg and insulating materials for multilayer lamination
- Chemical solutions for drilling, desmear, plating, etching, cleaning and surface finishing
- Solder mask, ink and surface-finishing chemicals (including ENIG chemistry)
- Drilling tools and consumables used in hole formation and shaping

Prices of these raw materials fluctuate based on market supply–demand dynamics and commodity price movements. To reduce volatility and procurement risks, we maintain multiple qualified suppliers for key categories.

Supplier Selection and Management

We have established a rigorous supplier selection and management system to ensure that all raw materials and equipment used in our PCB production meet the quality, reliability and compliance standards required by our customers and the industries we serve. In selecting new suppliers, we conduct a structured vetting process that begins with an initial assessment of the supplier’s qualifications, financial stability, operational scale and regulatory compliance. Only suppliers with a track record of stable operations and established manufacturing capabilities proceed to the next stage of evaluation, which focuses on technical suitability and product consistency. For key materials such as copper-clad laminates, copper foil and chemical solutions, we perform detailed technical reviews and laboratory validation to assess whether the supplier’s materials are compatible with our processes, including lamination, drilling, plating, etching and surface finishing.

For high-criticality suppliers, particularly those providing CCL, copper foil, specialized chemicals or essential equipment, we conduct on-site audits to review production processes, process-control systems, environmental management and quality-assurance procedures. These audits allow us to evaluate a supplier’s ability to deliver stable quality and meet the technical requirements of automotive electronics, industrial control and other high-reliability applications we serve. Only suppliers that meet our standards across quality, capacity, compliance and technical fitness are admitted into our qualified supplier list.

Once a supplier is onboarded, we monitor its performance on an ongoing basis. We regularly evaluate material quality, incoming defect rates, delivery punctuality and responsiveness to technical or quality issues. We also review pricing stability and the supplier’s ability to support our production schedules, including requirements arising from multi-variety, small-batch or rapid-turnaround orders. Suppliers that fail to meet our performance expectations are required to undertake corrective actions, and those with recurring deficiencies may be downgraded, suspended or removed from our approved supplier list. This evaluation mechanism ensures that our supply chain remains stable, responsive and aligned with our quality requirements.

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Through this structured and disciplined supplier-management system, we have maintained a resilient and high-quality supply chain. During the Track Record Period, we did not experience any significant shortages of raw materials or major quality issues attributable to suppliers, demonstrating the effectiveness of our supplier-selection procedures and ongoing oversight.

Standard Supply Contract Terms

We procure raw materials and key consumables used in our PCB production primarily under procurement framework agreements entered into with qualified suppliers. These contracts provide an overarching structure for recurring purchases while allowing flexibility through purchase orders to accommodate multi-variety, small-batch and fast-turn production needs. Our supply arrangements are generally aligned with common industry practice, and we rely on a combination of framework terms, purchase-order mechanisms and quality-control protections to ensure steady supply, pricing stability, and production continuity. The principal terms of our supply contracts are summarized below.

- *Supply Arrangements:* Raw materials are procured mainly under non-exclusive procurement framework agreements supplemented by individual purchase orders. Framework agreements generally do not have a fixed term and remain effective until terminated by either party. Framework agreements outline overall cooperation, while purchase orders define product specifications, volumes, pricing and delivery schedules for each transaction.
- *Pricing and Payment:* Pricing is determined on a purchase-order basis, reflecting market conditions, material type and technical requirements. We typically conduct monthly reconciliation and settle payments after verifying invoices and delivery records.
- *Quality and Inspection:* Suppliers must comply with our technical specifications and quality requirements, including those applicable to automotive and industrial-control PCBs. Raw materials are subject to incoming quality inspection upon delivery. Materials that do not meet specifications may be rejected or returned, and suppliers are accountable for resulting losses.
- *Delivery:* Suppliers usually deliver materials to our designated warehouses or production facilities. Title and risk pass to us only after materials pass incoming inspection and acceptance. Delivery timing and logistics requirements are set out in purchase orders.
- *Liability and Rectification:* Suppliers are responsible for losses arising from defective or delayed deliveries or materials that fail to meet specifications. Suppliers may be required to implement corrective and preventive actions in response to quality or delivery issues. Persistent non-performance may lead to supplier suspension or removal from our qualified supplier base.

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- *Termination:* Framework agreements generally allow termination by written notice from either party. If a supplier terminates cooperation, it usually must continue providing materials for a transitional period until alternative supply sources are secured.
- *Flexibility and Purchase Commitments:* Our supply arrangements do not impose minimum purchase obligations, enabling flexible procurement aligned with production demand. Material volumes and prices are adjusted through individual purchase orders.
- *Supply Continuity:* We maintain multiple qualified suppliers for key materials to manage concentration risk and ensure stable supply.

During the Track Record Period, we did not experience any material supply interruption or shortages, reflecting the effectiveness of our procurement framework and supplier-management measures.

Top Five Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB314.1 million, RMB324.8 million and RMB440.8 million representing 59.8%, 57.2%, and 60.5% respectively, of our total purchases for the same periods. During these periods, purchases from our largest supplier amounted to RMB141.3 million, RMB97.4 million, and RMB141.4 accounting for 19.9%, 17.2% and 19.4%, respectively, of our total purchases.

During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

The tables below set forth certain information of our top five suppliers during the Track Record Period.

For the year ended December 31, 2025

<u>Rank</u>	<u>Supplier</u>	<u>Purchase Amount (in RMB thousands)</u>	<u>% of Total Purchases</u>	<u>Industry – Company Description</u>	<u>Initial Engagement</u>	<u>Credit Term</u>
1 . .	Supplier A	141,351	19.4%	Hong Kong-listed leading CCL manufacturer with diversified operations including PCB and chemical products	Sep 2012	90 days

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Rank	Supplier	Purchase Amount (in RMB thousands)	% of Total Purchases	Industry – Company Description	Initial Engagement	Credit Term
2 . .	Supplier B	100,793	13.8%	Shanghai Stock Exchange main board-listed company; leading copper-clad laminate manufacturer producing CCL, prepreg and related materials	Dec 2013	90 days
3 . .	Supplier C	74,229	10.2%	SSE STAR Market-listed company; well-known CCL supplier engaged in new materials and PCB-related product development	Oct 2014	90 days
4 . .	Supplier D	73,913	10.2%	Copper ball supplier based in China	Mar 2021	Payment before delivery
5 . .	Supplier E	50,549	6.9%	Copper foil supplier based in China	Dec 2021	30 days
Total.	-	440,834	60.5%	-	-	-

For the year ended December 31, 2024

Rank	Supplier	Purchase Amount (in RMB thousands)	% of Total Purchases	Industry – Company Description	Initial Engagement	Credit Term
1 . .	Supplier B	97,359	17.2%	Shanghai Stock Exchange main board-listed company; leading copper-clad laminate manufacturer producing CCL, prepreg and related materials	December 2013	90 days
2 . .	Supplier A	69,529	12.3%	Hong Kong-listed leading CCL manufacturer with diversified operations including PCB and chemical products	September 2012	90 days

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Rank	Supplier	Purchase Amount (in RMB thousands)	% of Total Purchases	Industry – Company Description	Initial Engagement	Credit Term
3 . .	Supplier C	60,294	10.6%	SSE STAR Market-listed company; well-known CCL supplier engaged in new materials and PCB-related product development	October 2014	90 days
4 . .	Supplier F	50,407	8.9%	Taiwan-based large integrated plastics, electronics and specialty chemicals group supplying copper foil and related materials	January 2013	90 days
5 . .	Supplier D	47,232	8.3%	Copper ball supplier based in China	March 2021	Payment before delivery
Total.	-	324,821	57.2%	-	-	-

For the year ended December 31, 2023

Rank	Supplier	Purchase Amount (in RMB thousands)	% of Total Purchases	Industry – Company Description	Initial Engagement	Credit Term
1 . .	Supplier B	104,530	19.9%	Shanghai Stock Exchange main board-listed company; leading copper-clad laminate manufacturer producing CCL, prepreg and related materials	December 2013	90 days
2 . .	Supplier C	73,229	13.9%	SSE STAR Market-listed company; well-known CCL supplier engaged in new materials and PCB-related product development	October 2014	90 days

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Rank	Supplier	Purchase Amount (in RMB thousands)	% of Total Purchases	Industry – Company Description	Initial Engagement	Credit Term
3 . .	Supplier A	52,470	10.0%	Hong Kong-listed leading CCL manufacturer with diversified operations including PCB and chemical products	September 2012	90 days
4 . .	Supplier D	48,671	9.3%	Copper ball supplier based in China	March 2021	30 days
5 . .	Supplier F	35,248	6.7%	Taiwan-based large integrated plastics, electronics and specialty chemicals group supplying copper foil and related materials	January 2013	90 days
Total.	-	314,147	59.8%	-	-	-

Inventory Management

Our inventory management practices are closely integrated with our procurement operations to maintain a stable and cost-efficient material-supply system. we apply a hybrid approach of “procurement-by-production plan” and “stocking procurement”, depending on the material category and demand characteristics. Under the procurement-by-production plan model, the procurement department prepares material requirements based on production schedules. This model is applied primarily to materials with customized specifications or volatile consumption patterns. For key raw material, including copper-clad laminates, prepreg, copper foil, copper balls, dry film and inks, we adopt a stocking procurement model to ensure uninterrupted supply with stocking quantity generally equivalent to approximately two months of production needs. This practice helps mitigate supply-chain risks arising from fluctuations in downstream demand, variations in supplier delivery schedules and the highly customized nature of PCB production.

The warehouse department performs daily monitoring of inventory levels and collaborates with the Procurement Department to adjust stocking quantities dynamically based on production volume, order intake and material consumption. ERP-based inventory reporting enables procurement personnel to monitor inventory turnover, aging, and replenishment needs in real time. Through this procurement-linked inventory management system, we ensure stable material availability, optimize procurement scheduling, and maintain production flexibility while balancing cost efficiency and working-capital discipline.

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INFORMATION TECHNOLOGY AND DATA MANAGEMENT

We have established a comprehensive information-technology and data-management system to support our R&D, production, procurement, quality-control and administrative functions, and to enhance operational efficiency and internal-control effectiveness. Our IT architecture is centered around our ERP system, which is used for procurement, inventory control, production planning, engineering data management, sales records and quality-management documentation. The ERP system allows real-time data capture and cross-departmental information sharing, ensuring data accuracy and supporting the traceability requirements inherent in PCB manufacturing.

ERP-Based Operating and Data-Control Platform

Our ERP system serves as our core information-management platform. It integrates production-planning, procurement, material-management, warehousing, and sales-order processes. Departments such as the Production Department, Planning Department, Materials Department, Warehouse Department and Quality Department rely on the ERP system for real-time process monitoring and data entry, ensuring the consistency, completeness and traceability of operational records.

Key functions supported by ERP include:

- customer documentation, order verification and shipping confirmed;
- production-schedule planning and batch-level work-order issuance;
- management of raw-material inventory, safety-stock levels and issuance to production;
- quality-control record management, including incoming-material inspection, in-process inspection and outgoing-quality certification;
- procurement-process management, including supplier records, purchase-order issuance and material verification.

The ERP system enables centralized data access and minimizes manual intervention, reducing operational error rates and ensuring that production, procurement and inventory decisions are supported by accurate data.

Automation, Engineering Data and System Integration

In addition to ERP, we use a variety of automation-assisted engineering tools for input automation, design anti-error automation, CAM robotic automation, and MI automation systems. These systems automatically analyze customer-supplied Gerber data, generate engineering specifications (MI), identify layout and parameter inconsistencies, and produce tooling and process instructions. They significantly reduce manual data-analysis workloads, improve engineering accuracy and accelerate order-to-production conversion.

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These tools are interconnected with our ERP system to ensure that production-process data, tooling parameters and engineering files are synchronized across the Company and updated in real time. This integrated data-flow environment enhances traceability, supports rapid response to engineering-change orders and strengthens the consistency of production processes.

Cybersecurity and Data-Security Controls

We have implemented standardized IT-security operation rules and confidentiality protocols, including:

- access-control measures and permission allocation within ERP and other systems;
- secure installation, deployment and maintenance of IT hardware and networking equipment;
- periodic data backups and system-data cleaning;
- network-security monitoring to ensure uninterrupted system availability;
- technical-documentation archiving and control.

These controls support compliance with customer confidentiality requirements, especially for customers in automotive-electronics and industrial-control sectors, who require reliable data protection, traceability and change-management records.

Support for Manufacturing, Quality and Supply-Chain Management

Our IT and data-management systems play a key role in maintaining the quality, efficiency and traceability of our production activities. The Quality Department uses IT-based systems to record incoming, in-process and final inspections, customer complaint handling, and hazardous-substance control. The warehouse department uses ERP-linked inventory controls to enforce FIFO, manage stocking levels and support production scheduling. The procurement department uses system-based records to manage supplier qualification, purchase orders, deliveries and material verification.

Together, these systems form an integrated data backbone that enhances transparency, reduces operational risk and supports our compliance with ISO9001, IATF16949 and other management-system certifications

EMPLOYEES

As of December 31, 2025, we employed a total of 1,256 employees across our headquarters in Kunshan and our Dongtai production facility. Our employees are engaged in management, sales and customer service, production operations and R&D functions, supporting our multi-variety, small-batch, fast-turn production model and ensuring our capability to deliver stable, high-quality PCB products to customers. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2025.

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Function	Number of Employees	% of Total
Management Personnel	84	6.7%
Sales Personnel	45	3.6%
Production Personnel	989	78.8%
R&D Personnel	138	10.9%
Total	1,256	100%

We recruit employees through multiple channels, including online recruitment platforms, campus recruitment, technical schools, industry referrals and labor-dispatch agencies, to meet the needs of our expanding production capacity and technical requirements. In recruiting production personnel, we emphasize prior experience in PCB manufacturing or related electronic-processing industries, while for engineering, R&D and quality positions, we focus on candidates with relevant technical backgrounds, professional certifications and familiarity with PCB process technologies.

We place strong emphasis on employee training and capability developments and have established a structured training management system to design and implement of training programs based on the specific needs of each department. Training is delivered through a combination of onboarding sessions, corporate-culture orientation, operational and safety training for production workers, and technical training for engineering, R&D and quality personnel. New employees undergo induction training to familiarize them with production processes, safety procedures and internal policies, while frontline operators receive hands-on instruction and SOP-based guidance to ensure they meet process-quality and equipment-operation standards.

We enter into employment contracts with all employees in accordance with applicable PRC labor laws and regulations and offer competitive compensation to our employees. Our compensation framework consists of base salary, position allowances, performance-based remuneration, welfare benefits and year-end bonuses.

We provide our employees with statutory social insurance and housing provident fund contributions in accordance with applicable PRC laws and regulations, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. During the Track Record Period, we made contributions to social insurance and the housing provident fund in compliance with the minimum contribution bases recognized by the relevant local authorities. During the Track Record Period, we did not receive any notice from the relevant competent authorities requiring rectification, payment of outstanding amounts or supplementary contributions in respect of social insurance or housing provident fund contributions.

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PROPERTIES

We occupy and utilize a number of properties primarily in our Kunshan Facility and Dongtai Facility for production, warehousing, office and ancillary purposes. We maintain proper ownership and title to the Kunshan Facility and Dongtai Facility.

Kunshan Facility

Our Kunshan Plant is located at No. 1288 Zhonghua Road, Shipai, Bacheng Town, Kunshan, and serves as our headquarters and principal operating base. The site occupies a land area of approximately 44,017 sq.m., with a total gross floor area of approximately 39,350 sq.m. We have established multiple departments at this facility, including the Production Department, Technology and Engineering Department (MI/CAM and New Product Introduction), Quality Management Department, Planning Department, Equipment and EHS Department, Materials and Procurement Department, Warehouse Department, Information Technology Department, as well as our administrative, finance, human resources and sales departments.

Dongtai Facility

The Dongtai Plant is our principal manufacturing base located in the Dongtai Economic Development Zone. The facility consists of multiple industrial buildings with a total gross floor area of approximately 81,128 sq.m. These buildings include production workshops, a utilities building, equipment installation areas, warehousing and logistics facilities, engineering and technical areas, employee dormitories and administrative offices. In addition to the existing buildings, the Dongtai Plant is currently constructing one production facility and two dormitory buildings, with an aggregate gross floor area of approximately 22,480 sq.m., to support capacity expansion and employee welfare.

Other Facilities

During the Track Record Period, we leased dormitory space of approximately 258.0 sq.m. in Kunshan and 151.3 sq.m. in Dongtai to accommodate the housing needs of our workforce.

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INTELLECTUAL PROPERTY

We established a solid intellectual property portfolio that reflects our longstanding technological accumulation and continuous R&D investment. As of December 31, 2025 we owned a total of 91 patents, comprising 17 invention patents and 74 utility model patents, one registered trademark and six copyright materials. All of our patents were originally obtained through our independent R&D activities. These patents relate primarily to PCB manufacturing processes, printing processes, structural features and production tooling, and form an important basis for our technological competitiveness and product-quality assurance. In addition to patents, we own one registered trademark under Class 09 for printed circuit board products. See “Appendix V — Statutory and General Information — Further Information about the Business — Intellectual Property.”

The table below sets out a selection of representative patents essential to our business operations.

No.	Patent Name	Patent No.	Type	Filing Date	Expiry Date	Acquisition Method
1	Grinding apparatus for post-fill processing of blind vias in high-density interconnect (HDI) printed circuit boards	ZL 202510607745.2	Invention Patent	May 13, 2025	May 13, 2045	Original acquisition
2	Spray etching machine for printed circuit boards	ZL 202310936183.7	Invention Patent	Jul 28, 2023	Jul 28, 2043	Original acquisition
3	Exposure equipment for printed circuit boards	ZL 202310429514.8	Invention Patent	Apr 21, 2023	Apr 21, 2043	Original acquisition
4	Electrical performance testing device for printed circuit board manufacturing	ZL 202320482189.7	Utility Model Patent	Mar 14, 2023	Mar 14, 2033	Original acquisition
5	Electroplating apparatus for printed circuit boards	ZL 202320331349.8	Utility Model Patent	Feb 28, 2023	Feb 28, 2033	Original acquisition

BUSINESS

Intellectual Property Management and Protection

We rely on PRC intellectual property laws and a combination of internal management controls to safeguard our proprietary technologies. We implement confidentiality management, including document control, employee confidentiality obligations and access controls on technical files. To protect the confidentiality of technical know-how, production parameters and process documentation used in PCB manufacturing, we have established internal IT-security protocols, including ERP-based document control, restricted access rights and data-backup mechanisms.

We did not experience any material intellectual-property disputes, litigation or claims during the Track Record Period, and none of our patents, trademarks or non-patent technologies were subject to any material challenge or infringement allegation.

Our portfolio of 91 patents, together with one registered trademark and six copyrighted materials, provides strong technical support for our PCB product development and production processes. Our intellectual property enhances our ability to deliver differentiated products, supports our competitive position in the PCB industry and reinforces customer confidence in our technological capabilities.

LICENCES PERMITS AND COMPLIANCE

We are required to obtain and maintain various licences, permits and regulatory filings for our operations in the PRC, including approvals relating to corporate operations, environmental protection, occupational health and safety, pollution discharge, fire safety, social insurance, and tax administration. We have obtained the requisite approvals and maintained compliance with applicable laws and regulations during the Track Record Period, and no material administrative penalties or compliance deficiencies were recorded.

Our Directors confirm that we were in material compliance with all applicable laws and regulations relating to our principal business operations during the Track Record Period, and we maintained all necessary licences, permits and filings required for the production and sale of PCB products. We did not experience any materials difficulties in renewing these material licenses, permits or approvals during the Track Record Period and do not foresee any difficulties in renewing them in the future.

INSURANCE

We maintain insurance coverage that we believe is in line with industry practice and is adequate for our operations. Our insurance policies include coverage for property damage, machinery and equipment, public liability, cargo and logistics, and employee-related insurance, including statutory social-insurance contributions as required under PRC law. We did not experience any material accidents, property losses or insurance claims during the Track Record Period, and our Directors confirm that our insurance coverage has been sufficient to meet our operational needs.

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RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control Policies

We have established and continuously enhanced a comprehensive risk management and internal control system in accordance with applicable PRC laws and regulations, the Listing Rules of the relevant stock exchange, the Basic Norms for Enterprise Internal Control and related implementation guidelines, as well as our Articles of Association. These policies and procedures are designed to identify, assess and manage risks arising from our business operations, safeguard our assets, ensure the accuracy and completeness of financial reporting, and protect the interests of our company and shareholders.

Our risk management and internal control framework encompasses key areas including corporate governance and the delineation of duties and responsibilities of the Board, the Supervisory Committee and senior management; financial reporting and information disclosure controls; operational management; research and development management; management of trade receivables and payables and working capital controls; inventory, fixed assets and intangible assets management; capital expenditure and investment management; compliance management; anti-corruption and anti-bribery policies; as well as information system general controls and data security management.

Board Oversight

The Board is responsible for overseeing the establishment, implementation and ongoing effectiveness of the Company’s risk management and internal control systems. The Audit Committee assists the Board in reviewing the integrity of financial reporting, the effectiveness of internal controls and the adequacy of risk management procedures on a regular basis. Senior management is responsible for implementing internal control measures in daily operations and ensuring that risk management policies are properly executed across all departments and subsidiaries.

Internal Control Evaluation

In accordance with regulatory requirements, we conduct periodic internal control self-assessments. Our internal audit function performs independent reviews of major business processes and reports its findings to the Audit Committee and the Board. We also engage external auditors to audit our financial statements and, where required, to review the effectiveness of internal controls over financial reporting. In addition, independent professional advisers may be appointed to conduct special reviews on specific risk areas when necessary.

Continuous Improvement

Based on the results of internal and external evaluations, we implement appropriate remedial actions and continuously refine our internal control framework. As of Latest Practicable Date, the Board is of the view that our risk management and internal control systems are adequate and effective in all material respects.

LITIGATION AND LEGAL PROCEEDINGS

We may from time to time become a party to legal, arbitral or administrative proceedings arising in the ordinary course of our business.

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As at the Latest Practicable Date, we are involved in a pending litigation in which we are the defendant in a claim alleging unauthorized use of certain software. The plaintiff seeks, among other remedies, damages of approximately RMB1.5 million. We dispute the allegations and have filed a defense. The proceedings are ongoing and no judgment has been rendered. Based on the information currently available and advice from our legal advisers, we do not consider the litigation to be material and do not expect it to have any material adverse effect on our business, financial position or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material litigation, arbitration or administrative proceedings, whether as a plaintiff or defendant, that would have a material adverse impact on our business, financial condition or results of operations.

We may from time to time become a party to legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material litigation, arbitration or administrative proceedings, whether as a plaintiff or defendant, that would have a material adverse impact on our business, financial condition or results of operations.

COMPETITION

The PCB industry in the PRC is highly competitive and fragmented, with a large number of manufacturers operating across different product categories, technology levels and application markets. Competition primarily takes place in areas such as product quality and reliability, production capacity, delivery capability, process technology, cost efficiency, customer service and industry certifications. We compete with PCB manufacturers both within the PRC and internationally that serve similar downstream sectors, including automotive electronics, consumer electronics, industrial control and smart-home household appliances. Major competitors include large, vertically integrated PCB groups with extensive multilayer, thick-copper and specialty-material capabilities, as well as regional mid-sized manufacturers focusing on selected applications.

The industry exhibits a tiered competitive structure, with leading global and domestic companies dominating higher-value, technology-intensive categories, while mid-sized enterprises compete in medium-layer count and application-specific PCB products. As a producer of single-layer, double-layer and multilayer PCBs — including thick-copper boards, metal-based substrates and specialized application structures — we primarily compete in the mid- to upper-tier segment of the PCB market.

Competitive differentiation in our core application sectors is driven by customer qualification requirements, engineering collaboration, manufacturing stability and the ability to meet stringent reliability standards, particularly for automotive and industrial applications. Our proprietary technologies in high-precision drilling, plating, circuit patterning, thick-copper and metal-based substrate processing strengthen our competitive positioning.

For a more detailed discussion of the competitive landscape, industry structure and market dynamics, please refer to the section headed “Industry Overview” in this document.

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SEASONALITY

Our business is not subject to significant seasonality, and our production and sales activities have historically remained relatively stable throughout the year. However, consistent with the general characteristics of the PCB industry in the PRC, our sales may exhibit mild seasonal fluctuations attributable to downstream customer demand patterns, procurement cycles and year-end production scheduling.

In general, our customers may increase in the second half of the year in preparation for year-end product launches and peak retail seasons.

In addition, PRC manufacturing operations ordinarily experience short working interruptions due to the Lunar New Year holidays, during which production activity slows and some customers adjust order placement and inventory planning. Historically, such impacts have not materially affected our overall production capacity or our ability to fulfill customer orders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We attach great importance to the environmental, social and governance (ESG), and fully recognize our obligations in environmental protection and social responsibility, striving to integrate the ESG concept into the Company’s development strategy, major decisions and daily production and operation. We strictly abide by all the laws and regulations, and issue ESG reports on an annual basis upon [REDACTED] in accordance with the requirements in Appendix C1 and C2 to the Listing Rules.

ESG Governance Structure

We recognize the significance of environmental, social and governance in the long-term enterprise development, and continuously improve our ESG management system to enhance the overall performance of sustainable development. To standardize ESG management, we have formulated the ESG Management System, revised the Working Rules for the Board Strategy and ESG Management Committee, and established an ESG governance structure under the leadership of the Board of Directors, guided by the Strategy and ESG Management Committee, implemented by the management team, and coordinated by various functional departments, in order to ensure that ESG issues are effectively supervised and implemented.

As the highest authority responsible for ESG governance, the Board of Directors is responsible for reviewing and approving ESG reports published annually, in order to ensure that the Company establishes appropriate and effective risk management and internal control systems for ESG issues, and supervises the progress of ESG-related goals. The Board of Directors establishes a Strategy and ESG Management Committee, responsible for making proposals to the Board regarding the Company’s ESG strategy, planning and major matters, supervising the Company’s annual ESG performance, guiding the adoption of corresponding measures to address ESG risks and opportunities that have significant impacts on the Company’s business, and reviewing the annual ESG reports and other ESG-related disclosures.

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At the management level, we have established an ESG leading team, responsible for formulating the implementation plans for the ESG development vision and strategy, regularly reviewing the implementation of the work plans and the achievement of goals, improving the ESG management system and work procedures, organizing the identification of material ESG issues and risk monitoring, establishing ESG risk management processes, proposing response strategies, coordinating various functional departments to advance ESG-related work, and reviewing and guiding the preparation of ESG information disclosure documents.

In terms of operation, we have established an ESG executive team consisting of relevant functional departments, responsible for implementing ESG work plans within their respective scopes of duties, conducting daily ESG management and communication with stakeholders, and reporting the implementation progress and relevant ESG information to the ESG leading team on a regular basis.

ESG Risk Management Identification, Assessment and Management and Opportunities

We are well aware that environmental, social and governance (ESG) matters may have significant impacts on business operations, financial performance and long-term development. Therefore, we have incorporated ESG risk identification, assessment and management into our overall risk management and business decision-making framework. Based on the requirements of applicable laws and regulations, the industrial characteristics, and key concerns of stakeholders, we systematically identify and analyze the ESG matters that may have significant impacts on us, and also take them into comprehensive consideration when formulating development strategies, financial plans, and making daily operational decisions. We plan to continuously improve the ESG risk management system, division of responsibilities, and work procedures in accordance with the requirements of the Listing Rules and the needs of business development, which will further enhance our ability to identify, monitor, and respond to ESG risks.

Environmental Protection

We attach great importance to environmental protection and compliance management during the production and operation process. We strictly abide by the relevant requirements in the Environmental Protection Law of the People’s Republic of China, the Promotion Law of Clean Production of the People’s Republic of China, the Integrated Wastewater Discharge Standard, The Integrated Emission Standard of Air Pollutants, the Standard for Pollution Control on Hazardous Waste Storage and other applicable laws and regulations. We also continuously implement pollution prevention and emission control measures in production and operation to reduce the impact of our operation activities on the environment.

In order to standardize environmental management, we have established the Environmental Protection Management System with a dedicated environmental protection department responsible for the system implementation and supervision. Other departments provide collaboration in the fulfillment of the environmental management requirements. During our production and operation, we implement the environmental management policy of pollution prevention, compliant discharge, and continuous improvement, and incorporate environmental management requirements into our daily operations and performance assessment systems, in order to strengthen the fulfillment of environmental responsibilities. The Company has passed the certification of ISO14001 environmental management system. According to previous records, we had no material environmental pollution accidents or any administrative penalties and lawsuits arising from environmental non-compliance, achieving the pollutant emission rate of 100%.

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Emission Management

During the production and operation process, the pollutants we generate include wastewater, exhaust gas, solid waste and noise. We have corresponding environmental protection treatment facilities for the aforesaid pollutants and have taken pollution prevention measures to ensure that the pollutants can meet the applicable environmental protection emission standards upon treatment. We make continuous maintenance and investment in the environmental protection facilities to guarantee their stable and effective operation.

The wastewater generated during our production and daily operations can only be discharged after being treated by internal treatment facilities. We continuously monitor and record the discharged water quality to ensure that the wastewater discharge complies with environmental protection regulations. We have also formulated the Water Pollution Prevention and Control Management System to manage the operation, monitoring, and maintenance of the wastewater treatment facilities. The test results show that all the relevant wastewater discharge indicators meet the requirements of applicable discharge standards, and no excessive discharge has been found.

We conduct control over the waste gas generated during the production and manufacturing process as well as in the cafeteria. We carry out regular inspections and maintenance of the waste gas treatment facilities to ensure that the discharge complies with requirements in existing laws. The test results show that all the relevant waste gas discharge indicators meet the requirements of applicable discharge standards, and no excessive discharge has been found.

We conduct classified management of the solid waste generated during the production process, among which, the hazardous waste is disposed of by qualified third-party units. Meanwhile, we reduce production noise through equipment management and process control to ensure that the noise within the boundary of the factory complies with national discharge standards.

The details and density of our pollutants are listed below:

	<i>Unit</i>	2023	2024	2025
Hazardous waste disposal volume	<i>Ton</i>	6,943.16	7,036.43	8,381.42
Hazardous waste disposal density	<i>Ton/million revenue</i>	7.06	6.75	7.10
Non-hazardous waste disposal volume	<i>Ton</i>	1,931.23	2,047.51	2,162.07
Non-hazardous waste disposal density	<i>Ton/million revenue</i>	1.96	1.96	1.83
Production wastewater emissions	<i>Thousand tons</i>	514.10	577.94	618.00
Production wastewater emission density	<i>Thousand tons/million revenue</i>	0.52	0.55	0.52

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Resource Management

Our main resource consumption includes electricity, natural gas, gasoline, diesel, natural gas, water resources, packaging materials, etc. We have established systems such as the Energy Control Procedures and the Energy Conservation and Emission Reduction Management Regulations to rationally utilize energy and reduce energy consumption. The Company has passed the ISO50001 energy management system certification. We have reduced energy consumption and improved energy utilization efficiency by implementing energy-saving renovation projects such as the air compressor heat exchanger solution, the permanent magnet high-efficiency energy-saving fan replacement solution, and the energy-saving solution for the energy-saving dust collection fan. We have also conducted energy-saving publicity campaigns to enhance employees’ awareness of energy conservation.

Our energy consumption and density are listed below:

	<i>Unit</i>	2023	2024	2025
Purchased electricity consumption	<i>KWh</i>	71,665,783.68	69,379,506.00	76,839,419.80
Purchased electricity consumption density . . .	<i>KWh/million revenue</i>	72,826.97	66,534.85	65,124.50
Natural gas consumption . .	<i>m³</i>	201,525.44	235,132.74	256,575.00
Natural gas consumption density	<i>m³/million revenue</i>	204.79	225.49	217.46
Gasoline consumption . . .	<i>Ton</i>	37.94	29.24	37.59
Gasoline consumption density	<i>Ton/million revenue</i>	0.04	0.03	0.03
Diesel consumption	<i>Ton</i>	45.25	39.57	31.20
Diesel consumption density	<i>Ton/million revenue</i>	0.05	0.04	0.03
Steam consumption	<i>Ton</i>	22,845.57	23,237.19	27,215.45
Steam consumption density	<i>Ton/million revenue</i>	23.22	22.28	23.07

We have established a water management mechanism, including measures such as conducting water usage statistics and monitoring, carrying out equipment inspections, and promoting the utilization of recycled water, in order to enhance the level of water management. We have also established a water conservation leading group to be responsible for our water conservation. To reduce the use of fresh water, we have established a wastewater recycling system. The raw water is filtered and treated by a water purifier for graded recycling to enhance the efficiency of water resource utilization. We construct a rainwater collection system, which treats the rainwater and uses it for toilet flushing to reduce the consumption of tap water.

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Our water consumption and density are listed below:

	<i>Unit</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>Thousand</i>			
Water consumption	<i>tons</i>	647.84	681.72	829.54
	<i>Thousand</i>			
Water consumption	<i>tons/million</i>			
density	<i>revenue</i>	0.66	0.65	0.70

To further strengthen energy conservation management, we have established the Energy Conservation Reward and Punishment System, which rewards departments or individuals that reduce electricity, water and other energy consumption, and imposes constraints on energy waste behaviors. The aim is to arouse the enthusiasm of all employees to actively participate in energy conservation and consumption reduction and enhance the overall effects of energy management.

We are aware of the potential negative impacts that packaging materials may have on the environment. The packaging materials we use mainly include cardboard boxes, bubble film, PE film, heat-resistant film, etc.

Our packaging materials and density are listed as below:

	<i>Unit</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Packaging material	<i>Ton</i>			
quantity		263.16	299.96	331.78
Including: Cardboard	<i>Ton</i>			
boxes		177.16	201.21	236.10
Bubble film . . .	<i>Ton</i>	35.82	43.99	40.31
PE film	<i>Ton</i>	29.48	35.41	40.15
Heat-resistant	<i>Ton</i>			
film		20.70	19.34	15.22
Packaging material	<i>Ton/million</i>			
density	<i>revenue</i>	0.27	0.29	0.28

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Coping with Climate Changes

We recognize that climate changes may have potential impacts on business operations, supply chain stability, and long-term development. The main risks posed by climate changes to our business include physical risks and transition risks. In terms of physical risks, extreme weather events (such as heavy rainfall, typhoons, and heat waves), changes in temperature and rainfall patterns, may all have impacts on the operation of our production facilities, logistics transportation arrangements, and the stability of the supply chain, thereby leading to temporary production disruptions, delivery delays, or increased operational costs. Furthermore, continuous climate changes may also increase the demand for cooling and energy usage, placing higher demands on energy management and operational efficiency. To mitigate the impact of physical risks, we strengthen the maintenance of production facilities, emergency response, and safety management mechanisms in our daily operations, and continue to optimize the energy structure and implement energy-saving and consumption-reduction measures to enhance operational resilience and the ability to cope with extreme weather events.

In terms of transition risks, the global low-carbon transition and the continuous advancement of related policies and regulations are likely to bring about changes in energy structure, higher requirements for carbon emission management, and an increase in customer demand for low-carbon products. Meanwhile, climate changes also bring development opportunities. With the rising demand for energy conservation, emission reduction and green manufacturing, we are expected to reduce operating costs, improve environmental performance and enhance customer recognition by enhancing energy utilization efficiency, expanding the proportion of renewable energy use and promoting the low-carbon production mode. To address the transition risks and seize the low-carbon transition opportunities, we have initiated the GHG emissions accounting, optimized the energy structure through photovoltaic power generation and the purchase of green electricity, and gradually increased the proportion of renewable energy usage.

The emissions of Scope 1 and Scope 2 in the specified period are listed below:

	<i>Unit</i>	2023	2024	2025
GHG emissions (Scope 1) .	<i>ton of CO₂e</i>	705.07	721.48	765.35
GHG emissions (Scope 2) .	<i>ton of CO₂e</i>	48,025.04	50,254.91	49,630.56
	<i>ton of CO₂e/million</i>			
GHG emission density. . . .	<i>revenue</i>	55,435.44	59,050.19	63,584.06

Note: Scope delineation: i) Scope 1 emissions primarily includes direct GHG emissions resulting from the use of natural gas; ii) Scope 2 emissions in primarily include indirect GHG emissions resulting from the purchase of electricity, pipeline steam and municipal water supply.

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Social Responsibility

Employment

We strictly abide by the labor laws and regulations such as the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China, and have formulated the Personnel Management Regulations which cover recruitment and employment, remuneration management, attendance and leave, performance evaluation, and employee promotion in order to standardize the employment process and protect the legitimate rights and interests of employees. We provide employees with remuneration, social insurance, and statutory holidays that comply with the laws and regulations. We also maintain a stable and compliant employment environment through a standardized personnel management mechanism.

Labor Standards

We have formulated the Anti-Discrimination Policy, adhering to the employment principles of fairness, justice and equal opportunities. In the processes of recruitment, remuneration, training, promotion and termination of labor relations, we do not discriminate on grounds of race, gender, age, religious belief, disability or any other personal characteristics. We also prohibit any form of forced labor, harassment or insult. At the same time, we have established an employee complaint and handling mechanism to safeguard the rights and interests of employees.

We strictly enforce laws and regulations related to the prohibition of the use of child labor and protection of underage workers, and we have formulated the Management Regulations on Prohibiting the Use of Child and Underage Workers. We prevent illegal employment through measures such as identity verification and age review, and provide special protection for underage workers, including restricting them from engaging in dangerous work and night shifts, in order to effectively safeguard their physical and mental health.

During the previous performance period, we did not have any violations against the company system or relevant laws and regulations such as employment of child labor, forced labor, trafficking of laborers and discrimination against employees.

Occupational, Health and Safety

We are committed to providing our employees with a safe and healthy working environment. In accordance with relevant laws and regulations such as the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, we have formulated systems such as the Safety Production Education and Training Management System, the Safety Production Management Measures, and the Occupational Health Examination Management System. During the previous performance record period, we did not experience any major safety production accidents.

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We have formulated the Safety Production Operating Procedures to standardize all operations during the production process. We have established a regular safety inspection and hazard investigation mechanism, conducted daily inspections, weekly and monthly safety inspections, as well as seasonal special safety inspections, and urged relevant departments to promptly rectify potential hazards, in order to prevent safety accidents and ensure production and operation safety. At the same time, we have implemented a classified safety training mechanism, which includes three-level safety education for new employees, certified training for management personnel, special operation training, and annual safety training for all employees. We also enhance employees’ safety awareness and emergency response capabilities through continuous training and drills.

In addition, we conduct pre-job, on-the-job, and off-job occupational health examinations, monitor occupational hazard factors and manage employee health records, in order to enhance the protection of employees’ occupational health, and reduce the potential impacts of occupational health risks on employees.

Business Ethics

Attaching great importance to the development of business ethics and integrity governance, we have formulated the Anti-Corruption Management System to regulate employees’ behaviors in key business processes such as procurement, bidding, outsourced processing, and business cooperation, in order to prevent illegal benefit transfer and fraud risks, and safeguard the legitimate rights and interests of the Company and its stakeholders.

In terms of integrity behavior management, we have clearly stipulated that employees are forbidden to accept non-official banquets from business partners, accept cash or gifts, seek benefits for individuals or related parties by taking advantage of their positions, engage in operation or investment activities that conflict with the Company’s interests, or commit illegalities for personal gains or accept bribes in the procurement, bidding and outsourced business, in order to ensure just, fair and transparent operation activities.

We have established a mechanism for punishing violations and rewarding whistleblowing. For behaviors that violate the integrity standards, we take measures such as economic punishment, compensation for losses, termination of labor relations, and even referral to judicial authorities, depending on the severity of the situation. At the same time, we offer rewards for whistleblowing behaviors upon verification, and strictly protect the information security of the whistleblowers to enhance the effectiveness of integrity governance.

We have established a whistleblowing channel, implemented the first responsibility system for honesty and integrity for department heads; required new employees to sign a letter of commitment of honesty and integrity, conducted honesty and integrity training, incorporated anti-bribery requirements into the contract terms, which has continuously strengthened the concept of integrity and honesty from the perspective of both systems and culture.

During the previous performance period, we did not experience any major administrative penalties or significant legal proceedings resulting from acts of corruption, bribery or fraud.