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Application Proof of

Kunshan Wanyuantong Electronics Technology Co., Ltd.
昆山萬源通電子科技股份有限公司

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

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Kunshan Wanyuantong Electronics Technology Co., Ltd.
昆山萬源通電子科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED], plus brokerage of 1%, Stock Exchange trading fee of 0.00565%, SFC transaction levy of 0.0027% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB[REDACTED] per H Share**
Stock code	**:**	**[●]**

***Sole Sponsor, Sole Sponsor-Overall Coordinator,* [REDACTED], [REDACTED] *and* [REDACTED]**

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SUMMARY

***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by and should be read in conjunction with, the full text of this document. You should read the whole document before you decide to invest in the* [REDACTED].**

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

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. In recent years, we have strategically increased our focus on higher-value-added and special-process PCB products, including HDI boards, high-frequency/high-speed boards and ultra-thin rigid boards, to optimize our product mix and enhance our overall competitiveness. Supported by our accumulated process know-how and flexible production capabilities, our product portfolio enables us to meet diverse performance, reliability and customization requirements across our targeted application sectors.

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. Our PCB products are widely used in automotive electronics, consumer electronics, industrial control and smart-home household appliance products. We also plan to expand into emerging application fields such as medical devices, optical communication, artificial intelligence ("**AI**"), robotics, 5G infrastructure and energy-storage systems, where demand for high-reliability and high-performance PCB solutions continues to grow.

According to the Frost & Sullivan Report, we rank 42nd among PCB manufacturers in China and 6th in the Yangtze River Delta region in terms of revenue in 2024, reflecting our established industry position and manufacturing capabilities. As a result of our business accomplishments, we have been certified 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 COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success and support our ability to achieve sustainable growth:

- 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 both existing and emerging application sectors.

- 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 built a diverse product portfolio supported by a flexible multi-variety, small- to medium-batch production model, allowing us to respond efficiently to diverse customer requirements and support rapid product iteration cycles across multiple end markets.

- 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 integrates continuous process innovation with manufacturing execution, enabling us to upgrade our product mix and meet increasingly complex technical requirements in higher-end application sectors.

- We benefit from an integrated capacity layout and a well-coordinated supply chain across upstream and downstream partners. We have developed an integrated manufacturing layout and a stable supply-chain ecosystem, allowing us to coordinate production resources efficiently, maintain stable material supply and strengthen collaboration with both suppliers and customers.

- We are supported by a stable and experienced management and technical team. We are supported by a stable and experienced management team, together with multidisciplinary technical and sales personnel, which enables us to execute our strategy effectively, maintain operational stability and support long-term business development.

OUR STRATEGIES

We intend to implement the following strategies to further strengthen our market position and support our long-term growth:

- advancing overseas capacity expansion and upgrading intelligent manufacturing capabilities;
- enhancing r&d capabilities and advancing high-end product development;
- optimizing customer structure and product structure through coordinated development; and
- strengthening energy management and advancing green manufacturing.

OUR PRODUCTS AND APPLICATION

We have established a comprehensive PCB product portfolio covering single-layer, double-layer and multilayer PCBs. The following summarizes the features of our products.

Product Type	Layer Count	Technical Features	Application Segment/Industry
Single- layer PCBs.	1	1. Conductive copper foil is laminated on one side of the substrate. 2. Only one conductive layer; routing connections are achieved through through-hole components or jumper wires. 3. Mature manufacturing process, suitable for stable high-volume production.	Smart-home household appliances; mid- to low-end consumer electronics

SUMMARY

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; automotive electronic; industrial control; medical devices; optical communications; AI servers; artificial intelligence applications

Our products are used across diverse downstream sectors, including automotive electronics, consumer electronics, industrial control and smart-home household appliances. 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.

Automotive Electronics

Our PCB products are widely used in automotive electronics applications, including intelligent driving systems, vehicle control systems, intelligent cockpits and electric vehicle charging equipment. We provide PCBs for applications such as battery management systems, inverters, motor-drive modules and electronic control units, which require stable signal transmission, high current-carrying capacity and effective heat dissipation. To address evolving industry requirements, we have enhanced our manufacturing capabilities in areas such as thick-copper processing, high-temperature materials and multi-layer integration.

Consumer Electronics

Our PCB products are widely applied in consumer electronics, including notebook computers, tablet devices, wearable devices and IoT-enabled products. This sector is characterized by rapid product iteration and increasing requirements for miniaturization, lightweight design and high-performance computing. Our products are designed to support high circuit density, precise impedance control and stable signal transmission within compact form factors. We utilize advanced manufacturing processes to ensure accuracy in microvia formation and layer alignment, enabling reliable performance in high-frequency and high-speed applications.

Industrial Control

Our PCB products are used in industrial control applications, including industrial power supplies, control systems, servo systems and variable frequency drives. These applications typically require high levels of electrical precision, operational stability and durability under harsh operating conditions. Industrial environments often involve exposure to factors such as temperature fluctuations, vibration, electromagnetic interference and humidity. As a result, our PCBs are designed with strong electromagnetic compatibility, reliability and long service life to support continuous and stable operation.

Smart-Home Household Appliances

Our PCB products are used in a variety of smart-home household appliances, including televisions, air conditioners, robotic vacuum cleaners and wearable devices. These applications require PCBs that offer stable electrical performance, heat resistance and durability under continuous operation. With the increasing adoption of intelligent and connected home appliances, demand for higher-density and more complex PCB solutions has grown. Our products support applications requiring efficient power management, sensor integration and connectivity within limited space.

TECHNOLOGY AND R&D

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.

The following representative technologies demonstrate our commitment to engineering excellence, cost optimisation and product reliability.

- Segmented gold-finger processing technology
- Plasma desmearing technology
- Precision impedance control technology
- Ion-contamination control technology
- Precision profile machining technology
- High-precision circuit patterning technology
- Copper-surface roughness enhancement technology
- High-precision circuit image-transfer technology

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. 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.

MANUFACTURING

We operate a dual-track production strategy that combines large-volume manufacturing with flexible multi-variety, small- to medium-batch production. This approach enables us to address diverse customer requirements and rapidly changing product specifications across different application sectors. Anchored by two core production bases located in Kunshan and Dongtai, we established a coordinated dual-base manufacturing system, with each base serving distinct product segments within our overall manufacturing framework.

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.

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.

In addition to our domestic manufacturing facilities, 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. Phase I development of our Thailand facilities is expected to commence operations in the second half of 2026, and Phase II is scheduled to begin construction in the second half of 2027.

MARKETING, SALES AND CUSTOMERS

We primarily adopt a direct-sales model, through which we maintain close and continuous communication with our customers across the entire lifecycle of product development and production. Given the highly customized nature of PCB products, this model enables us to respond efficiently to customer requirements, participate in product co-design and provide integrated engineering and quality services beyond conventional sales activities.

Our sales and marketing approach emphasizes high-quality products, reliable delivery and long-term cooperation. Rather than competing primarily on price, we focus on delivering technical value, stable supply and consistent product performance, which are critical factors for customers in automotive electronics, industrial control and other high-reliability application sectors.

We serve a broad and diversified customer base spanning China, North America, Europe, South Korea and Southeast Asia. Our customers operate across 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 and automotive control systems.

Many of our customers are well-established multinational enterprises with global production footprints. Our overseas revenue is primarily generated through long-standing relationships with domestic customers whose operations extend internationally. This diversified customer base enhances the resilience of our revenue structure and enables us to participate in multi-regional product development cycles.

Our PCB products are applied in a wide range of end-use scenarios, including automotive control systems, battery management systems, consumer electronic devices, industrial automation equipment and smart-home appliances. These applications typically require high reliability, consistent process quality and strict adherence to specifications, which align closely with our capabilities in multilayer, thick-copper and application-specific PCB structures.

The following sets forth our sales volume during the Track Record Period.

	Year Ended December 31,		
	2023	**2024**	**2025**
	Sales volume	*Sales volume*	*Sales volume*
		(In thousand sq.m.)	
Single-layer PCBs	1,441	1,449	1,216
Double-layer PCBs	556	577	728
Multilayer PCBs	387	489	618

SUPPLIERS AND PROCUREMENT

We procure raw materials, auxiliary materials and production equipment from a diversified group of qualified suppliers to support our PCB manufacturing operations. Our procurement activities are designed to ensure stable supply, quality consistency and cost efficiency, which are critical given the importance of raw materials to PCB performance, reliability and yield. The principal raw materials used in our PCB production include copper-clad laminates, copper foil, copper balls, prepreg, chemical solutions for drilling, plating, etching and surface finishing, as well as solder mask and inks. These materials directly affect key product characteristics such as electrical performance, thermal management and long-term durability. We source our raw materials primarily from suppliers in the PRC, with certain specialized materials procured from overseas manufacturers. To mitigate supply risk and price volatility, we maintain multiple qualified suppliers for key material categories and adopt a flexible procurement approach aligned with production plans.

COMPETITION

The PCB industry is highly competitive and fragmented, with a large number of market participants operating across different product segments, end-use applications and technological capabilities. Competition is primarily based on factors such as product quality, technological capability, pricing, delivery reliability, customer relationships and production capacity.

Global PCB production is predominantly concentrated in Asia, particularly in the Chinese Mainland, which serves as a key manufacturing hub due to its well-established supply chain, skilled labor force and cost advantages. At the same time, an increasing number of PCB manufacturers are expanding or establishing production facilities in Southeast Asia.

The industry comprises both large-scale, globally recognized manufacturers with advanced technological capabilities and smaller regional players focusing on specific product types or niche applications. High-end PCB segments, such as multilayer PCBs, HDI boards and specialty PCBs, generally have higher barriers to entry due to more stringent technical requirements, longer product qualification cycles and closer collaboration with customers in product design and development. In contrast, standard PCB products are subject to more intense price competition and lower differentiation.

See "Industry Overview" for further details relating to our competitive landscape.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Results of Operations

The following table sets forth our selected consolidated statements of profit or loss for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Revenue	984,056	100.0	1,042,754	100.0	1,179,885	100.0
Cost of sales	(749,945)	(76.2)	(816,672)	(78.3)	(947,908)	(80.3)
Gross profit	**234,111**	**23.8**	**226,082**	**21.7**	**231,977**	**19.7**
Other income	10,874	1.1	12,133	1.2	20,987	1.8
Other gains/(losses), net	2,948	0.3	3,344	0.3	(6,155)	(0.5)
Selling and marketing expenses	(14,400)	(1.5)	(15,193)	(1.5)	(17,313)	(1.5)
Research and development expenses	(42,619)	(4.3)	(39,799)	(3.8)	(42,683)	(3.6)
Administrative expenses	(35,537)	(3.6)	(39,846)	(3.8)	(42,527)	(3.6)
Impairment losses on financial assets, net	(1,970)	(0.2)	267	0.0	(602)	(0.1)
Finance costs	(13,171)	(1.3)	(8,896)	(0.9)	(4,644)	(0.4)
Profit before income tax	**140,236**	**14.3**	**138,092**	**13.2**	**139,040**	**11.8**
Income tax expenses	(22,182)	(2.3)	(14,781)	(1.4)	(14,326)	(1.2)
Profits for the year attributable to owners of the Company	**118,054**	**12.0**	**123,311**	**11.8**	**124,714**	**10.6**

During the Track Record Period, we mainly generated sales revenue from the sales of single-layer PCBs, double-layer PCBs, multilayer PCBs and others, which primarily consist of scrap metal sales generated as by-products of PCB manufacturing, as well as revenue from other sources, which was mainly derived from rental income from investment properties. The following table sets forth our revenue.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Sales revenue	**971,096**	**98.7**	**1,031,579**	**98.9**	**1,169,077**	**99.1**
– Single-layer PCBs	263,130	26.7	254,717	24.4	216,728	18.4
– Double-layer PCBs	295,177	30.0	284,882	27.3	352,160	29.9
– Multilayer PCBs	362,687	36.9	431,047	41.3	512,098	43.4
– Others	50,102	5.1	60,933	5.9	88,091	7.5
Revenue from other sources	**12,960**	**1.3**	**11,175**	**1.1**	**10,808**	**0.9**
Total revenue	**984,056**	**100.0**	**1,042,754**	**100.0**	**1,179,885**	**100.0**

Our revenue increased from RMB984.1 million for the year ended December 31, 2023 to RMB1,042.8 million for the year ended December 31, 2024, representing a 6.0% increase, and further increased to RMB1,179.9 million for the year ended December 31, 2025, representing a 13.2% increase. The overall growth in revenue during the Track Record Period was primarily attributable to increased sales of multilayer PCB products, reflecting growing demand higher-performance applications. In particular, revenue from multilayer PCBs increased significantly to RMB 512.1 million in 2025, driven by increased sales volume and continued optimisation of our product mix toward higher-value-added products.

See "Financial Information — Description of Key Components of Our Results of Operations — Revenue" in this document.

Gross Profit and Gross Profit Margin

The following table sets forth the gross profit and gross profit margin by product type:

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit (RMB)	*Margin (%)*	*Gross Profit (RMB)*	*Margin (%)*	*Gross Profit (RMB)*	*Margin (%)*
	(in RMB thousands, except for percentages)					
Single-layer PCBs	57,959	22.0	54,075	21.2	47,509	21.9
Double-layer PCBs	57,483	19.5	42,163	14.8	49,157	14.0
Multilayer PCBs	110,725	30.5	123,259	28.6	128,855	25.2
Other revenue	733	1.5	643	1.1	869	1.0
Revenue from other sources	7,211	55.6	5,942	53.2	5,587	51.7
Total/ Overall	**234,111**	**23.8**	**226,082**	**21.7**	**231,977**	**19.7**

During the Tract Record Period, our gross profit was RMB234.1 million, RMB226.1 million and RMB232.0 million for the years ended December 31, 2023, 2024 and 2025, respectively. Our overall gross profit margin was 23.8%, 21.7% and 19.7% for the same periods. The overall gross profit margin reflects the combined effects of decrease in product market price adjustments, changes in our product mix and cost pressures, including fluctuations in raw material costs, which influenced our cost structure and profitability during the Track Record Period. While our gross profit margin reflected the impact of pricing adjustments and cost pressures, including increases in raw material costs, we implemented cost control measures and continued to optimise our product mix to ensure our financial operations.

See "Financial Information — Description of Key Components of Our Results of Operations — Gross Profit and Gross Profit Margin" in this document.

Net Current Assets/(Liabilities)

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Total current assets	832,081	1,170,247	1,238,382
Total non-current assets	547,923	508,097	612,830
Total current liabilities	810,950	635,307	760,469
Total non-current liabilities	17,223	15,983	14,663
Net current assets/ (liabilities)	21,131	534,940	477,913

Our net current assets increased significantly from RMB21.1 million as at December 31, 2023 to RMB534.9 million as at December 31, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB357.2 million, (ii) an increase in inventories of RMB18.8 million, and (iii) a slight increase in trade and bills receivables of RMB(5.1) million (remaining relatively stable), partially offset by (i) a decrease in borrowings of RMB88.7 million and (ii) a decrease in trade and bills payables of RMB77.2 million.

Our net current assets decreased slightly from RMB534.9 million as at December 31, 2024 to RMB477.9 million as at December 31, 2025, primarily due to (i) an increase in trade and bills payables of RMB144.9 million and (ii) an increase in other payables and accruals, partially offset by (i) an increase in inventories of RMB99.9 million, (ii) an increase in trade and bills receivables of RMB15.8 million, and (iii) the recognition of financial assets at fair value through profit or loss of RMB172.1 million, which corresponded with a decrease in cash and cash equivalents.

See "Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position" in this document.

Summary of Our Statement of Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
Net cash flows generated from operating activities	107,442	104,311	160,198
Net cash used in investing activities	(50,515)	(6,197)	(235,593)
Net cash from/(used in) financing activities	(48,064)	256,221	(164,889)
Net increase/(decrease) in cash and cash equivalents	8,863	354,335	(240,284)
Cash at beginning of year	39,249	48,667	405,893
Cash at end of year	48,667	405,893	165,781

During the Track Record Period, we recorded stable net cash inflows from operating activities of RMB107.4 million, RMB104.3 million and RMB160.2 million for 2023, 2024 and 2025, respectively. Operating cash flows in 2024 remained broadly stable compared with 2023, while the increase in 2025 was primarily attributable to improved operating performance, partially offset by higher working capital requirements, including increased inventories and trade receivables. Net cash used in investing activities was RMB50.5 million, RMB6.2 million and RMB235.6 million for 2023, 2024 and 2025, respectively. Net cash flows from financing activities were RMB48.1 million used, RMB256.2 million and RMB164.9 million used for 2023, 2024 and 2025, respectively. Our cash and cash equivalents amounted to RMB48.7 million, RMB405.9 million and RMB165.8 million as at the end of 2023, 2024 and 2025, respectively.

See "Financial Information — Liquidity and Capital Resources" in this document.

Key Financial Ratios

The following table sets forth certain key financial ratios for the periods indicated:

	As at/for the year ended December 31,		
	2023	2024	2025
Profitability ratios			
Gross profit margin (%)[1]	23.8	21.7	19.7
Net profit margin (%)[2]	12.0	11.8	10.6
Liquidity ratios			
Current ratio (times)[3]	1.0	1.8	1.6
Efficiency ratios			
Inventory turnover days (days)[4]	77.9	78.8	90.8
Leverage ratios			
Gearing ratio (%)[5]	54.1	20.4	12.0

1. Gross profit margin is calculated as gross profit divided by revenue for the relevant period.

2. Net profit margin is calculated as profit for the year divided by revenue for the relevant period.

3. Current ratio is calculated as total current assets divided by total current liabilities as at the relevant year end.

4. Inventory turnover days are calculated as the average of beginning and ending inventories divided by cost of sales for the year and multiplied by 365 days.

5. Gearing ratio is calculated as total borrowings divided by total equity as at the relevant year end.

See "Financial Information — Key Financial Ratios" in this document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was held as to 34.94% by Mr. Wang Xuegen (王雪根), 2.28% by Dongtai Suiding, and 1.23% by Guangtongyuan. Mr. Wang Xuegen is general partner of each of Dongtai Suiding and Guantongyuan.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Wang Xuegen will be entitled to exercise and control (through Dongtai Suiding and Guangtongyuan) the exercise an aggregate of **[REDACTED]**% of the voting power at general meetings of our Company. Upon **[REDACTED]**, each of Mr. Wang Xuegen, Dongtai Suiding and Guangtongyuan will constitute a group of controlling shareholders of our Company under the Listing Rules.

For further details of our Controlling Shareholders, see "Relationship with Our Controlling Shareholders."

We have entered into certain transaction with our Controlling Shareholders' associate that will constitute our continuing connected transaction upon **[REDACTED]**. For details, see "Connected Transaction."

RISK FACTORS

We face risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of risks, you should read the "Risk Factors" section in its entirety before you decide to invest in our H Shares. Some of the major risks that we face include: (i) if we fail to develop new or enhanced products that address customer preferences and achieve market acceptance in a timely and cost-effective manner, our results of operations could be adversely affected; (ii) our growth and profitability depend on general economic conditions, which in turn may influence the development of the industries that our customers operate in; (iii) our future growth depends in part on maintaining and building relationships with customers; (iv) if our production capacity is not adequate, or if we are unable to maintain satisfactory capacity utilization rates and production yields, our ability to satisfy customer demand and our profitability could be adversely affected; and (v) we face intense competition in the global PCB industry.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the **[REDACTED]** of approximately HK$**[REDACTED]** (after deducting the **[REDACTED]** fees and other estimated expenses payable by us in connection with the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range stated in this document, and assuming the **[REDACTED]** is not exercised. We intend to use the net proceeds from the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the Phase II development of our Thailand production base, including the purchase and installation of equipment, the construction and renovation of production facilities, and the construction of ancillary facilities; (ii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to purchase and install equipment for the production of our HDI boards in connection with our planned expansion of the Dongtai Plant; and (iii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to supplement working capital and for other general corporate purposes.

DIVIDEND POLICY

Our dividend policy is subject to the applicable laws and regulations of the People's Republic of China, our articles of association and the discretion of our board of directors, taking into account factors such as our financial performance, cash flow position, capital requirements, future business and investment plans, statutory reserve requirements and other factors the board of directors considers relevant.

During the Track Record Period, dividends were declared and paid in accordance with applicable PRC laws and regulations and the Company's articles of association. Any declaration and payment of dividends are subject to approval by the shareholders at a general meeting.

Following our A-share listing, the Company has adopted a dividend policy that seeks to balance the provision of reasonable returns to shareholders with the need to retain sufficient funds to support business development, capital expenditure and long-term growth. In determining whether to declare dividends and the amount thereof, the board of directors will consider, among other things, the Company's profitability, operating and cash flow conditions, capital expenditure plans, financing needs and overall financial position.

	Year ended December 31,		
	2023	2024	2025
	(in RMB thousands)		
Final dividends	–	–	76,022

The final dividends of RMB5.00 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 annual general meeting on 21 April 2025. The Group had not recognised this as a liability as at 31 December 2024 but reflected as an appropriation of retained profits for the year ended 31 December 2024 during the year ended 31 December 2025. The final dividends were paid on 16 May 2025.

There can be no assurance that dividends will be declared or paid in any particular amount or at any particular time in the future. The amount of dividends payable, if any, may vary from year to year and will depend on the Company's results of operations, financial condition and other factors as determined by the board of directors.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and commissions; and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** expenses (based on the **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range stated in this document and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately of **[REDACTED]**% of our gross proceeds. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]**, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]** expenses is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. As of December 31, 2025, we did not incur any **[REDACTED]** expenses.

[REDACTED] STATISTICS

All statistics in the following table are based on the assumptions that (i) the **[REDACTED]** has been completed and **[REDACTED]** H Shares are issued pursuant to the **[REDACTED]**; and (ii) 152,044,663 A Shares are issued and outstanding following the completion of the **[REDACTED]**.

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
Market capitalization of our Shares[(1)]	HK$**[REDACTED]** **[REDACTED]**	HK$**[REDACTED]** **[REDACTED]**
Unaudited pro forma adjusted net tangible asset per Share[(2)]	HK$**[REDACTED]** (RMB**[REDACTED]**)	HK$**[REDACTED]** (RMB**[REDACTED]**)

Notes:

1. The calculation of market capitalization of our Shares is based on (i) **[REDACTED]** H Shares expected to be issued; and (ii) 152,044,663 A Shares in issue with the average closing price of the Company's A Shares of RMB35.74 per Share for the five business days immediately preceding the Latest Practicable Date (equivalent to approximately HK$[40.65]) per A Share as of the Latest Practicable Date. For details, please see "Share Capital — Our Share Capital" in this document.

2. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 is arrived at after adjustments referred to in the preceding paragraphs and on the basis that a total of **[REDACTED]** shares were in issue assuming that the **[REDACTED]** had been completed on December 31, 2025 but takes no account of any shares which may be allotted and issued by the Company pursuant to the exercise of the **[REDACTED]**. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 would be RMB**[REDACTED]** (HK$**[REDACTED]**), RMB**[REDACTED]** (HK$**[REDACTED]**) and RMB**[REDACTED]** (HK$**[REDACTED]**), based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, HK$**[REDACTED]** per **[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**, respectively.

3. Save as disclosed above, no other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2025.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the date on which the latest audited consolidated financial information of our Company was prepared) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.

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

"A Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Beijing Stock Exchange
"A Shareholder(s)"	holder(s) of our A Share(s)
"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as included in Appendix I
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on March 29, 2026 with effect from the **[REDACTED]**, as amended, supplemented, or otherwise modified from time to time, a summary of which is set out in Appendix IV
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
	[REDACTED]
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "Chinese Mainland" or "PRC"	the People's Republic of China excluding, for the purposes of this document, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)

"Company," "our Company," "we," "our" or "us"	Kunshan Wanyuantong Electronics Technology Co., Ltd. (昆山萬源通電子科技股份有限公司, formerly known as 昆山萬源通電子科技有限公司), a company established under the laws of the PRC on June 7, 2011 and converted into a joint stock company with limited liability on November 12, 2020, whose A Shares have been listed on the Beijing Stock Exchange (920060.BJ)
"Controlling Shareholder(s)"	has the meaning given to it under the Listing Rules and, unless the context otherwise requires, refers to the person(s) named in "Relationship with Our Controlling Shareholders"
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC securities markets and overseas securities activities of PRC entities
"Director(s)"	the director(s) of our Company
"Dongtai Suiding"	Dongtai Suiding Enterprise Management Center Partnership (Limited Partnership) (東台市綏定企業管理中心合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 10, 2018, our employee shareholding platform and one of our Controlling Shareholders
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"ESG"	environmental, social and governance
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company

"F&S Report"	the independent industry report prepared by Frost & Sullivan as commissioned by us, a summary of which is set forth in "Industry Overview"
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[REDACTED]

"Group," "our Group," "we," "our" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the content may require), or where the context so requires, in respect of the periods before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guangtongyuan"	Dongtai Guangtongyuan Enterprise Management Center Partnership (Limited Partnership) (東台市廣通源企業管理中心合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 9, 2018, our employee shareholding platform and one of our Controlling Shareholders
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the capital of our Company, with a nominal value of RMB**[REDACTED]** each, which is/are to be subscribed for and traded in Hong Kong dollars and **[REDACTED]** on the Stock Exchange
"H Shareholder(s)"	holder(s) of our H Share(s)

[REDACTED]

"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, **[REDACTED]** or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

[REDACTED]

"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	person(s) or company(ies) who/which, to the best of our Directors' knowledge, information and belief, is/are not a connected person of our Company

[REDACTED]

"Jiangsu Guangqian"	Jiangsu Guangqian Electronics Co., Ltd. (江蘇廣謙電子有限公司), a limited liability company established under the laws of the PRC on February 1, 2018, and our wholly-owned subsidiary

[REDACTED]

"Kunshan Guangqian"	Kunshan Guangqian Electronics Co., Ltd. (昆山廣謙電子有限公司), a limited liability company established under the laws of the PRC on November 16, 2009, and our direct wholly-owned subsidiary
"Kunshan Qiyuantong"	Kunshan Qiyuantong Electronic Technology Co., Ltd. (昆山啓源通電子科技有限公司), a limited liability company established under the laws of the PRC on February 28, 2020, and our direct wholly-owned subsidiary
"Latest Practicable Date"	March 21, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication
	[REDACTED]
"Listing Committee"	the Listing Committee of the Stock Exchange
	[REDACTED]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board

[REDACTED]

"Overall Coordinator"	the overall coordinator as named in "Directors and Parties Involved in the **[REDACTED]**"

[REDACTED]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	AllBright Law Offices, our legal advisor as to PRC law
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB**[REDACTED]** each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Singapore"	the Republic of Singapore
"Singapore Guangqian"	Greencircuit Innovations (Singapore) Pte. Ltd., a private limited company incorporated under the laws of Singapore on April 1, 2025, and our indirect wholly-owned subsidiary
"Sole Sponsor"	the sole sponsor as named in "Directors and Parties Involved in the **[REDACTED]**"
"Sponsor-Overall Coordinator"	the sponsor-overall coordinator as named in "Directors and Parties Involved in the **[REDACTED]**"
	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy and ESG Committee"	the strategy and ESG committee of the Board

"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC
"Thailand"	the Kingdom of Thailand
"THB"	Thai Baht, the lawful currency of the Kingdom of Thailand
"Track Record Period"	the three years ended December 31, 2025
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder

[REDACTED]

"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"VAT"	value-added tax
"Wanyuantong Thailand"	Wanyuantong Electronics (Thailand) Co., Ltd., a limited liability company incorporated under the laws of Thailand on June 12, 2025, and our indirect wholly-owned subsidiary
"%"	percent

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

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with our business operations, manufacturing processes and product technologies. Certain definitions may not correspond to standard industry definitions.

"ADAS (Advanced Driver Assistance System)"	A technology that assist drivers with the safe operation of a vehicle using automated technology such as sensors and cameras to detect obstacles or driving errors and respond accordingly.
"AOI (Automated Optical Inspection)"	An automated inspection technology that uses optical imaging systems to detect defects such as open circuits, short circuits and pattern deviations on printed circuit boards during manufacturing.
"AVI (Automated Visual Inspection)"	An automated inspection method that uses imaging systems and algorithms to detect surface defects and irregularities on printed circuit boards during production.
"Backplane PCB"	A specialized multilayer printed circuit board designed to interconnect multiple electronic modules and support high-speed signal transmission in complex systems such as servers and communication equipment.
"BMS (Battery Management System)"	An electronic system used to monitor and manage the charging, discharging and health status of battery packs, particularly in electric vehicles and energy-storage systems.
"CAM (Computer-Aided Manufacturing)"	Software tools used in PCB manufacturing to convert design data into manufacturing instructions, including tooling, drilling coordinates and process parameters.
"CCL (Copper-Clad Laminate)"	A base material consisting of insulating substrate laminated with copper foil, widely used as the core material in the fabrication of printed circuit boards.
"Copper Foil"	A thin sheet of copper laminated onto insulating substrates in PCB manufacturing, forming the conductive layer that carries electrical signals.
"Desmear"	A manufacturing process used to remove resin residue and debris from drilled holes in a PCB, ensuring reliable electrical connection during subsequent plating processes.

GLOSSARY OF TECHNICAL TERMS

"Electroless Copper Plating"	A chemical deposition process that forms a conductive copper layer on non-conductive surfaces inside drilled holes before electroplating.
"Electroplating"	A process using the principle of electrolysis, a uniform coating is formed on the surface of an existing workpiece (such as copper) by applying direct current, which reduces and deposits metal ions from the plating solution onto the cathode.
"ENIG (Electroless Nickel Immersion Gold)"	A surface finishing process in which a layer of nickel and a thin layer of gold are deposited on PCB pads to enhance corrosion resistance, solderability and electrical performance.
"ERP (Enterprise Resource Planning)"	An integrated information-management system used to manage business operations such as procurement, production planning, inventory control, finance and customer orders.
"Etching"	A chemical process used to remove unwanted copper from a PCB panel after imaging, leaving behind the designed circuit patterns.
"FR-4"	A widely used flame-retardant fiberglass-reinforced epoxy laminate material serving as the standard substrate for many PCB applications.
"HDI (High-Density Interconnect) PCB"	A type of printed circuit board featuring higher wiring density, microvias and fine-line routing, enabling compact electronic devices with increased functionality and miniaturization.
"HASL (Hot Air Solder Leveling)"	A PCB surface finishing technique in which molten solder is applied and leveled by hot air to provide solderable surfaces.
"Imaging"	A photolithography process in PCB manufacturing where circuit patterns are transferred from design files onto copper-clad panels using photoresist and exposure systems.
"IoT (Internet of Things)"	A network of interconnected electronic devices capable of collecting and exchanging data through internet connectivity.
"LDI (Laser Direct Imaging)"	A digital imaging technology that directly transfers circuit patterns onto PCB panels using laser exposure, improving accuracy and supporting fine-line designs.

"Lamination"	A process in multilayer PCB fabrication where multiple circuit layers and insulating materials are bonded together under heat and pressure.
"MES (Manufacturing Execution System)"	A digital production-management system used to monitor, track and control manufacturing processes in real time.
"Microvia"	A very small drilled hole, typically formed by laser drilling, used in HDI PCBs to electrically connect adjacent circuit layers.
"Mil"	A unit of length in PCB design used to specify very small dimensions. 1 Mil equals approximately 25.4 micrometers.
"NEV (New Energy Vehicle)"	A vehicle powered by electricity, hydrogen fuel cells, or other non-traditional energy sources.
"OBC (On-Board Charger)"	A power electronics unit installed inside new energy vehicles that converts incoming alternating current into direct current to charge the high-voltage battery.
"OSP (Organic Solderability Preservative)"	A PCB surface finishing process that applies a thin organic coating to copper pads to prevent oxidation and maintain solderability.
"PCB (Printed Circuit Board)"	A board used to mechanically support and electrically connect electronic components using conductive pathways etched from copper sheets laminated onto a non-conductive substrate.
"Paneling (Panel Combination)"	A production method in which multiple PCB designs are combined into a single manufacturing panel to improve production efficiency and reduce setup losses.
"Pearl River Delta"	The Guangdong – Hong Kong – Macao Greater Bay area.
"PTH (Plated Through-Hole)"	A drilled hole in a PCB whose inner walls are plated with copper to create electrical connections between different layers.
"Prepreg (Pre-Impregnated)"	A partially cured resin-impregnated fiberglass material used as an insulating layer between conductive layers during multilayer PCB lamination.

"Signal Integrity"	The measure of the quality and reliability of electrical signals transmitted through a PCB without distortion, interference or loss.
"Solder Mask"	A protective polymer coating applied to PCB surfaces to prevent solder bridges and protect copper traces from oxidation and environmental damage.
"Surface Finish"	The final coating applied to exposed copper pads on a PCB to improve solderability, corrosion resistance and electrical performance.
"Thermal Management"	A design and engineering techniques used to dissipate heat generated by electronic components to ensure stable operation and reliability.
"Thick-Copper PCB"	A type of printed circuit board manufactured with thicker copper layers to support high current-carrying capacity and improved heat dissipation.
"Ultra-Thin PCB"	A printed circuit board designed with extremely thin substrates to support lightweight and compact electronic devices.
"Via"	A plated hole in a PCB used to electrically connect conductive layers within the board.
"VCP (Vertical Continuous Plating)"	A plating technology used in PCB manufacturing that enables uniform copper deposition through continuous vertical plating processes.
"YRD (Yangtze River Delta)"	The Shanghai – Jiangsu – Zhejiang – Anhui area.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements and information relating to our Company and its subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "target," "will," "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business and operating strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment, operating conditions and general outlook in the industry and geographical markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our financial condition and performance;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

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

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

All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

You should carefully consider all of the information in this document and, in particular, the risks and uncertainties described below, before making an investment in our H Shares. We are affected materially by requirements and restrictions that arise under laws, regulations, judicial interpretations and government policies in nearly all aspects of our businesses in the jurisdictions where we operate.

The risks described below are not the only risks that may affect us or our **[REDACTED]**. *Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, results of operations, financial condition and growth prospects. If any of the possible events described below occurs, our business, results of operations, financial condition and growth prospects could be materially and adversely affected. The market prices of our H Shares could decline owing to any of these risks, and you may lose all or part of your investment.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we fail to develop new or enhanced products that address customer preferences and achieve market acceptance in a timely and cost-effective manner, our results of operations could be adversely affected.

We primarily provided PCB products during the Track Record Period. Our customers are constantly seeking new products with more features and functionality at lower cost, and our success relies heavily on our ability to continue to develop and provide our customers with new and innovative products and improvements of existing products. In order to gain market share and remain at the forefront of the industry, we must constantly introduce new and innovative products and respond to new and evolving customer demands.

If we fail to anticipate customers' technology roadmap or timely develop new or enhanced products in response to shifts in technology and customer preferences, our revenue could decline, our development and rework costs could rise, and we could lose key customers or our position as their preferred supplier. In particular, we may experience difficulties with product design, development, incorporation of new or advanced materials, marketing or certification, which could delay or prevent our development, introduction or marketing of new or enhanced products or result in a longer time-to-market. If our new or enhanced products do not meet customer needs or we are late to market, we could lose market share and our operating results would be adversely affected.

Our growth and profitability depend on general economic conditions, which in turn may influence the development of the industries that our customers operate in.

Our results of operations are affected by macroeconomic conditions. As our products are primarily used in consumer electronics, automotive electronics, industrial control and household appliances, our customers' ability and willingness to adopt and integrate our products directly impact our business performance. Demand for our products is tied to our customers' production and investment cycles and is influenced by broader economic factors, including inflation, interest rates, access to credit, geopolitical tensions, international trade policies (including tariffs), regulatory changes and overall consumer confidence. At present,

global demand in consumer electronics and household appliances remains relatively weak and is in a gradual recovery phase. If the economic environment recovers more slowly than expected, or if consumer electronics and household appliance demand remains subdued, customer orders for our products may decline, which would adversely affect our revenue, results of operations and financial condition.

Similarly, our operating results are affected by cyclicality, either directly or indirectly, in the various industries we serve, including consumer electronics, automotive electronics, industrial control and household appliances. These industries are highly competitive and to a large extent driven by end-user markets. Fluctuations in price and evolving demands within these industries could lead to reduced sales and declining prices for the end products, which will in turn affect our revenue and profit margins. As a result of the foregoing factors, we may experience fluctuations in our results of operations and financial performance.

Specifically, many of our customers face intense competition and continuous pressure to lower the selling prices of their end products. They may therefore impose frequent new requirements, expect ongoing cost reductions and demand improvements in production efficiency and delivery schedules. If we fail to meet these expectations, or if end-market demand deteriorates, our business, results of operations, financial condition and prospects would be adversely affected.

Our future growth depends in part on maintaining and building relationships with customers.

Our products are highly customized to the specifications provided by our customers. To maintain our relationships with these customers, we may be required to develop new products and make modifications to our existing products that involve significant technological challenges, greater design flexibility, as well as participate in lengthy field trials and extensive qualification programs. We cannot assure you that these efforts will result in future orders or long-term business relationships. We also expect these customers to place considerable pressure on us to meet their tight development schedules. In addition, such customers may require extensive, localized technical support, which would require us to significantly expand our customer support capabilities. We may have to devote a substantial amount of our limited resources to these relationships, which could detract from or delay our completion of other important development projects. Such delays could impair our relationships with these customers and negatively impact sales of our products under development. If we cannot meet customer expectations or adapt to evolving requirements in a timely and cost-effective manner, our ability to grow will be limited.

If our production capacity is not adequate, or if we are unable to maintain satisfactory capacity utilization rates and production yields, our ability to satisfy customer demand and our profitability could be adversely affected.

If our production capacity cannot meet market demand, especially if we experience increased demand for our products as we grow our customer base, our ability to deliver products to our customers on a timely basis will be affected. Similarly, if we are unable to meet the overall demand for certain product types or specifications, particularly in the event of production disruptions, inefficiencies from design complexity or quality issues, or during periods when we experience high demand for some or all of our products, our ability to satisfy

our customer demands will be affected. In addition, maintaining satisfactory capacity utilization rates and production yields is important to our profitability, as it allows us to spread fixed costs over a larger volume of products. If demand for our products does not meet our expectations, or if our utilization rates or production yields decline due to factors such as equipment malfunction, interruption in utilities, natural disasters, deficiencies in quality control, inadequate sample testing, labor shortages or human errors, our gross margin, profitability and ability to fulfill customer orders may be adversely affected. If we fail to maintain high-quality production standards, our reputation may also suffer, and customers may cancel orders or return products.

In the future, as our business grows, we may need to expand our production capacity through various measures, including the construction of new production facilities. We cannot assure you that our new premises will be ready as scheduled or our production capacity will otherwise be successfully expanded. A number of factors could delay our expansion plans or increase our costs, including (i) failure to raise sufficient funds to establish and maintain working capital to operate our business at the new premises, (ii) failure to obtain environmental and regulatory approvals, permits or licenses from the relevant government authorities in a timely manner, (iii) failure to find new sites for our production facilities, (iv) shortage or late delivery of building materials and production equipment resulting in late delivery of the premises for occupancy and use, (v) various factors affecting construction progress and resulting in late delivery of the premises for occupancy and use, (vi) technological changes, capacity expansion or other changes to our plans for the new premises necessitated by changes in market conditions, and (vii) challenges in recruiting a sufficient number of adequately skilled employees at the time and in the locations we need.

Failure to expand our production capacity could hinder our capability to satisfy customer demand and growth prospects. Furthermore, if market demand declines in the future, we may not be able to utilize expanded capacity as planned, which could lead to lower utilization rates, under absorption of fixed costs and a longer payback period on capital investments. We may not recover the costs of constructing new premises or maintaining additional capacity. Delays in or cancellation of expansion projects could also give rise to disputes with contractors, equipment suppliers, financiers or relevant authorities. As a result, our prospects, business, results of operations and financial condition may be materially and adversely affected.

We face intense competition in the global PCB industry.

The global PCB industry in which we operate is highly competitive and includes thousands of companies with widely varying levels of engineering expertise and sophistication, some of which have achieved substantial market shares. General competition in our industries is characterized by price competition and rapid technological changes.

Some of our competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial, sales and marketing, production, distribution, technical and other resources and experience than we do. Our competitors' greater size in some cases may provide them with a competitive advantage with respect to production costs due to economies of scale and their ability to purchase raw materials and utilities at lower prices. In addition, our competitors may be able to devote greater resources to the research and development of technologies, processes and products that are more effective than ours. They

may also adapt more quickly to new technologies and changes in customer demand and requirements. Our failure to maintain our competitive position with respect to technological advances, to adapt to changing market conditions and customer preference, or to otherwise compete successfully with existing or new competitors may have a material and adverse effect on our business, financial condition and results of operations.

Our sales may be influenced by 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 experience mild seasonal fluctuations due to downstream customer demand patterns, procurement cycles and year-end production scheduling. In particular, demand from certain consumer-electronics and smart-home household appliances customers may increase in the second half of the year in preparation for year-end product launches and peak retail seasons. By contrast, demand from industrial-control and automotive-electronics customers generally follows more stable procurement patterns, which may partly mitigate the overall seasonal impact on our operating results. In addition, our production activities may be temporarily affected by the Chinese New Year holidays in the PRC, during which production activity may slow and some customers may adjust order placement and inventory planning. As a result, our sales, working capital, operating cash flows and results of operations for any interim period may fluctuate from period to period and may not be indicative of our full-year performance.

Increases in costs or the shortage of supply of our raw materials from our suppliers could decrease our profitability.

We have to obtain sufficient quantities of high-quality raw materials at acceptable prices and in a timely manner in order to manufacture our products. The main raw materials used in the manufacture of our PCB products include copper-clad laminates, copper foil, copper ball and prepreg. The pricing of raw materials can be volatile and difficult to predict. The volatility in pricing is often attributable to factors beyond our control, including changes in general economic conditions, currency exchange rates, industry cycles and production levels. There can be no assurances that the price of our raw materials will not significantly increase or fluctuate in the future. If raw material prices rise and we are unable to pass through the increased costs to customers in a timely and effective manner, or offset them through process improvements, yield enhancement, material optimization or product mix adjustments, our profitability and financial results may be adversely affected.

A shortage of any key raw materials could limit the volume of products we are able to produce and increase our production costs, which would depress our margins to the extent we cannot pass the increased costs to customers. We source our principal raw materials from a number of third party suppliers. Deterioration in our relationships with these suppliers, or operational disruptions, capacity constraints, quality issues or the loss or delay of environmental, safety or other regulatory approvals on the part of such suppliers, may result in our failure to secure sufficient quantities of raw materials of satisfactory quality at acceptable costs. During the Track Record Period, we did not experience any significant shortages in the supply of raw materials and did not have significant concentration or reliance on a single raw material supplier. However, there can be no assurance that significant shortages or supply interruptions will not occur in the future. Any of the foregoing could adversely affect our business, results of operations and financial condition.

We may be subject to the risks associated with international trade policies, export controls and economic sanctions, geopolitics and trade protection measures.

Our operations are subject to deterioration in the political and economic relations among countries and sanctions and export controls administered by government authorities and other geopolitical challenges. Margins on the sales of products that include components obtained from certain suppliers from other countries and regions could be materially and adversely affected by international trade regulations, including custom duties, tariffs and antidumping penalties. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce ("**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If certain of our customers and suppliers are listed on the Entity List and subject to restrictions from sourcing or selling technologies, software, or components from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers. Furthermore, if we export our products to other countries and regions which are or become subject to sanctions or export controls, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, in recent years, the United States has imposed a series of tariff increases on imports from China. In 2025, the U.S. government announced a new round of tariff adjustments. As of the Latest Practicable Date, it remained uncertain how the Sino-U.S. and global trade tensions would evolve. Although we primarily sell our products to customers in China and certain overseas markets, we cannot assure you that such customers or other downstream participants will not be affected by elevated tariff levels or changes in trade policies in their respective end markets. Given that our products are generally used as intermediate components, the impact of tariffs is more likely to be transmitted through supply chain adjustments, changes in procurement strategies or shifts in end-market demand. As a result, fluctuations in global tariff regimes may still indirectly affect our sales volumes, pricing strategies or customer relationships. Accordingly, our business, financial condition and results of operations may be materially and adversely affected.

If we experience increases in labor costs, a shortage of skilled labor or deterioration in labor relations, our production costs may be affected.

Labor costs have been fluctuating and may rise in the future. Labor cost increases may cause our production costs to increase, and we may not be able to pass on such increases to our customers. We also cannot assure you that we will not experience any shortage of labor, especially skilled roles such as production management and quality control, which are critical to maintaining efficient operations and meeting customer specifications. Any such shortage could hinder our ability to maintain our production schedules and expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We seek to maintain favorable labor relations with our employees as we believe that our long-term growth depends on the expertise, experience and development of our employees. For details of our employee training efforts and welfare, see "Business — Employees" for further details. However, we cannot assure you that we will not have any labor disputes in the future. Any deterioration of our labor relations could result in disputes, strikes, claims, legal proceedings and reputational damage, labor shortages that disrupt our business operations, as well as loss of experience, know-how and trade secrets.

If our products do not meet our customers' quality standards on a timely basis, our business and financial condition may be negatively impacted.

Our PCB products are manufactured to customer specifications for performance, reliability and appearance. If we fail to supply products that conform to agreed specifications or delivery timelines, our relationships with customers may be impaired. Our customers typically conduct incoming inspections, sample testing and periodic audits. They may reject, return or request replacement of products that do not meet their standards, and may seek price adjustments, service credits or other commercial concessions. We may also be required to bear inspection, logistics and replacement costs, or to undertake additional assurance measures requested by customers. A higher level of rejections or returns could increase our operating costs, disrupt production planning, extend delivery lead times and weaken our reputation for reliability.

If we do not promptly implement effective corrective measures and restore customer confidence, we could face contractual penalties, warranty claims or claims for damages, and may experience loss of future business. Even isolated incidents can lead to adverse publicity and heightened audit requirements from customers. Any of the foregoing could adversely affect our sales, margins, results of operations and financial condition.

If we experience operational disruptions, machinery or equipment failure, or if our equipment suppliers fail to perform their contractual obligations, our production schedule and ability to satisfy customer orders could be adversely affected.

Our success and reputation depend on our ability to deliver quality products to customers on time and in the required quantities, which in turn relies on the stable and reliable operation of our production facilities, machinery and equipment. Any operational disruption, machinery or equipment breakdown, failure of newly installed equipment to meet required production standards during setup and testing, or difficulties in applying or adjusting our manufacturing technology could lead to delays in our production schedule, lower inventory levels and reduced ability to fulfill customer orders on time. In addition, our production facilities may be disrupted by natural disasters, fires, technical or mechanical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses, certifications or permits, changes in governmental planning for the underlying land, and regulatory developments. Any prolonged disruption to our production processes could impair our product quality, delivery schedule and customer satisfaction, and may materially and adversely affect our business, results of operations, financial condition and prospects.

We procure most of our production equipment from external suppliers based on our technical specifications, and we cannot assure you that such suppliers will perform their contractual duties as expected. Certain key equipment is available only from a limited number of suppliers, and shortages, delayed delivery or installation, or failure by such suppliers to perform their obligations could disrupt our production operations or hinder our capacity expansion plans. In addition, some of our manufacturing equipment is customized according to our specifications, and such equipment generally involves longer lead times for procurement, installation, debugging and acceptance, while replacement equipment may not be readily available from alternative suppliers. If such equipment is damaged or malfunctions, repair or replacement may be delayed, and disputes may arise in relation to warranty or acceptance. If we are unable to resume normal operations or secure alternative equipment or technical support in a timely and cost-effective manner, our production activities and ability to satisfy contractual requirements may be adversely affected.

We may not be able to construct and operate our production facilities in Thailand as planned or as smoothly as those in the PRC.

To enhance our production capabilities and in line with our business strategies, we are in the process of establishing a production facility in Thailand. We expect to complete the Phase I development of the Thailand facility and begin production in the second half of 2026. The construction and operation of such overseas production facility will be subject to various risks, including differences in local laws and regulations, policy environment, business practices and culture, political and economic conditions, local labor market conditions, trade barriers and other operational uncertainties. In addition, the construction of the Thailand facility may be affected by changes in local laws, regulations or policies, natural disasters, social incidents and other force majeure events, which may result in delays in construction progress, completion or commencement of production.

The ramp-up of production at the Thailand facility is also subject to uncertainties relating to equipment installation, production yield rates, workforce recruitment and training, and the qualification of suppliers and raw materials. As Southeast Asia has become an important destination for new PCB production capacity, competition for skilled labor in Thailand may intensify, which may lengthen recruitment cycles and increase training time and costs. Our Thailand facility will also depend on local and regional supply chains that may not be as mature or stable as those in the PRC. During the initial stage of operations, we may also face higher capital expenditures, capacity ramp-up pressure and greater cross-cultural management complexity, which could adversely affect our short-term profitability. If we fail to meet our planned timelines or performance targets for construction or production ramp-up, or if we incur increased costs or experience delays or disruptions in product deliveries, we may not be able to fulfill customer orders in a timely manner, which could damage our customer relationships and reputation and materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our inventories mainly include raw materials, work-in-progress, and finished goods. As of December 31, 2023, 2024 and 2025, we had inventories of RMB155.0 million, RMB173.8 million and RMB273.7 million, respectively. Our business model requires us to manage our inventories efficiently.

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

We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventory can be sold as products within a reasonable period of time. If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and inventory write-offs. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in diminished customer base and loss of revenue, any of which could harm our business, financial condition and results of operations.

Our research and development efforts are not guaranteed to yield the results we anticipate.

To maintain our competitive position and continue to grow our business, we need to continue to develop, update and introduce products and process technologies that address customer needs. This includes engaging in joint development projects with key customers to ensure our products align with their technical requirements. The PCB industry is characterized by ongoing technological advancement and evolving customer specifications. We therefore devote significant human and financial resources to research and development. In 2023, 2024 and 2025, our research and development expenses amounted to RMB42.6 million, RMB39.8 million and RMB42.7 million. However, we cannot assure you that these efforts will achieve the expected outcomes.

Even where research and development achieves the intended results, we may be unable to apply the relevant technologies and bring new products to market in a timely manner, or at all. Delays in translating development results into customer qualifications and mass production may limit any early mover advantage. A failure to keep pace with technological developments or to meet changing customer requirements could adversely affect our business, results of operations and financial condition.

Our intellectual properties are valuable assets, and if we are unable to protect them from infringement, our business prospects may be harmed.

Our success depends in part on our ability to obtain and maintain trade secrets and patent protection for our technologies, processes and products as well as to successfully enforce our intellectual property rights and to defend our intellectual properties against third-party challenges, such as unauthorized replication, reverse engineering and design theft. In the event that our issued patents and patent applications do not adequately provide coverage for our technologies, processes or products, we would not be able to exclude others from developing or utilizing these technologies, processes and products. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage.

As our technologies involve unpatented, proprietary technologies, processes, know-how or data, we primarily rely on trade secret protection and agreements to safeguard our interests. However, trade secrets are difficult to protect. While we use reasonable efforts to protect our trade secrets, including requiring our employees and suppliers who may have access to trade secrets to enter into confidentiality agreements or other agreements including confidentiality provisions with us, such persons may unintentionally or willfully disclose our information to competitors. In addition, confidentiality agreements or other agreements including confidentiality provisions may not be enforceable or provide an adequate remedy in the event of unauthorized use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used our trade secrets. In addition, our competitors may independently develop technologies that are equivalent or superior to our trade secrets, in which case, we would not be entitled to enforce our trade secrets, and our business could be harmed.

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

Delivery delays, poor handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We use third party logistics service providers to deliver certain of our products. Disputes with or terminations of our contractual relationships with our logistics service providers may lead to delayed deliveries or higher logistics costs. As we do not have any direct control over these logistics service providers, we cannot assure the quality or timeliness of their services. Delays, damage or loss in transit, or other issues arising from transportation capacity shortages, adverse weather, natural disasters, labor actions, traffic or port congestion, customs or quarantine procedures, or other unforeseen events could result in lost orders, reduced sales and harm to our reputation.

We may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If our cooperation with logistics service providers is disrupted, our ability to supply products in required quantities, within required time frames, or at competitive prices may be affected, which could adversely impact our business, financial condition and results of operations. In addition, our suppliers sometimes deliver materials to us through third party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to timely deliver materials to us, and our ability to deliver to our customers.

Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.

We believe that maintaining and enhancing our well-recognized brand is crucial to the success of our business and sustaining our market position. We operate in a highly competitive market characterized by rapid technological evolution, swift changes in customer demands and preferences, frequent introduction of new products and services, and the constant emergence of new industry standards and practices.

In addition, the successful promotion of our brand will depend on the effectiveness of our marketing efforts and word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our brand. The results of such initiatives may not cover the costs of the increased investment. We cannot guarantee that our marketing efforts will be successful, or that they will yield significant benefits that justify the costs. Any such failure may result in our declining market recognition and position, and materially and adversely affect our business, financial condition and results of operations.

Any failure to fully comply with present or future environmental, safety and occupational health laws and regulations in the PRC may have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to certain PRC laws and regulations relating to environmental, safety and occupational health matters. Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. While we have conducted periodic inspections of our operating facilities and carry out equipment maintenance on a regular basis to ensure that our operations are in compliance with applicable laws and regulations, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our production process in the future.

Our production process produces pollutants such as wastewater, waste gas and solid waste. The discharge of wastewater and other pollutants from our manufacturing operations into the environment may give rise to liabilities that may require us to incur costs to remedy such discharge. We cannot assure you that all situations that will give rise to material environmental liabilities will be discovered or any environmental laws adopted in the future will not materially increase our operating costs and other expenses. Should the PRC impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in production costs resulting from the implementation of additional environmental protection measures and/or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, financial condition or results of operations.

In addition, we are subject to various ESG rules and regulations by governing bodies, including the Stock Exchange and the SFC once we become a public company, as well as regulatory authorities in China. We must also adapt to new and evolving regulatory measures under applicable laws and changing social trends concerning ESG risks. Investors are increasingly focused on ESG issues and tend to incorporate ESG performance into their investment decisions, while customers are becoming more environmentally conscious, preferring products with green and environmentally friendly design and production. For details, see "Business — Environmental, Social and Governance." Our efforts to comply with new and changing laws, regulations and social trends may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities, which may adversely affect our business, financial condition or results of operations.

Our business depends on the continuing efforts of our key personnel performing vital functions.

Our business operations rely on the continued service of our management, particularly the members of our senior management team. If one or more members of our management are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner, or at all. We may incur additional costs to recruit, train and retain qualified personnel, and our execution of business plans could be affected.

There is no assurance that we can retain key personnel on terms acceptable to us, or prevent them from joining or establishing competing businesses. Contractual protections, including confidentiality and non-competition undertakings where applicable, may be difficult to enforce or may not fully protect our interests. Loss of the services of key personnel, or failure to attract and retain qualified successors, could adversely affect our operations, project delivery, customer relationships and financial performance.

Our business may be affected by geopolitical uncertainties, such as tariffs, war, terrorism, public health issues, natural disasters and other business interruptions.

Geopolitical uncertainties, such as tariffs, war, terrorism, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our customers and suppliers. Our operations may also be interrupted by events beyond our control, including natural disasters, extreme weather, flooding, fire, power shortages or curtailments, water supply constraints, industrial accidents, labor disputes, public health emergencies, transportation interruptions, demonstrations or strikes, and security incidents. Such events could reduce demand for our products, prevent us from obtaining raw materials or components on a timely basis, hinder our ability to manufacture and deliver products, or increase logistics and compliance costs. Facility shutdowns, restricted access to sites, workforce absences, travel limits or border controls may create delays and inefficiencies in our production and delivery schedules. Recovery from major events can require significant time and expense, and insurance coverage may not be sufficient to cover all losses. Any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks relating to overseas sales.

We have sold our products and services to foreign customers and such overseas operations are subject to a number of risks, including but not limited to: foreign exchange administration and exchange rate fluctuations; increased costs associated with maintaining the ability to understand the local markets and develop and maintain effective marketing and distributing presence in various countries; difficulties and costs related to providing after-sales services and customer support in these markets; difficulty with staffing and managing overseas operations; failure to develop and implement appropriate risk management and internal control structures tailored to overseas operations; difficulty and cost relating to compliance with different commercial and legal requirements, including but not limited to export laws, sanction laws and regulation, and tax laws of the overseas markets in which we offer or plan to offer our products; failure to obtain or maintain permits for our products or services in these markets; inability to obtain, maintain or enforce intellectual property rights; stringent consumer protection and product compliance regulations on our customers' products; unanticipated changes in prevailing economic conditions and regulatory requirements; and trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses.

The occurrence of any of these risks could negatively impact our overseas sales and consequently our business, financial condition and results of operation.

Our historical financial and results of operations during the Track Record Period are not indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability.

You should not rely on our historical results to predict our future financial performance. In 2023, 2024 and 2025, our revenue amounted to RMB984.1 million, RMB1,042.8 million and RMB1,179.9 million, respectively. In 2023, 2024 and 2025, our net profit amounted to RMB118.1 million, RMB123.3 million and RMB124.7 million, respectively. However, our historical revenue and net profit may not be indicative of our future growth. There are inherent risks in using such historical financial information of ours to project or estimate our financial performance in the future, as it only reflects our past performance. There is no assurance that we will be able to maintain our historical growth in the future.

Furthermore, as the market and our business evolve, we may modify our strategies, including our operations, products and services, and sales and marketing approaches. These changes may not achieve the expected results and may have a material and adverse impact on our results of operations and financial condition. Our operating expenses may increase potentially at a rate faster than our revenue growth, which would adversely affect our profitability. Therefore, we cannot assure you that we will be able to achieve similar results or grow at the same speed as we did in the past or at all.

Accordingly, you should consider our business prospects in light of the risks and difficulties we may encounter as a company operating in emerging markets and dynamic industries, including, among other factors our ability to (i) successfully navigate macroeconomic and other factors that affect the markets in the countries and regions where we operate, (ii) expand our customer base, and to retain and expand business our existing customers, (iii) maintain and expand our production capabilities, (iv) manage and further improve operational efficiency, and (v) execute acquisitions and investments, as well as successful integration. We may not be able to successfully address these or other challenges, which could adversely impact our business, results of operations and financial condition.

Failure to collect our trade and bills receivables in a timely manner may adversely affect our liquidity.

We may not be able to collect our trade and bills receivables in a timely manner, and we may face difficulty collecting receivables for reasons beyond our control, such as customers delaying payment past the relevant credit periods granted or being unable to pay us when payments are due. We had total trade and bills receivables with net carrying amounts of RMB461.0 million, RMB455.9 million and RMB471.7 million as of December 31, 2023, 2024 and 2025, respectively. Any significant delay or default in our collection of trade and bills receivables may impose pressure on our cash flow and working capital and reduce the pool of available financial resources relative to our expectations and expenditure plans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We may require additional funding to finance our operations, which may not be available on terms acceptable to us.

We believe that our current cash and cash equivalents and the anticipated cash flows from operations will be sufficient to meet our anticipated cash needs for the next 12 months from the date of publication of this document. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. We may not be able to obtain additional funds on terms acceptable to us, or at all. In addition, our ability to raise additional funds in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, general market conditions for capital raising and debt financing activities and economic, political and other conditions in the markets in which we operate.

Our insurance coverage may be insufficient to cover all of our potential losses.

We maintain insurance coverage over our daily operations and the shipment of our products in transportation. We cannot assure you that our insurance will provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse impact on our business, results of operations and financial condition.

Our information systems may experience system failures, interruptions or security breaches.

Our business operations rely on our information systems for various functions. These systems are critical for maintaining operational efficiency, data accuracy and timely decision-making. However, our information systems are subject to various risks, including system failures, cyber-attacks, data breaches and other security incidents. Any such event could disrupt our operations, compromise our data, and result in significant remediation costs, legal liabilities and reputational damage. Furthermore, our information systems need to be regularly updated and upgraded to keep pace with technological advancements and changing business needs. These updates and upgrades require significant investment and may cause system disruptions or compatibility issues.

We also engage certain third-party service providers for the development, upgrade and maintenance of certain information systems. Any failure of these third-party service providers to meet their service obligations could affect the performance of our information systems. Furthermore, any breach of contract or termination of services by these third-party service providers could result in disruptions to the operation of our information systems and we may incur additional costs and experience delays in finding alternative service providers.

Our risk management and internal control systems may not be adequate or effective.

Due to the inherent limitations in the design and implementation of risk management and internal control systems, including the identification and evaluation of risks, internal control variables and the communication of information, we cannot assure you that such systems will be able to timely identify, mitigate and manage all our exposure to risks.

Our risk management and internal controls also depend on the proficiency of and implementation by our employees. We cannot assure you that such implementation will not involve any human error or mistakes, which may materially and adversely affect our business, financial condition and results of operations.

We rely on our business partners, other industry participants, employees, suppliers, customers or other third parties that we collaborate with. Any failure to detect or prevent fraudulent or illegal activities or other misconduct by such parties may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our employees, suppliers, customers, trading partners, sales partners or other third parties that we collaborate with, that could subject us to liabilities, fines and other penalties imposed by government authorities. Although we have established internal control policies and relevant contractual covenants, we cannot assure you that we will be able to prevent fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by our employees, suppliers, customers or other third parties, violation of anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, could also subject us to negative publicity that could severely damage our brand and reputation. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, suppliers, customers or other third parties could materially and adversely affect our business.

We may from time to time become a party to litigation, other legal and contractual disputes, claims and administrative or other regulatory proceedings.

We may from time to time be subject to various litigation, legal or contractual disputes, claims, or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our suppliers, customers and other third parties. Ongoing or threatened litigation, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, as our A Shares will continue to be traded on the Beijing Stock Exchange, we are required to comply with the listing rules of the Beijing Stock Exchange, as well as regulations issued by

the CSRC and its local branches. Failure to comply with these rules and regulations could result in regulatory actions, including supervisory interviews, regulatory letters, warning letters, fines and other penalties. Such actions may have an adverse impact on our business operations and financial performance. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

We may make acquisitions, establish joint ventures and conduct other strategic investments, which may not be successful.

To further expand our business and strengthen our market-leading position, we may form strategic cooperation or make strategic investments and acquisitions to fuel business growth. Acquisitions involve numerous risks, including difficulties in integrating the operations and personnel of the acquired companies, distraction of management from overseeing our existing operations, difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and customers and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected. These transactions may also cause us to (i) significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, (ii) issue Shares that would dilute our current Shareholders' percentage ownership, or (iii) incur asset write-offs and restructuring costs and other related expenses. Acquisitions, joint ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or investee companies and restrictions under regulations relating to anti-monopoly. At the same time, these transactions are often complex and require substantial management time and resources. There can be no assurance that our acquisitions, joint ventures and other strategic investments will be successful and will not have a material and adverse impact on our business, results of operations and financial condition.

We face risks in relation to the inability to obtain and maintain the approvals, licenses and permits required for our operations.

We are required to maintain various approvals, licenses and permits in order to operate our business. These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, the applicable laws and regulations. Also, they may be valid only for a fixed period and subject to renewal and accreditation.

We may experience difficulties, delays, or failures in obtaining the necessary approvals, licenses and permits for our businesses. In addition, there can be no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for our existing business operations in a timely manner, or at all. If we fail to obtain and/or maintain required approvals, licenses, or permits, our ongoing business could be interrupted, and our expansion plan may be delayed.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which could have a material and adverse impact on our business, results of operations and financial condition.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect and store business and transaction data generated during or in connection with our business operations. The secure maintenance of such data is critical. We process data in compliance with the applicable legal requirements to ensure data security. Our operations are subject to a variety of laws and regulations concerning data privacy and security. Failure to comply with the increasing number of data protection laws in the PRC, as well as the data security and privacy laws in other jurisdictions where we operate, could result in significant reputational damage and adversely affect our business performance. To ensure compliance with evolving data privacy laws, regulations and standards, it will be necessary to maintain robust internal control and risk management policies, which will require substantial commitment of resources and efforts. Unauthorized access, loss, or misuse of data could lead to increased security costs, damage to our reputation, regulatory proceedings, litigation, fines, investigations, remediation efforts, indemnification expenditures, and disruptions to our business activities. Such incidents may also result in additional costs associated with defending against legal claims. Concerns from our customers, employees, and third parties, even if unfounded, may also have a detrimental impact on our reputation and operations.

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

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

During the Track Record Period, we derive a portion of our revenue from markets outside of the Chinese Mainland. As we operate part of our business in various jurisdictions, we have made, and may continue to make, equity and other investments outside of China. Through other gains or losses, we had net foreign exchange gains of RMB2.3 million and RMB4.7 million in 2023 and 2024, respectively, and had net foreign exchange losses of RMB2.5 million in 2025.

There is no assurance that future fluctuations in exchange rates would not have a material adverse impact on our financial condition and results of operations. If we face significant volatility in these foreign exchange rates and we cannot procure any specific foreign exchange control measures to mitigate such risks, our results of operations and financial performance may be adversely affected.

In addition, the proceeds from the **[REDACTED]** will be received in Hong Kong dollars, and we expect a portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in a decrease in the value of our net proceeds from the **[REDACTED]**. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor-related regulations may subject us to fines and other legal or administrative sanctions.

Companies operating in the PRC are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of employees in the Chinese Mainland. According to applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and contribute to social insurance funds and housing provident fund for the benefits of their employees.

During the Track Record Period, we and certain of our PRC subsidiaries did not make adequate contributions to social insurance and housing provident funds for certain employees with the relevant social insurance or housing provident funds authorities in the PRC. Our PRC Legal Advisor is of the view that the likelihood that we would be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions is remote provided that there are no significant changes in current policies, regulations, local government supervision, and law enforcement requirements related to social insurance and housing provident fund and based on the following reasons: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds; (ii) we had not been subject to any administrative penalties with respect to social insurance or housing provident funds; (iii) we have obtained written confirmations from competent local government authorities which confirmed that no administrative penalties had been imposed on us with respect to social insurance or housing provident funds during the Track Record Period; and (iv) we will make full contributions or pay any shortfall within a prescribed period if demanded by the relevant government authorities. Although we have not been subject to any administrative penalties, there is no assurance that our historical and current practices with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the government authorities in the Chinese Mainland. In the event of any such non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. See "Regulatory Overview — Laws and Regulations on Employment and Social Welfare" for further details. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in the Chinese Mainland, we may be exposed to penalties or be required to compensate employees.

We are subject to risks in relation to leased properties.

We currently lease several premises in China. Under the PRC laws and regulations, commercial lease agreements in general are required to be registered with the local land and real estate administration bureau. We may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As of the Latest Practicable Date, we had not registered two commercial lease agreements for our leased properties. If we receive notice from the relevant PRC government authorities requiring us to complete the registration within the prescribed time frame and if we fail to do so, the maximum aggregate amount of potential administrative penalties we would be subject to in terms of these lease agreements is RMB20,000. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

We may be ordered to rectify, pay fines or demolish certain properties for failure to obtain required construction approvals.

As of the Latest Practicable Date, we had not obtained construction planning approval (建設工程規劃許可證), construction permit and approval (建築工程施工許可證) and construction completion and acceptance (建設項目竣工驗收) for four owned properties situated on two parcels of land for which we had land use right, including a former boiler room currently vacant, two guard rooms and an ancillary room. The total gross floor area of these properties is approximately 395.38 sq.m., representing less than 1% of the total gross floor area of our properties.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if corrective measures can be taken, we may be ordered to rectify within a time limit and face a fine ranging from 5% to 10% of the construction cost. If corrective measures cannot be taken, we may be ordered to demolish our properties. If the relevant properties cannot be demolished, we may face confiscation of tangible objects and face a fine of no more than 10% of the construction cost. Although we believe that demolition of such properties, if we are ordered by the competent authorities to do so, would not materially affect our operations as they serve ancillary functions and are mainly used for placing ancillary equipment, gatekeeping and storage of sundries, and do not constitute our core production and operation premises, any penalties, rectification or demolition may still result in additional costs and may have a an adverse effect on our business operations and financial performance. The estimated demolition costs for these properties are approximately RMB70,000 in aggregate. Mr. Wang Xuegen, our executive Director and a Controlling Shareholder, has undertaken to bear all costs and expenses relating to any demolition, reconstruction and relocation, and all fines and losses incurred by us in connection therewith.

The preferential tax treatments granted by the PRC government may become unavailable.

Certain of our PRC subsidiaries are subject to the PRC corporate income tax at a standard rate of 25% on their taxable income, but the Company and one of our PRC subsidiaries were accredited as "High and New Technology Enterprises," and are entitled to a preferential income tax rate of 15%. We cannot assure you that the PRC policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will not be canceled. Moreover, we cannot assure you that relevant entities will be able to renew the same preferential tax treatments upon expiration. If any such change, cancelation or discontinuation of preferential tax treatment occurs, the Company and the relevant PRC subsidiaries will be subject to the PRC enterprise income tax, at a rate of 25% on taxable income. As a result, the increase in our tax charge could lead to a material and adverse impact on our results of operations and financial condition.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in economic, political and social conditions could have a material and adverse impact on our future prospects, business, results of operations and financial condition.

We derive revenue from and operate in multiple jurisdictions. As such, changes in any of these jurisdictions could have a material and adverse impact on our future prospects, business, results of operations and financial condition. For example, a substantial part of our revenue is derived from our businesses in the PRC during the Track Record Period. Accordingly, our future prospects, business, results of operations, and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. We will continue to pay close attention to the changes in the market and policy environment of our core operating markets, and adjust our business strategies in a timely manner to respond to relevant changes. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

China's economy has experienced significant growth over the past decades. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. Changes in the business environment in China and the other jurisdictions in which we operate could have a material and adverse impact on our business, results of operations and financial condition.

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

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

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject the enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until some time after the violation. In addition, administrative and court proceedings in some of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of the intelligent equipment and affect our business, financial condition and results of operations.

The service of legal documents or the enforcement of judgments rendered by courts outside the Chinese Mainland in respect of us or our management shall comply with the statutory procedures and requirements of the Chinese Mainland.

We are a company incorporated under the PRC laws, and a majority of our assets are located in the Chinese Mainland. In addition, most of our Directors and senior management reside in the Chinese Mainland. As a result, it may be complex for investors to effect service of process outside of the Chinese Mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside the Chinese Mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in the Chinese Mainland only if the jurisdiction has a treaty with the Chinese Mainland or if the jurisdiction has been otherwise deemed by the courts of the Chinese Mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. The service of process and the recognition and enforcement of foreign court judgments and arbitral awards in the Chinese Mainland are subject to the Civil Procedure Law of the PRC and other applicable laws and regulations, as well as relevant international treaties or reciprocal arrangements to which the PRC is a party. The recognition and enforcement of foreign court judgments and arbitral awards are subject to the statutory conditions and procedural requirements of the enforcing jurisdiction, which is a common feature of cross-border judicial practice in various jurisdictions around the world. We will assess and handle relevant matters in strict accordance with the applicable laws of the relevant jurisdictions. On January 14, 2019, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"), which became effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in the Chinese Mainland and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a "choice of court agreement in writing" within the meaning of 2008 Arrangement which is made before the effective date of 2019 Arrangement.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the establishment of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "Regulatory Overview — Regulations on Securities and Overseas Listing" for further details.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

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

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

We are subject to the foreign exchange administration regulatory system.

The conversion of RMB into foreign currencies and cross-border remittance are subject to the foreign exchange administration laws and regulations of the PRC. Under the current PRC foreign exchange regulatory framework, foreign exchange transactions under the current account (including dividend distribution to overseas shareholders) can be processed at designated foreign exchange banks in the PRC by presenting authentic transaction documents, without prior approval from the State Administration of Foreign Exchange. Cross-border foreign exchange transactions under the capital account are subject to the relevant regulatory approval and filing procedures.

The PRC foreign exchange administration laws and regulations may be updated from time to time in line with domestic and international economic developments. Meanwhile, various jurisdictions around the world have formulated corresponding regulatory rules on cross-border capital flow and foreign exchange conversion. Changes in the above regulatory requirements may affect our ability to convert currencies and conduct cross-border fund remittances, and thus have an impact on our dividend distribution and cross-border business operations. We will continue to track the changes of relevant foreign exchange policies and conduct cross-border fund activities in strict accordance with the applicable regulatory requirements.

We are a Chinese Mainland enterprise, and we are subject to the Chinese Mainland tax on our global income. As such, any gains on the sales of H Shares and dividends on the H Shares may be subject to the Chinese Mainland income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor's jurisdiction of residence that provides for a different income tax arrangement, the Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from the Chinese Mainland sources payable to investors that are non-Chinese Mainland resident enterprises, which do not have an establishment or place of business in the Chinese Mainland, or which have an establishment or place of business in the Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within the Chinese Mainland unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within the Chinese Mainland paid to foreign individual investors who are not Chinese Mainland residents are generally subject to a Chinese Mainland withholding tax at a rate of 20% and gains from the Chinese Mainland sources realized by such investors on the transfer of shares are generally subject to a 20% Chinese Mainland income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in the Chinese Mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發 [1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-Chinese Mainland resident individual holders of H Shares are generally subject to individual income tax of the Chinese Mainland at the withholding tax rate of 10%, in which the non-Chinese Mainland resident individual holder of H Shares resides as well as the tax arrangement between the Chinese Mainland and Hong Kong. Non-Chinese Mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with the Chinese Mainland are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF of the Chinese Mainland and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-Chinese Mainland resident individuals on the sale of shares of the Chinese Mainland resident enterprises listed on overseas stock exchanges.

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

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of the Chinese Mainland and Hong Kong.

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

The characteristics of the A Share and H Share markets may differ.

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

There has been no prior public market for our H Shares.

Prior to the completion of the **[REDACTED]**, there has been no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the **[REDACTED]**. The **[REDACTED]** for our H Shares to the public will be the result of negotiations between us and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price of our H Shares following the completion of the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to deal in, the H Shares. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the market price of our H Shares will not decline following the **[REDACTED]** .

Furthermore, the price and trading volume of our H Shares may be volatile. The following factors, among others, may affect the volume and price at which our H Shares will trade:

- variations in our revenue, earnings and cash flow;
- announcement of new investments, business collaborations, strategic alliances or acquisitions;
- any unexpected business interruptions resulting from epidemics, natural disasters or power shortages;
- any major changes in our Directors, senior management or other key personnel;
- our inability to obtain or maintain regulatory approval for our operations;
- our inability to compete with our competitors effectively;
- political, economic, financial and social developments; or
- fluctuations in market prices for our products or raw materials.

Moreover, shares of other companies listed on the Stock Exchange with operations and assets in China have experienced significant price volatility in the past. It is possible that our H Shares may be subject to changes in price not directly related to our performance and as a result, investors in our H Shares may suffer substantial losses.

Future sales or perceived sales of substantial amounts of our Shares in the public market could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future.

Substantial future sales or the expectation of substantial sale of our Shares in the public market following the **[REDACTED]** could materially and adversely affect the price of our H Shares. Future sales of a significant number of our Shares by our Controlling Shareholders or other existing shareholders in the public market after the **[REDACTED]**, or the perception that these sales could occur, could cause the market price of our H Shares to decline and could materially impair our future ability to raise capital through offerings of our Shares. We cannot assure you that our Controlling Shareholders will not dispose of Shares held by it or that we will not issue Shares pursuant to the general mandate to issue shares granted to our Directors or otherwise. We cannot predict the effect, if any, that any future sales of Shares by our Controlling Shareholders, or the availability of Shares for sale by our Controlling Shareholders, or the issuance of Shares by the Company may have on the market price of the H Shares. Sale or issuance of a substantial number of Shares by our Controlling Shareholders or us, or the market perception that such sale or issuance may occur, could materially and adversely affect the prevailing market price of the H Shares.

In addition, while investors subscribing shares in the **[REDACTED]** are not subject to any restrictions on the disposal of the H Shares they subscribed, they may have existing arrangements or agreements to dispose part or all of the H Shares they hold either immediately, or within a certain period upon the completion of the **[REDACTED]** for legal and regulatory, business and market, or other factors. Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interests of our other Shareholders.

Upon the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), our Controlling Shareholders will be entitled to exercise an aggregate of **[REDACTED]**% of the voting power at general meetings of our Company. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates or positions on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional H Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. See "Relationship with our Controlling Shareholders" for further details.

We have significant discretion as to how we will use the net proceeds of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the **[REDACTED]** in ways you may not agree with or that do not yield a favorable return to our shareholders. We plan to use the net proceeds from the **[REDACTED]** to, among other things, expand our production capacity and supplement working capital. See "Future Plans and Use of Proceeds" for further details. However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net proceeds from this **[REDACTED]**.

Our historical dividends may not be indicative of our future dividend policy, and we cannot assure you whether and when we will pay dividends in the future.

We have declared dividends in the past. However, we cannot assure you that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of the Chinese Mainland, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. The declaration, payment and amount of any future dividends are at the discretion of our Directors, after taking into account various factors, including our results of operations, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of the Chinese

Mainland. See "Financial Information — Dividend Policy" for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the foreign exchange administration regulatory system of the Chinese Mainland, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of the Chinese Mainland to pay capital expenses such as the repayment of loans denominated in foreign currencies. If the foreign exchange administration regulatory system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further adjusting the regulatory requirements for the remittance of RMB into or out of the Chinese Mainland.

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

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

Certain statistics contained in this document are derived from publicly available official sources.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the PCB industry in China and internationally. Such information and statistics have been derived from various official governments and other publications. We believe that the sources of such information are appropriate, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information and statistics from official government sources have not been independently

verified by us, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** or any of our or their respective directors, executive officers or representatives or any other person involved in the **[REDACTED]** and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and only rely on the information included therein, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding ourselves and the [REDACTED].

We may be subject to press and media coverage prior to the publication of this document, and subsequent to the date of this document but prior to the completion of the **[REDACTED]**. The press and media may include certain financial information, industry comparisons, profit forecasts and other information about us that does not appear in this document.

You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your investment decision regarding the H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding ourselves or the **[REDACTED]**.

We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, reports or publications. Accordingly, prospective investors should not rely on any such information, reports or publications in making their investment decisions regarding the **[REDACTED]**.

In making their decisions as to whether to invest in our H Shares, prospective investors should only rely on the financial, operational and other information included in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong.

In preparation of the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This will normally mean that at least two of our executive directors must be ordinarily resident in Hong Kong.

Since our principal business and operations are substantially located, managed and conducted in the PRC through our PRC subsidiaries, our Directors consider that appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to or appropriate for our Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not, and do not contemplate that we will in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Wang Liguo, our executive Director and Ms. Wong Ka Chi ("**Ms. Wong**"), one of our joint company secretaries. Mr. Wang Liguo confirms that he possesses valid travel documents and can readily travel to Hong Kong and Ms. Wong is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;

(b) the authorized representatives have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;

(c) all of our Directors have confirmed that they possess or can apply for and renew valid travel documents to visit Hong Kong and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;

(d) each of our Directors has provided his/her respective contact details, including office phone numbers, mobile phone numbers email addresses and addresses, to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the contact details and his/her place of accommodation to the authorized representatives;

(e) our Company has appointed First Shanghai Capital Limited as compliance advisor pursuant to Rule 3A.19 of the Listing Rules who will have access at all times to the authorized representatives, our Directors and other senior management of our Company, and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the **[REDACTED]** of our H Shares on the Main Board and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and

(f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or the compliance advisor of our Company or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in the authorized representatives and/or its compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, our Company must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

We have appointed Mr. Xu Jian (徐健) ("**Mr. Xu**") as one of our joint company secretaries. Mr. Xu joined our Group in December 2011 and is our chief financial officer and the secretary of our Board. He is primarily responsible for overseeing the financial and funds management, board affairs, capital management, investor relations and securities affairs of our Group. Although our Company believes, having regard to Mr. Xu's past experience in handling corporate matters, that he has a thorough understanding of our Company and the Board, Mr. Xu does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Wong, who is a Hong Kong resident and possesses such qualifications, to be a joint company secretary to assist Mr. Xu in the compliance matters for the **[REDACTED]** as well as other Hong Kong regulatory requirements for a period of three years commencing from the **[REDACTED]**. For the biographies of our joint company secretaries, see "Directors and Senior Management — Joint Company Secretaries." Over such three-year period, we will implement measures to assist Mr. Xu to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Mr. Xu's appointment as joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

(a) Mr. Xu must be assisted by Ms. Wong, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and

(b) the waiver is valid for a period of three years from the **[REDACTED]** and will be revoked immediately if and when Ms. Wong ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Mr. Xu will gain experience with the assistance of Ms. Wong. Before the end of the initial three-year period, we will evaluate the then experience of Mr. Xu in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at the time and on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of the Stock Exchange that Mr. Xu, having had the benefit of Ms. Wong's assistance for three years, would then have acquired the "relevant experience" within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mr. Wang Xuegen (王雪根)	No. 1010, Lane 1801, Husong Highway Jiuting Town, Songjiang District Shanghai PRC	Chinese
Mr. Wang Liguo (汪立國)	Room 1201, Building 19, Greenland Ideal Home Huaqiao Town, Kunshan City Jiangsu PRC	Chinese
Mr. Hu Youwen (胡友穩)	Room 501, Building 5, Shuangshuiwan Garden Zhoushi Town, Kunshan City Jiangsu PRC	Chinese
Mr. Huang Haifeng (黃海峰)	Room 203, Building 10, Heyue Lanting Garden High-tech Zone, Kunshan City Jiangsu PRC	Chinese
Independent Non-Executive Directors		
Mr. Min Changzheng (閔長征)	1402, No. 103, Lane 888, Zhong Yi Road Minhang District Shanghai PRC	Chinese
Dr. Wang Xiaohu (王曉虎)	Room 901, Building 2, Rende Apartment, No. 148 of Rende Road Yangpu District Shanghai PRC	Chinese
Ms. Yu Haiyan (余海燕)	Room 801, Building 8, Phase 4 Jinmingfudi, Lane 386 Ruili Road Minhang District Shanghai PRC	Chinese
Dr. Yuan Jie (袁杰)	Flat 28, Tower 16, Senior Staff Quarters HKUST Clear Water Bay Kowloon Hong Kong	Chinese (Hong Kong)

Further information about our Directors are set out in "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**China Industrial Securities International Capital Limited** 32/F, Infinitus Plaza 199 Des Voeux Road Central Sheung Wan Hong Kong
Sole Sponsor-Overall Coordinator	**China Industrial Securities International Capital Limited** 32/F, Infinitus Plaza 199 Des Voeux Road Central Sheung Wan Hong Kong

[REDACTED]

Legal Advisors to our Company	*As to Hong Kong law:* **Pillsbury Winthrop Shaw Pittman LLP** Suite 1704, 17/F, Alexandra House 18 Chater Road Central Hong Kong *As to PRC law:* **AllBright Law Offices** 9, 11 and 12/F, Shanghai Tower No.501 Yincheng Middle Road, Pudong New Area Shanghai PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Eric Chow & Co. in Association with Commerce & Finance Law Offices** 3401, Alexandra House 18 Chater Road Central Hong Kong *As to PRC law:* **Commerce & Finance Law Offices** 12-15/F, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC
Auditor and Reporting Accountants	**Rongcheng (Hong Kong) CPA Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* Unit 4301-07, 43/F, Cosco Tower 183 Queen's Road Central, Sheung Wan Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717 West Nanjing Road Jing'an District Shanghai PRC
Property Valuer	**Cushman & Wakefield Limited** 27/F One Island East Taikoo Place, 18 Westlands Road Quarry Bay Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 1288, Zhonghua Road Shipai, Bacheng Town Kunshan, Suzhou Jiangsu PRC
Head Office and Principal Place of Business in the PRC	No. 1288, Zhonghua Road Shipai, Bacheng Town Kunshan, Suzhou Jiangsu PRC
Place of Business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.wyt-pcb.com** *(The information on the website does not form part of this document)*
Joint Company Secretaries	**Mr. Xu Jian (徐健)** Room 101, Building 3, Shipai South Street Garden Bacheng Town, Kunshan City Jiangsu PRC **Ms. Wong Ka Chi (王嘉慈)** *ACG HKACG* Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Mr. Wang Liguo (汪立國)** Room 1201, Building 19 Greenland Ideal Home Huaqiao Town Kunshan City Jiangsu PRC **Ms. Wong Ka Chi (王嘉慈)** Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

Audit Committee	Ms. Yu Haiyan (余海燕) *(Chairperson)* Mr. Min Changzheng (閔長征) Dr. Wang Xiaohu (王曉虎)
Remuneration and Appraisal Committee	Dr. Wang Xiaohu (王曉虎) *(Chairperson)* Mr. Wang Liguo (汪立國) Mr. Min Changzheng (閔長征)
Nomination Committee	Mr. Min Changzheng (閔長征) *(Chairperson)* Ms. Yu Haiyan (余海燕) Mr. Huang Haifeng (黃海峰)
Strategy and ESG Committee	Mr. Wang Xuegen (王雪根) *(Chairperson)* Mr. Wang Liguo (汪立國) Mr. Hu Youwen (胡友穩)

[REDACTED]

Compliance Advisor	**First Shanghai Capital Limited** 19/F, Wing On House 71 Des Voeux Road Central Central Hong Kong
Principal Banks	**China Merchants Bank, Kunshan High-tech Zone Branch** No. 55 Hongqiao Road High-tech Zone Kunshan, Suzhou Jiangsu PRC **Kunshan Rural Commercial Bank, Shipai Branch** No. 1683 Zhonghua Road Shipai, Bacheng Town Kunshan, Suzhou Jiangsu PRC **Bank of China, Dongtai Branch** No. 14 Wanghai East Road Dongtai Town, Dongtai City Yancheng Jiangsu PRC

Certain information and statistics set out in this section and elsewhere in this document are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. We believe that the sources of such information and statistics are appropriate for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false in any material respect or misleading or that any fact has been omitted that would render such information or statistics false in any material respect or misleading. None of our Company, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the **[REDACTED]***, the* **[REDACTED]***, the* **[REDACTED]** *and the* **[REDACTED]***, any of our or their respective directors, officers, employees, agents or advisers has verified the information and statistics from official government sources, thus makes no representation as to the accuracy, fairness and completeness of the information and statistics from official government sources. Accordingly, information and statistics from official government sources should not be unduly relied upon.*

SOURCE OF INDUSTRY INFORMATION

In connection with the **[REDACTED]**, we have engaged Frost & Sullivan, an independent market research consultant, to conduct a detailed analysis on Global and China's PCB market prepare a report for use in this document, for which we have agreed to pay an engagement fee of RMB650,000, which we believe to be consistent with market rates.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) global social, economic and political environment is likely to remain stable in the period of 2024 to 2029 (the "**forecast period**"); (ii) purchasing power is expected to continue to rise moderately in emerging regions and to grow steadily in developed regions; and (iii) related industry key drivers are likely to drive the market in the forecast period.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on detailed primary research which involved discussing the status of the Global and China's PCB market with certain leading industry participants and secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

OVERVIEW OF GLOBAL AND CHINA'S PCB MARKET

Definition

Printed Circuit Board (PCB) refers to a circuit board that forms conductive paths on an insulating substrate in accordance with a predetermined design. It enables various electronic components to establish connections in a predetermined circuit configuration and serves as a medium for intermediate signal transmission.

Classification

PCB products can be classified into the following categories based on the structure.

- **Single-Layer PCB** refers to PCB where only one side of the substrate is a conductive layer.

- **Double-Layer PCB** refers to PCB where both sides of the substrate are conductive layers, allowing for higher component density and more complex circuit designs.

- **Multilayer PCB** incorporates 3 or more layers of conductive circuits, utilizing lamination and via interconnection technology.

- **High-Density Interconnect (HDI) PCB** refers to PCB with high line spacing density. It implements technologies such as micro-blind vias, micro-buried vias, additive manufacturing, and laser drilling.

- **Package Substrate** refers to PCB used for packaging, supporting, and connecting bare chips. It falls within the category of semiconductor packaging materials.

- **Flexible Printed Circuit (FPC)** refers to bendable PCB with traditional rigid copper-clad laminates replaced with flexible substrates such as PI or PET.

Value Chain Analysis

- ***Upstream: Providers of Materials, Manufacturing Equipment, and Supporting Services***

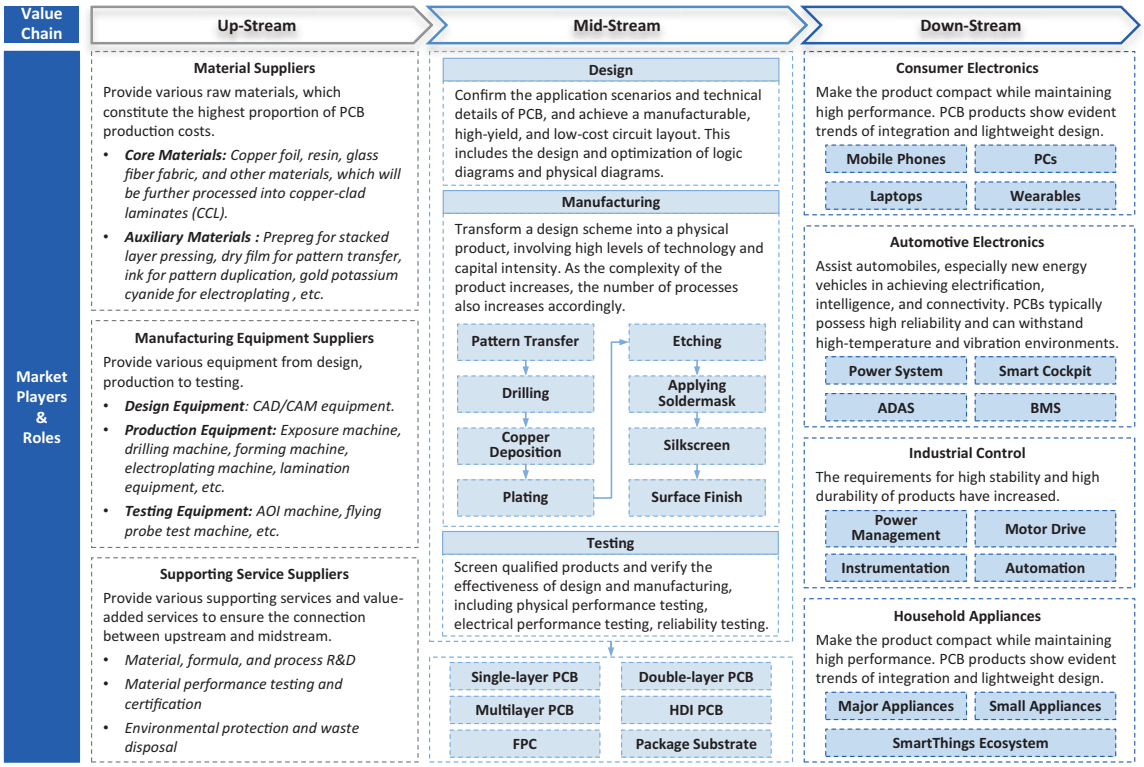
As the fundamental support, raw materials define the upper limit of product performance, applicable scenarios, and cost structure. As the core carrier of PCB manufacturing, specialized equipment guarantees production efficiency and precision. Supporting services facilitate the efficient operation, ensure the synergy, and determine the overall efficiency of the industrial chain.

- ***Midstream: PCBs Manufacturing and Various Products Output***

The design phase dictates the functional feasibility and manufacturing economy of products. The manufacturing phase turns designs into physical products and is recognized as a technology-and-capital-intensive segment. The testing phase ensures the effectiveness of end products; moreover, test data can be leveraged to optimize design parameters and refine manufacturing processes, thereby feeding back into the design and manufacturing phases.

- ***Downstream: Various Sectors Related to Electronics Industry***

The downstream segment of the PCB industry covers all industries requiring the application of electronic devices, mainly including core fields such as consumer electronics, automotive electronics, industrial control, and household appliances. Distinct discrepancies exist in technical requirements and product types of PCBs across these sectors, resulting in market structural differentiation.



Source: Frost & Sullivan Analysis

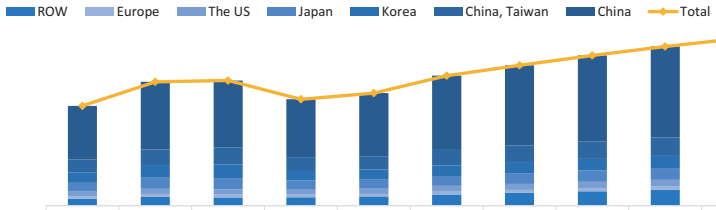
Market Size of Global PCB Market

The global PCB market size grew from approximately USD65.2 billion in 2020 to approximately USD73.6 billion in 2024. In 2021, the global economy rebounded sharply. Besides, PCB manufacturers launched capacity expansions and stockpiled inventory to guard against supply disruptions. Thirdly, remote work and online learning fuelled a surge in demand for electronic products. However, amid the global interest rate hike cycle in 2023, corporate financing costs rose substantially. Meanwhile, consumer confidence weakening resulted in a contraction in demand for electronic products. In addition, volatility in energy prices and heightened freight risks undermined supply stability. Thus, the global PCB market was constrained. Driven by representative downstream industries including AI, High-Performance Computing (HPC) and communications infrastructure, both the output and unit prices of PCB products will witness sustained growth. By 2029, the global PCB market size is expected to reach approximately USD109.2 billion.

The Chinese PCB market size increased from approximately USD35.1 billion in 2020 to approximately USD41.2 billion in 2024, accounting for 56.0% of the global total, registering a CAGR of around 4.1% over the period. China's large-scale domestic electronics industry provides strong support for the demand of mid-to-low-end PCB products. Moreover, against the backdrop of marked advances in local production technologies and rising localization rates of premium PCB products, the market performance of high-end products will also be further strengthened. Accordingly, the Chinese PCB market size is forecast to hit approximately USD62.4 billion by 2029, accounting for 57.2% of the global total, with a CAGR of around 8.7% in the 2024-2029 period.

PCB Market by Regions, Global
USD Billion; 2020-2029E

CAGR	Total	China	China, Taiwan	Korea	Japan	The US	Europe	ROW
2020-2024	3.1%	4.1%	1.2%	-0.9%	0.3%	4.4%	-1.3%	7.8%
2024-2029E	8.2%	8.7%	7.5%	4.3%	6.7%	4.6%	5.1%	13.8%



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
China	35.1	44.2	43.6	37.8	41.2	48.5	52.4	56.0	59.4	62.4
China, Taiwan	8.3	10.2	11.1	8.4	8.7	10.2	10.9	11.5	12.0	12.4
Korea	6.9	8.3	9.1	6.7	6.6	6.8	7.2	7.6	7.9	8.2
Japan	5.8	7.3	7.3	6.1	5.8	6.5	6.9	7.4	7.7	8.1
The US	2.9	3.2	3.4	3.2	3.5	3.8	4.0	4.1	4.3	4.4
Europe	1.7	2.0	1.9	1.7	1.6	1.9	1.9	2.0	2.1	2.1
ROW	4.5	5.8	5.5	5.6	6.1	7.3	8.4	9.5	10.5	11.6
Total	65.2	80.9	81.7	69.5	73.6	84.9	91.7	98.1	104.0	109.2

Notes: The market size refers to the output value of PCB products in corresponding region.

Source: Frost & Sullivan Analysis and Estimates

Market Size of China's PCB Market

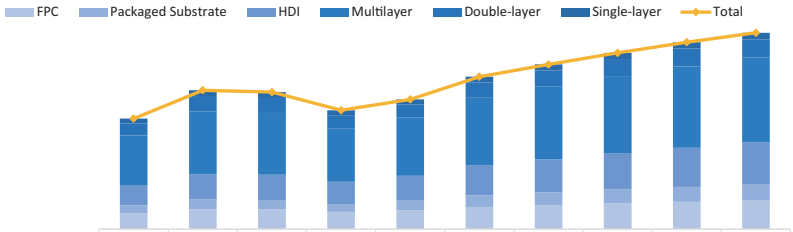
China's PCB market exhibits a multi-tiered and structured development pattern, with different products playing distinct roles due to technical characteristics. For single-layer and double-layer PCBs, China boasts a fully integrated industrial chain system compared with overseas counterparts, which delivers notable cost advantages, higher product yield, and faster product iteration cycles. Consequently, the market size of China's single-layer PCBs and double-layer PCBs grew from approximately RMB10.3 billion and RMB26.3 billion respectively in 2020 to around RMB11.0 billion and RMB28.6 billion in 2024, and is expected to further rise to about RMB14.2 billion and RMB40.1 billion in 2029, accounting for 74.4% and 85.7% of the global market, respectively.

Multilayer PCBs are widely applied in a variety of key fields including mid-to-high-end smartphones, new energy vehicles, industrial frequency converters and 5G base stations. By 2024, the market size of multilayer PCBs had reached approximately RMB126.7 billion. Driven by the pursuit of higher performance and higher reliability, the demand for higher-layer-count multilayer PCBs is rising significantly, propelling the continuous upgrading of the multilayer PCB market towards high-end segments. It is estimated that by 2029, the market size of China's multilayer PCBs will grow to about RMB184.7 billion, with a CAGR of around 7.8% in the 2024 to 2029 period.

The growth of market size of China's HDI PCBs has been fuelled by rising demand across multiple downstream sectors. Consumer electronics are pursuing slimmer and lighter designs while requiring high-speed data transmission and compatibility with more functional modules. In the communications field, the requirements for low-loss signal transmission from high-speed optical modules and edge computing devices have also boosted the development of HDI PCBs. Automotive sectors have also started to widely adopt HDI PCBs, and the functions of HDI products will directly determine the level of automotive intelligence. It is projected that by 2029, the market size of HDI PCB products will hit about RMB91.5 billion, with a CAGR of around 11.2% from 2024 to 2029.

PCB Market by Types, China
RMB Billion; 2020-2029E

CAGR	Total	Single-layer	Double-layer	Multilayer	HDI	Packaged Substrate	FPC
2020-2024	4.1%	1.7%	2.2%	3.8%	5.7%	5.2%	4.5%
2024-2029E	8.7%	5.3%	7.0%	7.8%	11.2%	10.3%	8.8%



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Single-layer	10.3	12.9	12.7	10.9	11.0	12.6	13.1	13.6	14.0	14.2
Double-layer	26.3	33.1	32.6	28.3	28.6	33.2	35.3	37.2	38.8	40.1
Multilayer	109.2	136.9	134.6	116.5	126.7	147.8	158.5	168.4	177.2	184.7
HDI	43.1	55.0	55.1	48.6	53.8	64.8	71.7	78.5	85.2	91.5
Packaged Substrate	17.3	21.2	20.3	17.1	21.2	25.3	27.8	30.2	32.5	34.6
FPC	34.4	43.4	43.0	37.4	41.0	48.2	52.2	55.9	59.4	62.4
Total	240.6	302.4	298.3	258.8	282.3	331.9	358.5	383.8	407.0	427.5

Notes: The market size refers to the output value of corresponding type of PCB products.

Source: Frost & Sullivan Analysis and Estimates

Driven by the development stage, technical characteristics, and demand scale of different downstream industries, the market has formed a differentiated pattern in terms of segment share and growth performance.

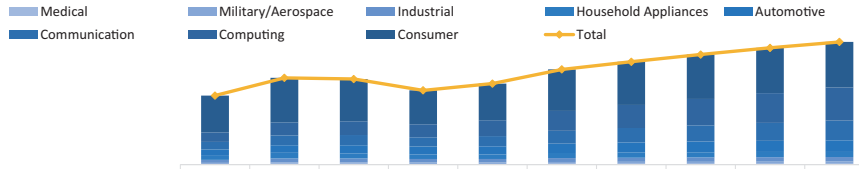
Consumer electronics underpin a steady demand for PCB, with China being the world's largest production base. The consumer sector boasts solid stock replacement demand, while the prominent trends toward slimmer, multi-functional and high-performance products have driven up the PCB value per unit product. Beyond traditional mainstay products, AI terminals are also emerging as new growth drivers. It is projected that the market size of consumer PCBs will grow from approximately RMB127.8 billion in 2024 to around RMB159.0 billion in 2029, representing a CAGR of approximately 4.5% over the period, and will remain the largest segment in the PCB industry.

Fuelled by the exponential growth in global demand for AI large model training and inference, the market size of computing PCBs surged from roughly RMB33.2 billion in 2020 to about RMB54.9 billion in 2024, with a CAGR of around 13.4% over the period, making it the fastest-growing segment in China's PCB market. Bolstered by policy support, notable trends including data center construction, product upgrading and localization substitution will propel the market to maintain high-speed growth. It is estimated that by 2029, the market size of computing PCBs will further climb to approximately RMB115.4 billion, with a CAGR of around 16.0% during the 2024 to 2029 period.

The market size of automotive PCBs expanded from approximately RMB19.2 billion in 2020 to roughly RMB28.3 billion in 2024, which makes it the second-fastest-growing segment in China's PCB market. With the rapid development of new energy vehicles and intelligent driving, both the vehicle electrification rate and intelligence level have improved significantly. Core components such as advanced driver assistance systems (ADAS), battery management systems (BMS), and on-board chargers (OBC) have driven a simultaneous increase in PCB usage volume and unit PCB value per vehicle. It is projected that by 2029, the market size of automotive PCBs will rise to around RMB40.6 billion, accounting for approximately 16.0% of China's overall PCB market.

PCB Market by Applications, China
RMB Billion; 2020-2029E

CAGR	Total	Consumer	Computing	Communication	Automotive	Household Appliances	Industrial	Military/ Aerospace	Medical
2020-2024	4.1%	-0.1%	13.4%	7.8%	10.2%	-1.7%	4.4%	6.0%	4.4%
2024-2029E	8.7%	4.5%	16.0%	13.8%	7.5%	2.2%	5.7%	7.7%	4.5%



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Consumer	128.5	155.4	147.3	118.3	127.8	144.9	150.8	155.2	158.0	159.0
Computing	33.2	45.1	47.7	45.3	54.9	69.5	80.5	92.0	103.7	115.4
Communication	26.5	34.8	35.8	32.1	35.8	44.3	50.2	56.3	62.4	68.4
Automotive	19.2	26.3	28.0	28.2	28.3	33.0	35.2	37.3	39.1	40.6
Household Appliances	16.8	19.8	18.2	15.3	15.7	17.5	17.9	18.0	17.9	17.5
Industrial	10.1	13.2	13.4	12.4	12.0	13.7	14.4	15.0	15.5	15.8
Military/Aerospace	4.1	5.1	5.1	4.7	5.2	6.0	6.4	6.8	7.2	7.5
Medical	2.2	2.8	2.7	2.6	2.6	2.9	3.0	3.1	3.2	3.2
Total	240.6	302.4	298.3	258.8	282.3	331.9	358.5	383.8	407.0	427.5

Notes: The market size refers to the output value of PCB products in corresponding downstream scenarios.

Source: Frost & Sullivan Analysis and Estimates

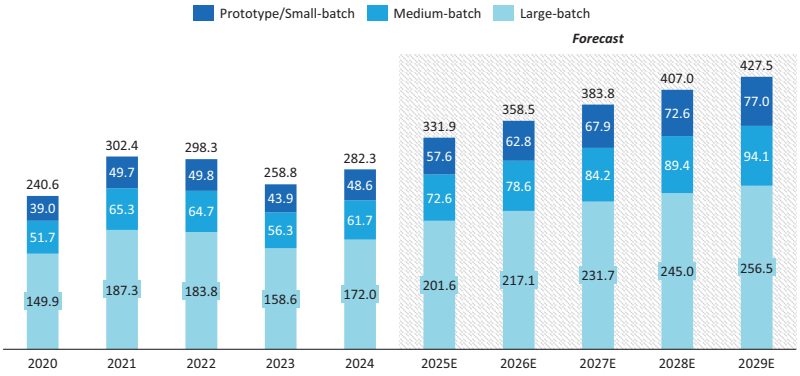
Given the higher production costs of prototype/small-batch manufacturing, coupled with the requirement for PCB enterprises to provide integrated services including rapid response, customized processes and technical collaboration, prototype/small-batch orders accounts for a limited share of the market. Nevertheless, due to the accelerated R&D and innovation in downstream application industries, the surging demand for prototyping, and the increased degree of demand fragmentation, the demand for prototype/small-batch orders has been on the rise. Thereby, the market size of prototype/small-batch orders grew from approximately RMB39.0 billion in 2020 to around RMB48.6 billion in 2024, representing a CAGR of approximately 5.7% over the period. It is anticipated that by 2029, the market size will grow to approximately RMB77.0 billion, with a CAGR of around 9.6% from 2024 to 2029, accounting for approximately 18.0% of the overall PCB market.

The backdrop of accelerated iteration and shortened product life cycles leads to compressed R&D cycles and rising inventory risks for downstream industries. This has imposed higher requirements on PCB enterprises for rapid response, on-demand supply and flexible delivery to enhance the connection between R&D, pilot production and mass production. Despite the advantages of standardization and cost efficiency, the large-batch production model is constrained by limited flexibility. In contrast, medium-batch orders are increasingly emerging as a key track for manufacturers to achieve differentiated competition. It is estimated that the medium-batch PCB market will grow from approximately RMB61.7 billion in 2024 to around RMB94.1 billion in 2029.

PCB Market by Order Volume, China

RMB Billion; 2020-2029E

CAGR	Total	Prototype/Small-batch	Medium-batch	Large-batch
2020-2024	4.1%	5.7%	4.5%	3.5%
2024-2029E	8.7%	9.6%	8.8%	8.3%



Notes: The market size refers to the output value of PCB products that meet the corresponding order size.

Source: Frost & Sullivan Analysis and Estimates

COMPETITIVE LANDSCAPE OVERVIEW

The PCB industry in China features a concentrated top-tier structure and a clearly differentiated enterprise echelon, which can be attributed to the following factors. First, high-end products feature high technical barriers, meaning such products can only be supplied by a limited number of manufacturers. Meanwhile, leading PCB manufacturers have established deeply bonded partnerships with top players in downstream industries including consumer electronics, communications and automotive, securing large-scale and stable orders. Additionally, national policies impose restrictions on low-end capacity. Leading enterprises have further expanded their scale and enhanced their technological capabilities through mergers and acquisitions, thereby continuously strengthening their market influence. In 2024, the top five PCB suppliers in China accounted for 36.3% of the total market share. With revenue of RMB970.6 million, our company ranked 42nd nationwide.

The Yangtze River Delta (YRD) stands as one of the core regions for China's domestic PCB industry, where many PCB manufacturers have laid out their business operations. The YRD is endowed with abundant scientific research and talent resources, and boasts a stable production capacity for electronic-grade materials and high-purity chemicals. Besides, the YRD hosts a cluster of prominent automotive, consumer electronics and semiconductor industries, featuring a massive domestic demand market. Furthermore, the YRD is equipped with a comprehensive transportation infrastructure, which enables lower transportation costs and higher transportation efficiency for raw materials and finished products. Meanwhile, a more sophisticated financial system guarantees unimpeded financing channels for enterprises, providing strong support for their research and development as well as capacity expansion initiatives. Among all PCB suppliers based in the YRD, our company ranked the 6th, holding a market share of 0.3% in the China's PCB market in 2024.

Ranking of the Leading PCB Suppliers, YRD, 2024

by Revenue, RMB Million

Ranking	Company	Revenue [1]	Market Share [2]
1	Company A [3]	24,800.8	8.8%
2	Company B [4]	12,838.9	4.5%
3	Company C [5]	3,219.0	1.1%
4	Company D [6]	1,250.0	0.4%
5	Company E [7]	1,191.3	0.4%
6	**Our Company**	**970.6**	**0.3%**
7	Company F [8]	853.5	0.3%
8	Company G [9]	550.8	0.2%
9	Company H [10]	430.0	0.2%
10	Company I [11]	390.0	0.1%
Top10	**N/A**	**46,495.0**	**16.5%**

Notes:

(1) The revenue refers to the operating revenue generated by the PCB business segment.

(2) Denominator of the percentage is the total output value of PCB products in China.

(3) Company A is a company listed on the Shenzhen Stock Exchange, established in 1998, headquartered in Suzhou, Jiangsu Province. It is mainly engaged in the research and development, production, and sales of electronic circuit products, precision components, touch display modules, LED display devices, etc. Its products are applied in consumer electronics, new energy vehicles, communication equipment, industrial equipment, AI, medical equipment and other industries.

(4) Company B is a company listed on the Shenzhen Stock Exchange, established in 1992, headquartered in Kunshan, Jiangsu Province. It is engaged in the research and development, production, sales, and related after-sales services of various PCBs. Its products are applied in various fields such as communication equipment, automobiles, industrial equipment, data centers, network communication, microwave RF, semiconductor chip testing, etc.

(5) Company C is a company listed on the Shanghai Stock Exchange, established in 1993 and headquartered in Shanghai. Its main products are HDI, multilayer PCBs, rigid-flex PCBs, and other personalized customized PCBs, which can be applied in fields such as mobile intelligent terminals, 5G wireless communication base stations, data centers, optical modules, industrial control, medical, intelligent car products, and wearable consumer electronics.

(6) Company D is a private company established in 2010, headquartered in Suzhou, Jiangsu Province. It focuses on the research, design, and production of FPCs and rigid-flex PCBs, while also expanding SMT mounting business. Its products are applied in communication, camera modules, display modules, wearable devices, automotive electronics, and substrate boards.

(7) Company E is a listed company on the Shanghai Stock Exchange, established in 2005, headquartered in Changzhou, Jiangsu Province. Its main products are customized single/double-layer PCBs, multilayer PCBs, HDI PCBs, etc. Its products are mainly used in fields such as smart homes, automotive electronics, new energy, consumer office, industrial control/medical/EMS, communication and security.

(8) Company F is a listed company on the Shanghai Stock Exchange, established in 2000, headquartered in Changzhou, Jiangsu Province. It is engaged in the research and development, production, sales, and SMT business of single-layer, double-layer, and multilayer PCBs. It mainly produces products in the fields of automotive electronics and high-frequency communication.

(9) Company G is a listed company on the Shanghai Stock Exchange, established in 2000, headquartered in Nanjing, Jiangsu Province. It produces single-layer, double-layer, and multilayer PCBs, with communication equipment, automotive electronics, and new energy as core application areas, while covering industrial control, power, medical equipment, and other fields.

(10) Company H is a private company established in 1992, headquartered in Shanghai. Its products are mainly used in the fields of automotive, industrial control, medical, 4G/5G communication, elevators, power supply, etc., and are supplied to domestic and overseas regions such as Japan.

(11) Company I is a private company established in 2014, headquartered in Tongling, Anhui Province. Its main products include double-layer PCBs and multilayer PCBs, mainly serving domestic and foreign automotive companies, while also being applied in communication, household appliances, industrial control, and medical fields.

Growth Drivers of China's PCB Market

Continuous Innovations in Cutting-edge Technologies Multiply the Value of PCB Products

Currently, the PCB industry is evolving into a divergence characterized by acute shortages in high-end segments and mounting operational pressure in low-end markets. Consequently, profit margins and growth drivers are increasingly concentrating among leading enterprises that command proprietary high-end technologies. For instance, AI servers necessitate the deployment of high-layer-count PCBs with 18 or more layers to support complex computing architectures. This structural shift is not only reshaping the industry's competitive landscape but also underscoring that technological leadership has become the key driver of sustainable growth for PCB enterprises.

The Expansion of Key End-use Applications Propels PCBs toward Volume and Value Growth

PCBs are experiencing robust growth against the backdrop of the rapid development of pivotal end-use sectors. The explosive proliferation of AI has triggered a sharp surge in demand for increased layer counts, narrower line widths, and tighter line spacings. New energy vehicles (NEVs) require complex electronic systems such as battery management systems, motor controllers, on-board chargers, and ADAS, driving a rapid uptick in PCB value per vehicle. As communication base stations evolve toward higher frequency bands, antenna density, and signal processing complexity, PCBs will upgrade in high-frequency and high-speed materials as well as larger deployment volumes.

Geopolitical Dynamics and Cost Considerations Restructure Global PCB Supply Chains

With the rapid growth of China's chip industries, combined with multiple national policies introduced to guide and support the high-end development of the domestic PCB industrial chain, domestic PCB enterprises have ramped up R&D investment significantly, gradually establishing a fully independent and controllable industrial chain. This shift has driven the industry to transition from a scale-oriented growth model to one that balances both quality and scale. Furthermore, domestic PCB companies are exploring "Domestic R&D Plus Southeast Asian Production" model, retaining high-end PCB manufacturing processes domestically while optimizing labor costs, enhancing vertical industrial chain integration, and improving logistics efficiency.

Entry Barriers of China's PCB Market

Technical Barriers Arising from Process Precision and Material Mastery

The PCB industry is a typical technology-intensive sector, where leading enterprises can leverage their technological superiority to build a generational edge in core domains. For instance, ensuring process precision requires reliance on high-value equipment such as laser direct imaging (LDI) systems, laser drilling machines, and vacuum lamination tools, coupled with years of accumulated industry expertise and operational know-how. Meanwhile, different application fields impose divergent requirements on parameters including thickness, aperture size, and thermal conductivity. Enterprises must master full-range technologies to meet customers' diversified demands, while further improving yield rates.

Capital and Scale Barriers Spanning Construction, Operation and R&D

In the initial investment phase, enterprises face substantial costs for production line construction. Critical equipment still relies partially on imports, translating into even higher capital input. Moreover, the procurement and commissioning cycle of such equipment lengthens the ROI cycle and further squeezes profit margins for new market players. In the operational phase, sustained capital injection is required for equipment upgrading and process optimization to keep pace with downstream technological upgrades. In production, mass PCB manufacturing demands standardized production capabilities to dilute unit costs, while the prototype/small-batch segment requires digital platforms to enhance operational efficiency. As a result, capital-constrained enterprises struggle to gain competitiveness, driving a continuous increase in industry concentration.

Ecological Barriers from Highly Integrated Collaboration Across the Industrial Chain

Raw materials in upstream account for about 30% of the cost structure, and leading enterprises can effectively control procurement costs by establishing long-term strategic partnerships with core suppliers. And multiple downstream segments of the PCB industry feature long and rigorous certification cycles. Once certified, customers tend to maintain long-term partnerships, as switching suppliers entails repeating the certification process and incurring potential quality risks. This stability enables early market entrants to build a solid ecological moat. Additionally, the PCB market exhibits distinct regional characteristics, where enterprises usually form deeply integrated partnerships with downstream giants within their core operating regions to ensure supply chain stability.

Future Trends of China's PCB Market

Upgrading of Technology Routes and Product Structure

Driven by downstream high-end demand, PCBs will undergo continuous iteration toward high-end manufacturing processes, high value-added features, ultra-high layer counts and ultra-large dimensions, while the space for low-end homogeneous products will keep shrinking. R&D efforts will focus on cutting-edge technologies such as ultra-fine circuit processing, any-layer interconnection, and expanded application of high-frequency and high-speed materials. These initiatives will cater to the miniaturization, high integration and high-speed transmission requirements of premium end products including millimetre-wave radars and AI servers.

Flexibilization and Digitalization of Production Models

As downstream feature shorter iteration cycles and growing customized demands, PCB enterprises are proactively transforming their production models. They are deploying flexible production lines to reduce product changeover time and improve responsiveness to multi-variety, small-batch orders. Additionally, they are increasing investment in smart manufacturing, leveraging industrial internet and big data analytics to achieve real-time production process monitoring, process parameter optimization and product yield prediction. What's more, enterprises will expand business portfolios and enhance market competitiveness by offering value-added services such as high-speed simulation, thermal analysis and design for manufacturability optimization.

Accelerated Differentiation of Market Competition Pattern

Internationally, leading enterprises will continue to dominate the market by virtue of their technological reserves, customer binding effects and production capacity advantages. Domestically, Chinese enterprises are facing dual opportunities of localization substitution and high-end upgrading, and will achieve breakthroughs in key materials and equipment, while backward production capacity will be phased out continuously. The domestic regional competition pattern will be further strengthened relying on the industrial cluster effects of the Yangtze River Delta and Pearl River Delta. Finally, the relationship between upstream and downstream industrial chains will shift from simple procurement to joint R&D, with the level of supply chain collaboration deepening steadily.

Cost of Raw Materials Analysis

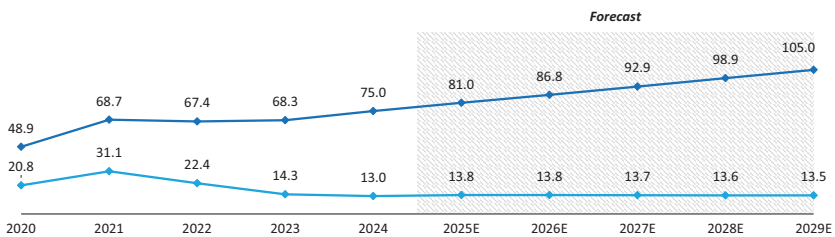
As key raw materials for the PCB industry, copper foil and resin see their price fluctuations directly passed on to CCL manufacturers and further impact the prices of finished PCB products.

Copper serves as the critical carrier for current transmission in PCBs. Subject to the macro interest rate hike and cut cycles, geopolitical factors and other influences since 2020, the price of copper has surged to RMB81.0 thousand per ton in 2024. Driven by the continuous rise in ore mining costs, frequent supply-side disruptions, as well as the robust demand for copper from downstream sectors, copper prices are projected to climb further to RMB105.0 thousand per ton by 2029.

Resin acts as the carrier for insulation, adhesion and signal transmission in PCBs. After 2020, propelled by the sharp price increases of bisphenol A (BPA) and epichlorohydrin (ECH) on the cost side and strong downstream demand, the price of epoxy resin rose rapidly to a peak. With the excess supply of newly-added raw material production capacity in 2022, the price of epoxy resin dropped to RMB13.0 thousand per ton. As the industry gradually undergoes integration, the price is expected to remain basically stable, reaching approximately RMB13.5 thousand per ton by 2029.

Cost of Raw Materials, China
RMB Thousand per Ton; 2020-2029E

CAGR	Copper	Epoxy Resin
2020-2024	11.3%	-11.0%
2024-2029E	7.0%	0.7%



Notes: The cost refers to the annual average spot price.

Source: Frost & Sullivan Analysis and Estimates

LAWS, REGULATIONS AND POLICIES OF THE PRC

This section outlines certain aspects of laws, regulations and policies of the PRC pertaining to the Company's business operations.

REGULATIONS AND POLICIES ON THE PRINTED CIRCUIT BOARD (PCB) INDUSTRY

Pursuant to the "Specifications for the Printed Circuit Board Industry" (《印製電路板行業規範條件》) ("**Specifications**") and the "Interim Measures for the Administration of Public Announcements on the Specifications for the Printed Circuit Board Industry" (《印製電路板行業規範公告管理暫行辦法》), which were promulgated by the Ministry of Industry and Information Technology of the People's Republic of China ("**MIIT**") on 28 December 2018 and took effect on 1 February 2019, a quantitative standard system has been established for printed circuit board enterprises and projects from multiple dimensions, including capacity layout and project construction, production scale and process technology, intelligent manufacturing, green manufacturing, work safety, social responsibility.

The "Catalogue of Encouraged Industries for Foreign Investment (2025 Edition)" (《鼓勵外商投資產業目錄(2025年版)》), which was promulgated by NDRC and the Ministry of Commerce of the People's Republic of China ("**MOFCOM**") on 15 December 2025 and took effect on 1 February 2026, explicitly includes "chip components, sensitive components and sensors, frequency control and selection components, hybrid integrated circuits, power electronic devices, optoelectronic devices, new electromechanical components, polymer solid capacitors, supercapacitors, passive integrated components, high-density interconnect build-up boards, single-layer, double-layer and multi-layer flexible boards, rigid-flex printed circuit boards, high-density and fine-line flexible circuit boards (with line width/line spacing ≤ 0.05mm), and IC packaging substrates" in the scope of encouraged industries for foreign investment.

The "Guidance Catalogue for Industrial Structure Adjustment" (2024 Edition) (《產業結構調整指導目錄(2024年本)》) was promulgated by NDRC on 27 December 2023 and took effect on 1 February 2024. The "Catalog" consists of three categories: encouraged, restricted, and eliminated. The encouraged category mainly includes technologies, equipment, and products that significantly promote economic and social development. High-density interconnect build-up boards, single-layer, double-layer and multi-layer flexible boards, rigid-flex PCBs and integrated circuit substrates, high-density and fine-line flexible circuit boards (with line width/line spacing ≤ 0.05mm), high-frequency microwave PCBs, high-speed communication circuit boards, and flexible circuit boards belong to the information industry and are classified as encouraged. The printed circuit boards produced by the Company fall under the category of encouraged industries.

REGULATIONS ON COMPANIES AND FOREIGN INVESTMENT

Under the "Company Law of the People's Republic of China" (《公司法》) ("**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress on 29 December 1993, implemented on 1 July 1994, and latest amended on 29 December 2023 and took effect on 1 July 2024, companies are generally classified into two types: limited liability companies and joint stock limited companies. Both types of companies have legal person status, and the liability of shareholders of a limited liability company or joint stock limited company is limited to their respective capital contributions to the registered capital. The "Company Law" also applies to foreign-invested enterprises, unless otherwise provided by laws and regulations specifically governing foreign investment.

On 1 January 2020, the "Foreign Investment Law of the People's Republic of China" (《中華人民共和國外商投資法》) ("**Foreign Investment Law**") and the "Implementation Regulations of the Foreign Investment Law of the People's Republic of China" (《中華人民共和國外商投資法實施條例》) came into effect, replacing the three primary laws governing foreign investment in the PRC, namely the "Law of the People's Republic of China on Sino-foreign Equity Joint Ventures" (《中華人民共和國中外合資經營企業法》), the "Law of the People's Republic of China on Sino-foreign Cooperative Joint Ventures" (《中華人民共和國中外合作經營企業法》), the "Law of the People's Republic of China on Wholly Foreign-Owned Enterprises"(《中華人民共和國外資企業法》), and their implementation rules and supporting regulations. The "Foreign Investment Law" clarifies the definition of foreign investment and establishes a framework for the promotion, protection, and management of foreign investment activities.

On 30 December 2019, MOFCOM and the State Administration for Market Regulation ("**SAMR**") jointly promulgated the "Measures for the Reporting of Foreign Investment Information" (effective on 1 January 2020). Pursuant to these Measures, foreign investors establishing a foreign-invested enterprise or establishing a foreign-invested enterprise by acquiring equity in a non-foreign-invested enterprise, as well as subsequent changes thereto, must submit an initial report or change report to the enterprise registration system.

Pursuant to the "Foreign Investment Law", the PRC adopts a national treatment system with a negative list for foreign investment management. The negative list, which will be promulgated, amended, or published from time to time upon approval by the State Council, lists industries where foreign investment is prohibited and industries where foreign investment is restricted. Foreign investors are prohibited from investing in industries listed as prohibited, while investment in restricted industries must comply with the relevant conditions specified in the negative list. Except the industries listed as prohibited and restricted in the negative list, foreign investment in other industries enjoys the same treatment as domestic investment.

The "Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition)" (《外商投資准入特別管理措施(負面清單)(2024年版)》) ("**Negative List**") was promulgated by NDRC and MOFCOM on 6 September 2024 and took effect on 1 November 2024; the "Catalogue of Encouraged Industries for Foreign Investment (2025 Edition)" was promulgated on 15 December 2025 and took effect on 1 February 2026. The aforementioned documents specify the specific categories of encouraged, restricted, and prohibited industries, and industries not listed in the Negative List are managed in accordance with the principle of treating domestic and foreign investment equally. As of the latest practicable date, our business is not listed in the Negative List and is not subject to relevant special administrative measures.

REGULATIONS ON OVERSEAS INVESTMENT

On 6 September 2014, MOFCOM promulgated the "Measures for the Administration of Overseas Investment" (《境外投資管理辦法》), which came into effect on 6 October 2014. On 26 December 2017, NDRC promulgated the "Measures for the Administration of Overseas Investment of Enterprises" (《企業境外投資管理辦法》), which came into effect on 1 March 2018. On 31 January 2018, the NDRC promulgated the "List of Sensitive Sectors for Outbound Investment (2018 Edition)", which came into force on 1 March 2018 and details the current sensitive industries.

According to the above regulations, overseas investment refers to the investment of a domestic enterprise to, directly or through the overseas enterprise under its control, acquire overseas ownership, control, business management rights and other related rights and interests by means such as investing assets or equity or providing financing or guarantee The scope of administration covers sensitive projects operated by investors directly or through the overseas enterprise under its control. Overseas investment involving sensitive countries and regions or sensitive industries shall be approved by NDRC. Other overseas investments by enterprises shall be managed by means of filing. MOFCOM and provincial-level commerce authorities are responsible for the management and supervision of enterprises' overseas investment through the "Overseas Investment Management System", and shall issue the "Certificate of Enterprise Overseas Investment" to the enterprises that have been approved or filed.

On 13 February 2015, the State Administration of Foreign Exchange ("**SAFE**") issued the "Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment" (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), canceling the approval for the registration of foreign exchange under overseas direct investment. Banks directly handle the registration of foreign exchange under overseas direct investment. SAFE and its branches conduct indirect regulation over registration of foreign exchange under direct investment.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the "Regulations on Foreign Exchange Administration of the People's Republic of China" (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on 29 January 1996, took effect on 1 April 1996, and latest amended on 5 August 2008 and took effect on the same day, and the "Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange" (《結匯、售匯及付匯管理規定》), which was promulgated by the People's Bank of China on 20 June 1996 and took effect on 1 July 1996, after relevant financial institutions have conducted a reasonable review of the authenticity of transaction documents and their consistency with foreign exchange receipts and payments, there is no restriction on the conversion of RMB for current account transactions such as payment for trade, service-related foreign exchange transactions, and dividend payments. However, conversion of RMB for capital account transactions such as direct investment, loans, or investment in securities outside the PRC requires prior approval from SAFE or its local branches.

Pursuant to the "Notice of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration for Overseas Listings" (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), which was promulgated by SAFE on 26 December 2014 and took effect on the same day, a domestic company shall, within 15 working days after completion of the overseas listing, register for overseas listing with the foreign exchange authority in the locality where it has been incorporated. A domestic company's funds raised through overseas listing may be repatriated or deposited overseas, provided that the use of funds shall be consistent with this document and the relevant contents set out in its disclosure documents.

Pursuant to the "Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration of Foreign Exchange Settlement Under Capital Accounts" (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), which was promulgated by SAFE on 9 June 2016 and took effect on the same day, and the "Notice of the State Administration of Foreign Exchange on Further Deepening Reforms and Facilitating Cross-Border Trade and Investment" (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was promulgated by SAFE on 4 December 2023 and took effect on the same day, domestic institutions implement a policy of discretionary settlement of foreign exchange receipts under the capital account. Foreign exchange receipts under the capital account for which discretionary settlement was already permissible pursuant to relevant policies (including foreign exchange registered capital, foreign exchange debt capital and repatriated funds obtained from overseas listings, etc.), may be conducted at banks based on the domestic institution's actual operating needs. The provisional percentage for the discretionary settlement of foreign exchange receipts under the capital account of domestic institutions is 100%, but SAFE may adjust the aforesaid percentage in due time according to the international receipts and payments situation. During the course of implementing the discretionary settlement of foreign exchange receipts under the capital account, domestic institutions can still choose the existing procedures for settlement upon payment for the use of foreign exchange receipts. For each foreign exchange settlement based on the principle of settlement upon payment, the banks shall examine the authenticity and compliance in the use of the funds for the previous transaction of foreign exchange settlement (including discretionary settlement and settlement upon payment). The foreign exchange receipts under capital accounts of domestic institutions and the RMB funds from foreign exchange settlement shall not be used directly or indirectly for purposes beyond the scope of business of the enterprise or prohibited by national laws and regulations. Unless otherwise stipulated by laws and regulations, domestic enterprises shall not directly or indirectly use relevant capital for securities investment or other investment and wealth management products other than bank capital-guaranteed products; relevant capital shall also not be used to issue loans to non-affiliated enterprises (except where explicitly permitted by the scope of business) or for construction or purchase of non-self-use real estate (except for real estate enterprises).

Pursuant to the "Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support Foreign-Related Business Growth" (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知), which was promulgated by SAFE on 10 April 2020 and took effect on the same day, while ensuring funds are used for true businesses and in compliance with regulations and the existing management provisions on use of receipts under the capital account, eligible companies will be allowed to use receipts under the capital account such as foreign exchange capital, external debts and funds raised through overseas listing for domestic payments, without submitting authentication materials to banks beforehand on a transaction-by-transaction basis. The local foreign exchange administration shall strengthen monitoring, analysis, and in-process and post-hoc supervision.

LAWS AND REGULATIONS ON CUSTOMS DECLARATION

The "Customs Law of the People's Republic of China" (《中華人民共和國海關法》), which was promulgated by the Standing Committee of the National People's Congress on 22 January 1987, effective on 1 July 1987, and latest amended and took effect on 29 April 2021, stipulates that the Customs of the People's Republic of China is a State organ responsible for supervision and control over all arrivals in and departures from the Customs territory. All inward and outward means of transport, goods and articles shall enter or leave the territory at a place where there is a Customs office. The declaration of import or export goods and the payment of duties may be made by the consignees or consigners themselves, and such formalities may also be completed by their entrusted Customs brokers that have registered with the permission of the Customs, otherwise they may be fined by the Customs.

Pursuant to the "Regulations of the People's Republic of China on the Administration of Customs Declaration Entity Registration" (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs of China ("**GACC**") on 19 November 2021 and took effect on 1 January 2022, consignees and consignors of import and export goods and Customs brokers shall first obtain market entity status when applying for customers registration. Among them, consignees and consignors of import and export goods shall also apply for the registration of foreign trade operators.

In addition, the "Announcement on Including Registration Certificate of Customs Declaration Entity in the Reform of 'Multiple Certificates in One'" (《關於報關單位備案全面納入"多證合一"改革的公告》), jointly promulgated by GACC and SAMR on 20 December 2021 and took effect on 1 January 2022, clearly states that where an applicant needs to apply for Registration Certificate of Customs Declaration Entity when applying for business registration, the applicant shall tick the declarant and fill on record of relevant registration information. The market regulator will complete the registration according to the "Multiple Certificates in One" process. The data are exchanged between SAMR and GACC, and the applicant has no need to separately submit an application for registration of a customs declaration entity to the customs.

Moreover, the decision on amending the "Foreign Trade Law of the People's Republic of China" (《中華人民共和國對外貿易法》), which was promulgated by the Standing Committee of the National People's Congress on 30 December 2022 and took effect on the same day, deleted the requirement that "Any foreign trade business operator that is engaged in the import and export of goods or technology shall be registered for archival purposes with the administrative department of foreign trade of the State Council or the institution entrusted thereby", that is, the registration of foreign trade operators is no longer mandatory.

Furthermore, pursuant to the "Regulations of the People's Republic of China on the Administration of the Import and Export of Goods" (《中華人民共和國貨物進出口管理條例》) ("**Goods Import and Export Administration Regulations**"), which was promulgated by the State Council on 10 December 2001, latest amended on 10 March 2024, and took effect on 1 May 2024, enterprises engaged in trade activities of importing goods into the territory of the People's Republic of China or exporting goods from outside the territory of the People's Republic of China must comply with the "Goods Import and Export Administration Regulations". No goods that are prohibited from importation and exportation may be imported or exported; goods whose importation or exportation is restricted shall be subject to the administration of quotas or licenses; goods subject to free importation and exportation shall not be restricted. The consignee for import goods and the consignor for export goods shall submit the automatic import and export license, import and export license or quota certificate to the customs for customs declaration and inspection procedures.

LAWS AND REGULATIONS ON WORK SAFETY

Pursuant to the "Work Safety Law of the People's Republic of China" (《中華人民共和國安全生產法》) ("**Work Safety Law**"), which was latest amended by the Standing Committee of the National People's Congress on 10 June 2021 and took effect on 1 September 2021, all entities engaged in production and business operations within the territory of the PRC shall comply with the "Work Safety Law" and other relevant laws and regulations on work safety, Production and business operation entities shall strengthen the management of work safety, establish and improve work safety responsibility systems and procedures, improve work safety conditions, strengthen standardization and informatization of work safety, raise work safety level, and ensure work safety. The principal persons in charge of a production and business operation entity shall take full responsibility for the work safety in the entity. Those who violate the "Work Safety Law" shall face penalties such as fines, suspension of production and business, and order to stop production and business; if serious consequences are caused, criminal responsibility shall be pursued in accordance with the law.

Pursuant to the "Measures for the Supervision and Administration of 'Three Simultaneities' of Safety Facilities for Construction Projects" (《建設項目安全設施"三同時"監督管理辦法》), which was amended by the former State Administration of Work Safety on 2 April 2015 and effective on 1 May 2015, the safety facilities of newly-built, renovated and expanded engineering projects must be designed, constructed and put into production and use simultaneously with the main project. Enterprises shall conduct safety pre-evaluation for construction projects, entrust preliminary design units with corresponding qualifications to simultaneously design the safety facilities of the construction project and prepare the safety facilities design, submit an application for review to the relevant work safety supervision and administration department, and apply to the work safety supervision and administration department for acceptance of the safety facilities after the completion of the project.

LAWS AND REGULATIONS ON FIRE SAFETY

The "Fire Protection Law of the People's Republic of China" (《中華人民共和國消防法》) was promulgated by the Standing Committee of the National People's Congress on 29 April 1998, and came into force on 1 September 1998; it was latest amended on 29 April 2021 and took effect on the same day. The "Interim Provisions on the Administration of Fire Protection Design Review and Final Acceptance of Construction Projects" (《建設工程消防設計審查驗收管理暫行規定》) was promulgated for the first time by the Ministry of Housing and Urban-Rural Development of the People's Republic of China ("**MOHURD**") on 1 April 2020, latest amended on 21 August 2023, and took effect on 30 October 2023. According to the above laws and regulations, for construction projects that are required by the competent department of housing and urban-rural development under the State Council to apply for fire protection acceptance, the construction unit shall apply to the competent department of housing and urban-rural development for fire protection acceptance upon completion of the project. For other construction projects not specified in the preceding paragraph, the construction unit shall, after conducting self-organized acceptance, complete the filing procedures with the competent department of housing and urban-rural development. Construction projects that are legally required to undergo fire protection acceptance shall be prohibited from being put into use if they have not undergone fire protection acceptance or have failed the acceptance. For other construction projects, if they fail the random inspection conducted by the competent department of housing and urban-rural development in accordance with the law, their use shall be immediately stopped.

LAWS AND REGULATIONS ON PRODUCT QUALITY

Pursuant to the "Law of the People's Republic of China on Product Quality" (《中華人民共和國產品質量法》), which was promulgated by the Standing Committee of the National People's Congress on 22 February 1993, latest amended on 29 December 2018 and took effect on the same day, producers shall be responsible for the quality of the products they produce. The product quality shall meet the following requirements: (i) No unreasonable danger endangering personal or property safety; where there are national standards or industrial standards guaranteeing human health and personal and property safety, the product shall conform to such standards; (ii) Having the operational performance that the product should have, except where the producer has indicated the existence of defects in the operational performance of the product; (iii) Conforming to the product standard indicated on the product or its package, and conforming to the quality status indicated by way of product description, physical sample, etc.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The "Environmental Protection Law of the People's Republic of China" (《中華人民共和國環境保護法》) was promulgated by the Standing Committee of the National People's Congress on 13 September 1979 and took effect on the same day, and was latest amended on 24 April 2014 and came into force on 1 January 2015.

Pursuant to the "Law of the People's Republic of China on Environmental Impact Assessment" (《中華人民共和國環境影響評價法》), which was latest amended by the Standing Committee of the National People's Congress on 29 December 2018 and took effect on the same day, the "Regulations on the Administration of Construction Project Environmental Protection" (《建設項目環境保護管理條例》), which was latest amended by the State Council on 16 July 2017 and came into force on 1 October 2017, and the "Interim Measures for Environmental Protection Acceptance of Completed Construction Project" (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on 20 November 2017 and took effect on the same day, the PRC implements the environmental impact assessment system for construction projects. The construction unit shall, prior to the commencement of construction, submit the environmental impact report statement or environmental impact report form for approval before the commencement of the construction project, or submit the environmental impact registration form for record in accordance with the provisions of the competent department of environmental protection administration under the State Council. In addition, upon the completion of a construction project for which an environmental impact report statement or environmental impact report form has been prepared, the construction unit shall, in accordance with the standards and procedures prescribed by the competent department of environmental protection administration under the State Council, conduct acceptance inspection of the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are built in phases, or that commence production or are delivered for use in phases, approval inspections at their environmental protection facilities should be conducted in phases. Construction projects may only formally commence production or be delivered for use when the environmental protection facilities required for the construction project have been constructed and have passed approval inspection. Those fail to pass approval inspection may not commence production or be delivered for use.

LAWS AND REGULATIONS ON AIR POLLUTION

Pursuant to the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" (《中華人民共和國大氣污染防治法》), which was latest amended by the Standing Committee of the National People's Congress on 26 October 2018 and took effect on the same day, enterprises, public institutions and other producers and business operators should monitor their emission of industrial exhaust and toxic or harmful atmospheric pollutants listed in the catalog of Article 78 of this Law in accordance with relevant State regulations and monitoring standards and keep the original monitoring records. License for emission should be acquired by enterprises and public institutions emitting industrial exhaust or toxic and harmful atmospheric pollutants listed in the catalog, and by other units under the permit system for pollutant discharge. In addition, enterprises, public institutions and other producers and business operators when undertaking projects with impact on the atmospheric environment, shall assess the environmental impact in accordance with the law and disclose the environmental impact statement; and should, if atmospheric pollutants are discharged during the project, abide by the standards of the discharge of atmospheric pollutants and the total emission control policy on key atmospheric pollutants.

LAWS AND REGULATIONS ON SOLID WASTE

According to the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes" (《中華人民共和國固體廢物污染環境防治法》), which was latest amended on 29 April 2020 by the Standing Committee of the National People's Congress and came into effect on 1 September 2020, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with the measures for the management of hazardous waste.

LAWS AND REGULATIONS ON WATER POLLUTION

Pursuant to the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" (《中華人民共和國水污染防治法》), which was latest amended on 27 June 2017 by the Standing Committee of the National People's Congress and came into effect on 1 January 2018, enterprises, public institutions and other producers and business operators that directly or indirectly discharge industrial waste water or medical sewage to water bodies or which are required to obtain the pollutant discharge license before discharging waste water and sewage water must obtain the pollutant discharge license.

LAWS AND REGULATIONS ON POLLUTANT DISCHARGE

Pursuant to the provisions of the "Regulations on the Administration of Pollutant Discharge Permits" (《排污許可管理條例》), which was promulgated by the State Council on 24 January 2021 and took effect on 1 March 2021, and the "Classification Administration List of Pollutant Discharge Permitting for Fixed Pollution Sources (2019 Edition)" (《固定污染源排污許可分類管理名錄》), which was promulgated by the Ministry of Ecology and Environment on 20 December 2019 and took effect on the same day, enterprises, public institutions and other producers and business operators shall apply for pollutant discharge licenses in accordance with the provisions of these regulations; those that have not obtained pollutant discharge licenses shall not discharge pollutants. Pollutant discharge units generating and discharging pollutants with relatively greater impact to the environment shall be subject to focused administration of pollution discharge permits; Pollutant discharge units generating and discharging pollutants with relatively lesser impact to the environment shall be subject to the simplified administration of pollution discharge permits. Pollutant discharge units generating and discharging pollutants with minor impact to the environment shall be subject to the registration administration of pollution discharge.

LAWS AND REGULATIONS ON CLEANER PRODUCTION

The "Cleaner Production Promotion Law of the People's Republic of China" (《中華人民共和國清潔生產促進法》), which was latest amended by the Standing Committee of the National People's Congress on 29 February 2012 and took effect on 1 July 2012, stipulates that new construction, construction renovation and expansion projects shall conduct environmental impact assessments with respect to analysis and assessment of use of raw materials, resource consumption, comprehensive utilization of resources, as well as generation of pollutants and their treatment; shall accord priority to adopting cleaner production technologies, processes and equipment, which maximize the resource utilization rate and generate few pollutants.

LAWS AND REGULATIONS ON REAL ESTATE

The "Civil Code of the People's Republic of China" (《中華人民共和國民法典》) ("**Civil Code**") was promulgated by the National People's Congress of the People's Republic of China on 28 May 2020, and took effect on 1 January 2021. Under the "Civil Code", the creation, alteration, alienation, or extinguishment of a real right in immovable property shall become effective upon registration in accordance with law, and shall not take effect without registration, unless otherwise provided by law. The registration of immovable property shall be handled by the registration authority at the place where the immovable property is located.

The "Interim Regulations on Real Estate Registration" (《不動產登記暫行條例》) latest amended by the State Council on 10 March 2024 and took effect on 1 May 2024 and the "Implementation Rules for the Interim Regulations on Real Estate Registration" (《不動產登記暫行條例實施細則》) latest amended by the Ministry of Natural Resources on 9 May 2024and took effect on the same day stipulate, inter alia, that the state implements a unified registration system for real estate. Real estate registration follows the principle of strict management, stability and continuity, and convenience for the masses.

The "Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas" (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) was promulgated by the State Council for the first time on 19 May 1990, latest amended on 29 November 2020, and took effect on the same day. Pursuant to these Regulations, the assignment of the right to the use of the land refers to the act of the State as the owner of the land who, within the term of a certain number of years, assigns the right to the use of the land to land users, who shall in turn pay fees for the assignment thereof to the State. An assignment contract shall be signed for assigning the right to the use of the land. The land user shall, in conformity with the stipulations of the contract for the assignment of the right to the use of laud and the requirements of city planning, develop, utilize and manage the land. Should any land user fail to develop and utilize the land in accordance with the period of time specified in the contract, the land administration department under the people's government at the municipal or county level shall make corrections and, in light of the seriousness of the case, give such penalties as a warning, a fine or, in an extreme case, withdrawing the right to the use of the land without compensation. If the land user needs to alter the purposes of land use as stipulated in the contract for assigning the right to the use of land, he shall obtain the consent of the assigning party and the approval of the land administration department and the urban planning department and shall sign a new contract for assigning the right to the use of the land, readjust the amount of the assignment fee thereof, and undertake registration anew.

The "Construction Law of the People's Republic of China" (《中華人民共和國建築法》) ("**Construction Law**") was promulgated for the first time by the Standing Committee of the National People's Congress on 1 November 1997, and latest amended on 23 April 2019, and took effect on the same day. Pursuant to the "Construction Law", before the start of construction projects, construction units shall, in accordance with the relevant provisions of the State, apply to the competent construction administrative departments under the prefecture-county governments or above for construction licenses, except for small projects below the threshold value set by the competent construction administrative department under the State Council. Construction projects which have obtained approval of commencement reports in accordance with the power limits and procedure stipulated by the State Council are no longer required to apply for construction licenses. Units in charge of construction shall start to build the projects within three months since obtaining construction licenses. If work cannot start on schedule, applications should be filed to the license issuing agencies for delay, which shall only be permitted twice in maximum for each case, each permission of delay covering a maximum period of three months. In cases of those projects that neither start on schedule nor apply for delay or exceed the period of permitted delay, the validity of the working licenses automatically expires.

The "Measures for the Administration of Construction Permits for Construction Projects" (《建築工程施工許可管理辦法》) was promulgated for the first time by the former Ministry of Construction of the People's Republic of China in 1999, and latest amended by the Ministry of Housing and Urban-Rural Development on 30 March 2021, and took effect on the same day. Pursuant to these Measures, for construction of various types of housing buildings and their auxiliary facilities, decoration and fitting-out works, installation of supporting lines, pipelines and equipment, as well as construction of urban municipal infrastructure projects within the territory of the People's Republic of China, the construction unity shall, before commencement of the project, apply for a construction permit from the competent department of housing and urban-rural development of the local people's government at or above the county level where the project is located in accordance with the provisions of these Measures. Construction projects with an investment amount of less than RMB300,000 or a floor area of less than 300m2 are exempt from the requirement to apply for a construction permit. The competent departments of housing and urban-rural development of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government may adjust the aforementioned limits in light of local actual conditions, and submit the adjustments to MOHURD for record. Construction projects which have obtained approval of commencement reports in accordance with the power limits and procedure stipulated by the State Council are no longer required to apply for construction licenses.

The "Measures for the Administration of the Filing of Completion Acceptance of Housing Construction and Municipal Infrastructure Projects" (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) were promulgated by MOHURD on 19 October 2009, and took effect on the same day. Pursuant to these Measures, the construction unity shall, within 15 days after the completion acceptance of the project, file the record with the competent construction department of the local people's government at or above the county level where the project is located (hereinafter referred to as the filing organ). Upon receiving the completion acceptance filing documents submitted by the construction unity and verifying that all documents are complete, the filing organ shall sign on the Completion Acceptance Filing Form of the project to confirm the receipt of the documents.

The "Provisions on the Completion Acceptance of Housing Construction and Municipal Infrastructure Projects" (《房屋建築和市政基礎設施工程竣工驗收規定》) were promulgated by MOHURD on 2 December 2013, and took effect on the same day. Pursuant to these Provisions, the construction unity shall be responsible for organizing and implementing the completion acceptance of the project.

LAWS AND REGULATIONS ON HOUSING LEASE MANAGEMENT

Pursuant to (i) the "Urban Real Estate Administration Law of the People's Republic of China" (《中華人民共和國城市房地產管理法》), which was promulgated by the Standing Committee of the National People's Congress on 5 July 1994, latest amended on 26 August 2019, and took effect on 1 January 2020; and (ii) the "Measures for the Administration of Commodity Housing Leases" (《商品房屋租賃管理辦法》), which was promulgated by MOHURD on 1 December 2010, and took effect on 1 February 2011, property leasing requires the lessor and the lessee to enter into a written lease contract, which shall specify the lease term, the intended use of the property, responsibilities for leasing and maintenance, and other rights and obligations of both parties. Both the lessor and the lessee shall, within 30 days from the date of signing the property lease contract, go through the formalities for property lease registration and filing with the real estate administrative department at the place where the leased property is located. If the lessor and the lessee fail to handle the registration and filing formalities, both the lessor and the lessee shall be imposed a fine.

LAWS AND REGULATIONS PERTAINING TO INTELLECTUAL PROPERTY RIGHTS OF THE PRC

Patents

The "Patent Law of the People's Republic of China" (《中華人民共和國專利法》) was promulgated by the Standing Committee of the National People's Congress on 12 March 1984, latest amended on 17 October 2020, and took effect on 1 June 2021. The "Rules for the Implementation of the Patent Law of the People's Republic of China" (《中華人民共和國專利法實施細則》) was promulgated by the State Council on 15 June 2001, took effect on 1 July 2001, latest amended on 11 December 2023, and took effect on 20 January 2024. According to the aforementioned laws and regulations and the implementation rules, patents in the PRC are classified into three types: invention patents, utility model patents, and design patents. The term of patent right for inventions shall be twenty years, the term of patent right for utility models shall be ten years, and the term of patent right for designs shall be fifteen years, all commencing from the filing date. Any unit or individual that intends to exploit the patent of another unit or individual shall conclude a contract with the patentee for permitted exploitation and pay the royalties. The permittee shall not have the right to exploit the said patent.

Trademarks

The "Trademark Law of the People's Republic of China" (《中華人民共和國商標法》) was promulgated by the Standing Committee of the National People's Congress on 23 August 1982, took effect on 1 March 1983, latest amended on 23 April 2019, and took effect on 1 November 2019; the "Regulations for the Implementation of the Trademark Law of the People's Republic of China" (《中華人民共和國商標法實施條例》) were promulgated by the State Council on 3 August 2002, took effect on 15 September 2002, latest amended on 29 April 2014, and took effect on 1 May 2014. According to the aforementioned laws and regulations, the period of validity of a registered trademark shall be 10 years, counted from the day the registration is approved. Where a trademark registrant intends to continue using the registered trademark upon expiry of the validity period of registration, the trademark registrant shall go through the renewal procedure within 12 months prior to the expiry date. Where the registrant fails to do so during the said time limit, an extension of 6 months may be granted. Each renewal of registration shall be valid for 10 years calculating from the date immediately following the expiry date of the last validity period of the trademark. The registrant of a trademark may, by concluding a trademark licensing contract, authorize another person to use the registered trademark.

Domain Names

The "Measures for the Administration of Internet Domain Names" (《互聯網域名管理辦法》) was promulgated by the Ministry of Industry and Information Technology on 24 August 2017, and took effect on 1 November 2017. According to the regulations, the Ministry of Industry and Information Technology is the primary regulatory authority responsible for the administration of internet domain names in the PRC. Domain name registration is administered by domain name root servers and root server operational institutions, domain name registries, and domain name registrars established in accordance with relevant regulations.

LAWS AND REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The primary laws and regulations governing labor relations are the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》), the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》), and their implementation regulations, which impose strict requirements on employers regarding the conclusion of fixed-term labor contracts, hiring temporary workers, and termination of employment.

The "Labor Law of the People's Republic of China" was promulgated by the Standing Committee of the National People's Congress on 5 July 1994, took effect on 1 January 1995, and latest amended on 29 December 2018, and took effect on the same date. The "Labor Law of the People's Republic of China" stipulates matters related to employment promotion, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protections for female employees and underage workers, vocational training, social insurance and benefits, labor disputes, supervision and inspection, and legal liabilities.

The "Labor Contract Law of the People's Republic of China" was promulgated by the Standing Committee of the National People's Congress on 29 June 2007, took effect on 1 January 2008, latest amended on 28 December 2012, and took effect on 1 July 2013. The "Implementation Regulations of the Labor Contract Law of the People's Republic of China" was promulgated by the State Council on 18 September 2008, and took effect on the same date. Pursuant to the above laws and regulations, the establishment of an employment relationship shall be subject to the conclusion of a written labor contract. Employers shall not force employees to work overtime; if overtime work is arranged, employers shall pay overtime wages to employees in accordance with relevant state regulations. Wages shall not be lower than the local minimum wage standard and must be paid to employees in a timely manner.

Pursuant to the "Interim Provisions on Labor Dispatch" (《劳務派遣暫行規定》), which was promulgated by the Ministry of Human Resources and Social Security on 24 January 2014, and took effect on 1 March 2014, the number of the dispatched workers of an employer shall not exceed 10% of its total workforce. If an employer employs dispatched workers in excess of 10% of its total workforce and fails to rectify the situation within a certain time limit, it will be fined at a rate of not less than RMB5,000 but not more than RMB10,000 per person dispatched.

Social Insurance

The "Social Insurance Law of the People's Republic of China" (《中華人民共和國社會保險法》) ("**Social Insurance Law**"), which was latest amended by the Standing Committee of the National People's Congress on 29 December 2018 and took effect on the same date, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. Pursuant to the "Social Insurance Law" and the "Interim Regulations on the Collection and Payment of Social Insurance Premiums" (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on 22 January 1999 and latest amended on 24 March 2019 and took effect on the same date, the employer must apply for social insurance registration at the local social insurance agency and withhold and remit social insurance contributions for its employees. Where an employer fails to make social insurance contributions, it shall be ordered to make the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Funds

Pursuant to the "Regulations on the Administration of Housing Provident Funds" (《住房公積金管理條例》), which was promulgated by the State Council on 3 April 1999, and latest amended on 24 March 2019, a unit incorporated in the territory of the PRC must pay housing provident fund for its employees. Where a unit fails to pay or pays not in full amount the housing provident fund by the expiration of the time limit, the managing center of housing provident fund shall order it to be paid and deposited within a specified time limit. Where it is not paid and deposited yet by the expiration of the specified time limit, compulsory enforcement by the people's court may be applied.

REGULATIONS ON TAXATION

Enterprise Income Tax

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得税法》, "Enterprise Income Tax Law"), which was promulgated by the Standing Committee of the National People's Congress, latest amended on 29 December 2018, and took effect on the same day, a uniform income tax rate of 25% shall apply to either a foreign-invested enterprise or a domestic enterprise that has establishment or premise in China. Pursuant to the "Enterprise Income Tax Law", an enterprise established in a foreign country but with effective management located in the PRC is regarded as a resident enterprise, which generally shall pay enterprise income tax on income sourced from both inside and outside the PRC at the uniform rate of 25%.

Enterprises accredited as high-tech enterprises in accordance with the "Measures for the Administration of High-tech Enterprise Accreditation" (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration on 29 January 2016 and took effect on 1 January 2016, are entitled to a preferential tax rate of 15%. The validity of the certificate issued to an accredited high-tech enterprise shall be three years from the date of issuance. Enterprises may re-apply for accreditation as high-tech enterprises before or after the expiration of the previous certificate.

Value-Added Tax (VAT)

Pursuant to the "Value-Added Tax Law of the People's Republic of China" (《中華人民共和國增值税法》), which was promulgated by the Standing Committee of the National People's Congress on 25 December 2024 and took effect on 1 January 2026, and the "Rules for the Implementation of the Provisional Regulations on Value-added Tax of the People's Republic of China" (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance, latest amended on 28 October 2011, and took effect on 1 November 1 2011, entities and individuals engaging, within the territory of the PRC, in the sale of goods, supply of labor services in processing, repairing and maintenance, and the importation of goods shall be subject to VAT. Unless otherwise stipulated in the aforesaid regulations, VAT rate is set at 17% for the sale of goods or importation of goods by taxpayers.

Pursuant to the "Circular of the Ministry of Finance and the State Taxation Administration on Adjustment of VAT Rate" (《財政部、國家税務總局關於調整增值税税率的通知》) (CS [2018] No. 32), which was promulgated by the Ministry of Finance and the State Taxation Administration on 4 April 2018 and took effect on 1 May 2018, for taxpayers engaging in taxable sales or importation of goods with original tax rate of 17% and 11%, the rate shall be adjusted to 16% and 10% respectively.

Pursuant to the "Announcement on Related Policies for Deepening VAT Reform" (《關於深化增值税改革有關政策的公告》) (CS [2019] No. 39), which was promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on 20 March 2019 and took effect on 1 April 2019, for taxpayers engaged in taxable sales or importation of goods with original tax rate of 16% and 10%, the rate shall be adjusted to 13% and 9% respectively.

DIVIDEND TAXATION

In respect of individual investors

Pursuant to the "Individual Income Tax Law of the People's Republic of China" (《中華人民共和國個人所得税法》) (the "**Individual Income Tax Law**"), which was latest amended by the Standing Committee of the National People's Congress on 31 August 2018 and took effect on 1 January 2019, and the "Implementation Regulations for the Individual Income Tax Law of the People's Republic of China" (《中華人民共和國個人所得税法實施條例》), which was latest amended by the State Council on 18 December 2018 and took effect on 1 January 2019, dividends paid by the PRC companies to individual investors are generally subject to a withholding tax at a flat rate of 20%. Meanwhile, pursuant to the "Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies" (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》), which was promulgated by the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission on 7 September 2015 and took effect on 8 September 2015, where an individual acquires stocks of a listed company from public offering of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempted from individual income tax. If the individual holds the stocks for one month or less (one month inclusive), the income from dividends is fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable; The aforesaid income is subject to an individual income tax at a flat rate of 20%.

Pursuant to the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion" (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), which took effect on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax will not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol of the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion" issued by the State Administration of Taxation (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷税漏税的安排》) ("**Fifth Protocol**") effective on 19 July 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

In respect of corporate investors

Pursuant to the "Enterprise Income Tax Law" (《企業所得税法》) and the "Implementation Rules for the Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得税法實施條例》) which was latest amended on 6 December 2024 and took effect on 20 January 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong) if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income is not connected to such establishment or premise in the PRC. Such withholding tax payable by non-resident enterprises are deducted at source, where the payer of the income is required to withhold the enterprise income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. The aforesaid enterprise income tax may be reduced pursuant to applicable treaties to avoid double taxation.

The "Circular of the State Administration of Taxation on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H-Share Shareholders of Overseas Non-Resident Enterprise" (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) which was issued by the State Administration of Taxation on 6 November 2008, further clarified that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on dividends paid to H-share shareholders of overseas non-resident enterprise (sourced from profits for 2008 and subsequent years). The "Response to Issues on Levying Enterprise Income Tax on Dividends Received by Non-resident Enterprise from Holding Stock such as B-shares" (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批複》) which was issued by the State Administration of Taxation on 24 July 2009 and took effect on the same day, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges (including H-shares, B-shares and overseas shares) must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC has concluded with a relevant jurisdiction, where applicable.

Pursuant to the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion" (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax will not exceed 5% of the total dividends payable by the PRC company. The "Fifth Protocol" stipulates that such provisions shall not apply to the arrangements or transactions made for the primary purpose of obtaining tax benefits.

TAXATION ON SHARE TRANSFER

In respect of individual investors

According to the "Individual Income Tax Law" and its implementation regulations, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of equity in PRC resident enterprises. In accordance with the "Circular of the Declaring that Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares" (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) that was promulgated by the Ministry of Finance and the State Administration of Taxation on 20 March 1998, and took effect on the same day, from 1 January 1997, income of individuals from the transfer of shares of listed companies remain exempted from individual income tax. The State Taxation Administration has not clearly stipulated in the newly revised "Individual Income Tax Law" and the "Implementation Regulations of the Individual Income Tax Law" whether to continue exempting individual income tax on the income from the transfer of listed company stocks by individuals.

In respect of corporate investors

Pursuant to the "Enterprise Income Tax Law" and its implementation regulations, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income (including gains from the disposal of shares of resident enterprises) if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income is not connected to such establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source. The payer of the income is the withholding obligator. The payer is required to withhold the enterprise income tax from the amount to be paid when such payment is made or due. The aforesaid enterprise income tax may be reduced or exempted pursuant to applicable treaties or arrangements.

Stamp Tax

Pursuant to the "Stamp Tax Law of the People's Republic of China" (《中華人民共和國印花税法》), which was promulgated by the Standing Committee of the National People's Congress on 10 June 2021 and took effect on 1 July 2022, the entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and shall pay stamp tax. Where entities or individuals, outside the territory of the PRC, conclude taxable certificates that are used within the territory of the PRC, they shall also pay stamp tax. The regulations of "Stamp Tax Law of the People's Republic of China" do not apply to acquisitions or dispositions of H-shares outside the PRC.

REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

The "Securities Law of the People's Republic of China" (《中華人民共和國證券法》) (the "**Securities Law**"), which was promulgated on 29 December 1998, latest amended on 28 December 2019, and took effect on 1 March 2020, comprehensively regulates trading activities in PRC securities market, including the issuance and trading of securities, takeover of listed companies, stock exchanges and securities companies, and the duties of securities regulatory authorities, etc. The "Securities Law" further regulates the direct or indirect offering of securities and listing on an overseas securities exchange by domestic enterprises in the PRC. Such activities shall comply with the relevant regulations of the State Council, and trading of shares by PRC domestic companies in foreign currencies shall be separately prescribed by the State Council. The China Securities Regulatory Commission (CSRC) is a securities regulatory institution established by the State Council. It oversees and administers the securities market in accordance with the law, maintains market order, and ensures the operation of the market in a legal manner. At present, H-shares are mainly regulated by laws, regulations and rules promulgated by the State Council and CSRC.

Overseas Listing

On 17 February 2023, CSRC promulgated the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies" (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and 5 supporting guidelines, which came into effect on 31 March 2023. According to the "Trial Measures", a PRC domestic company that seeks to offer and list securities in overseas markets ("**overseas offering and listing**"), either directly or indirectly, shall fulfill the filing procedure with CSRC, submit relevant materials that contain a filing report and a legal opinion. Under specific circumstances, the "Trial Measures" require, among others, that: (i) Where an issuer makes an application for initial public offering and listing in an overseas market, the filing entity shall submit to CSRC filing documents within 3 working days after such application is submitted; (ii) Where an issuer makes overseas securities offering after having been listed in an overseas market, the filing entity shall submit to CSRC filing documents within 3 working days after the offering is completed; (iii) Where an issuer, after having been listed overseas, makes subsequent offerings or listings, the filing entity shall submit to CSRC filing documents within 3 working days after such application is submitted. Where a PRC company fails to complete the filing procedures, or there is false record, misleading representation or major omission in the filling documents, it shall be ordered to take corrective measures, given a warning and imposed a fine, and the person-in-charge directly responsible and other persons directly responsible may also be imposed a fine.

The "Trial Measures" also specifies the reporting obligations of issuers when material events ("**Material Events**") occur after overseas offering and listing. Upon the occurrence of any of the Material Events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Additionally, where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within 3 working days after the occurrence of the changes. According to the "Trial Measures", overseas offering and listing by PRC domestic companies shall abide by laws, administrative regulations and relevant state rules concerning foreign investment in the PRC, state-owned asset administration, industry regulation and outbound investment. Such overseas offering and listing shall not disrupt domestic market order, harm state or public interest or undermine the lawful rights and interests of domestic investors. A PRC domestic company that seeks to offer and list securities in overseas markets shall: (i) abide by applicable laws, including the Company Law of the PRC and the Accounting Law of the PRC, administrative regulations and relevant state rules, and formulate articles of association, improve internal control system, enhance corporate governance, and promote compliance in corporate finance and accounting practices; and (ii) abide by national secrecy laws and relevant provisions and take necessary measures to fulfill confidentiality obligations. Divulgence of state secrets or working secrets of government agencies is strictly prohibited. Provision of personal information, important data and etc. to overseas parties in relation to overseas offering and listing shall be in compliance with applicable laws, administrative regulations and relevant state rules.

Furthermore, the "Trail Measures" also explicitly stipulates circumstances prohibited for overseas issuance and listing, including (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; or (v) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Pursuant to the "Provisions on Strengthening Confidentiality and Archives Management of Overseas Securities Offering and Listing by Domestic Enterprises" (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which was promulgated by CSRC in collaboration with the Ministry of Finance, the National Administration of State Secrets Protection, and the State Archives Administration of the People's Republic of China on 24 February 2023 and took effect on 31 March 2023, a domestic company that seeks to offer and list its securities in an overseas market, and the securities companies and securities service providers that undertake relevant securities business, shall strictly abide by applicable laws and regulations of the PRC and these Provisions, enhance legal awareness of keeping state secrets and strengthening archives administration, institute a sound confidentiality and archives administration system, and take necessary measures to fulfill confidentiality and archives administration obligations. They shall not divulge any state secret or harm national security and public interest. A domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level.

OVERVIEW

Our history began in June 2011, when our Company was established in Kunshan, Jiangsu. Our founder, Controlling Shareholder, chairman of the Board and executive Director, Mr. Wang Xuegen (王雪根), has extensive expertise and experience in the PCB industry. Under his leadership, we have evolved into a high-tech enterprise specializing in the research, development, production and sale of PCBs, with an established position in China's PCB industry, with particular strength in the Yangtze River Delta region. For the biography of Mr. Wang Xuegen, see "Directors and Senior Management."

In November 2024, our A Shares were listed on the Beijing Stock Exchange under the stock code 920060.

BUSINESS MILESTONES

The following is a summary of our key business development milestones.

Year	Event
2011	Our Company was established in Kunshan, Jiangsu.
2016	We were recognized as a "High-Tech Enterprise" (高新技術企業) by the Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳), the Department of Finance of Jiangsu Province (江蘇省財政廳), and the Jiangsu Provincial Tax Service of the State Taxation Administration (國家税務總局江蘇省税務局).
2018	Jiangsu Guangqian was established to expand our production capacity.
2020	Jiangsu Guangqian commenced mass production, expanding our capacity for mid-to-high-end products, particularly automotive electronics.
2022	Our Shares were quoted on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統, the "**NEEQ**").
2023	Our Company was recognized as a "Specialized and Innovative Small and Medium Sized Enterprise of Jiangsu Province" (江蘇省專精特新中小企業) by the Industry and Information Technology Department of Jiangsu (江蘇省工業和信息化廳).
2024	Our A Shares were listed on the Beijing Stock Exchange.
2025	We commenced construction of our Thailand production bases.

OUR MAJOR SUBSIDIARIES

The following sets out the details of our subsidiaries that made or are expected to make a material contribution to our results of operations.

Name	Date of establishment	Place of establishment	Principal business activities	Equity interest attributable to our Group
Kunshan Guangqian	November 16, 2009	PRC	Sale of goods	100%
Jiangsu Guangqian	February 1, 2018	PRC	Research and development, manufacturing and sales of PCBs	100%

For changes in the registered capital of our subsidiaries, see "Statutory and General Information — A. Further Information about Our Group — 3. Changes in the Capital of Our Subsidiaries" in Appendix V.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development and Conversion into a Joint Stock Company

On June 7, 2011, our Company was established by Kunshan Wanzheng Printed Circuit Board Co., Ltd. (昆山萬正電路板有限公司, "**Kunshan Wanzheng**") under the laws of the PRC as a limited liability company with an initial registered capital of RMB10,000,000. At the time of our establishment, Kunshan Wanzheng was held by Mr. Wang Xuegen as its founder and controlling shareholder. On December 2011, Mr. Wang Xuegen acquired 66% of the equity interest in our Company from Kunshan Wanzheng for a consideration of RMB6,600,000, and has since become our Controlling Shareholder.

Between 2011 and 2019, our Company underwent several rounds of capital increases and transfers, upon completion of which our registered capital increased to RMB100,000,000.

On November 12, 2020, our Company was converted into a joint stock company. Upon completion of the conversion, our Company had a total share capital of RMB100,000,000 divided into 100,000,000 Shares. The shareholding structure of our Company immediately following our conversion into a joint stock company was as follows:

Shareholder	Number of Shares	Percentage shareholding
Wang Xuegen (王雪根)	53,118,690	53.12%
Wang Liguo (汪立國)	22,765,153	22.77%
Dongtai Suiding	3,610,491	3.61%
Guangtongyuan	2,449,155	2.45%
Other Shareholders[(1)]	18,056,511	18.06%
Total	**100,000,000**	**100.00%**

Note:

(1) Other Shareholders represent our Shareholders who/which at the time held no more than 5% of our Shares and were Independent Third Parties.

Quotation on the NEEQ

On June 13, 2022, our Shares were quoted on the NEEQ under the stock code 873718. In connection with the quotation, we issued an aggregate of 2,000,000 domestic Shares, accounting for approximately 1.72% of our then enlarged share capital, raising gross proceeds of RMB11 million. The shareholding structure of our Company immediately following our quotation on the NEEQ was as follows:

Shareholder	Number of Shares	Percentage shareholding
Wang Xuegen (王雪根)	53,118,690	45.64%
Wang Liguo (汪立國)	22,765,153	19.56%
Dongtai Suiding	3,610,491	3.10%
Guangtongyuan	2,449,155	2.10%
Other Shareholders[(1)]	34,451,174	29.60%
Total	**116,394,663**	**100.00%**

Notes:

(1) Other Shareholders represent our Shareholders who/which at the time held no more than 5% of our Shares and were Independent Third Parties.

Listing on the Beijing Stock Exchange

On November 19, 2024, our A Shares were listed on the Beijing Stock Exchange under the stock code 920060. In connection with the A Share listing, we issued an aggregate of 35,650,000 A Shares, accounting for approximately 23.45% of our then enlarged share capital, raising proceeds of RMB397.9 million. Upon the A Share listing, our Shares ceased to be quoted on the NEEQ. The shareholding structure of our Company immediately following our A Share listing was as follows:

Shareholder	Number of Shares	Percentage shareholding
Wang Xuegen (王雪根)	53,118,690	34.94%
Wang Liguo (汪立國)	22,765,053	14.97%
Dongtai Suiding	3,610,491	2.38%
Guangtongyuan	2,449,155	1.61%
Other A Shareholders[(1)]	70,101,274	46.11%
Total	**152,044,663**	**100.00%**

Note:

(1) Other Shareholders represent our Shareholders who/which at the time held no more than 5% of our Shares and were Independent Third Parties.

In connection with our A Share listing, each of Mr. Wang Xuegen, Mr. Wang Liguo (汪立國), Mr. Mr. Hu Youwen (胡友穩) and Mr. Huang Haifeng (黃海峰), as our Director, undertook that he will not dispose of (i) such number of our Shares per year that exceeds 25% of his shareholding in our Company for so long as he remains a Director or senior management of our Company, and (ii) any Shares within six months after he leaves employment from our Company. As of the Latest Practicable Date, no other A Shares of our Company were subject to any lock-up arrangements in connection with our A Share listing.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

PREVIOUS QUOTATION, A SHARE LISTING AND REASONS FOR H SHARE [REDACTED]

Our Share had been quoted on the NEEQ from June 2022 until our A Shares listing on the Beijing Stock Exchange in November 2024. Our Directors confirm that, during the course of our NEEQ quotation, and since our A share listing and up to the Latest Practicable Date, there had been no instances of material non-compliance with the applicable rules of the NEEQ, the Beijing Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the NEEQ or the Beijing Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the **[REDACTED]**.

Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of the Company on the NEEQ and/or the Beijing Stock Exchange.

We seek to **[REDACTED]** our H Shares on the Stock Exchange to further advance our internationalization strategy, enhance our international brand image, strengthen our core competitiveness, and improve our operational and management capabilities. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

PUBLIC FLOAT AND FREE FLOAT

Our A Shares are listed on the Beijing Stock Exchange. Pursuant to Rule 19A.13A(2) of the Listing Rules, the portion of H Shares for which **[REDACTED]** is sought that are held by the public, at the time of **[REDACTED]**, must (a) represent at least 10% of our total number of issued Shares (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

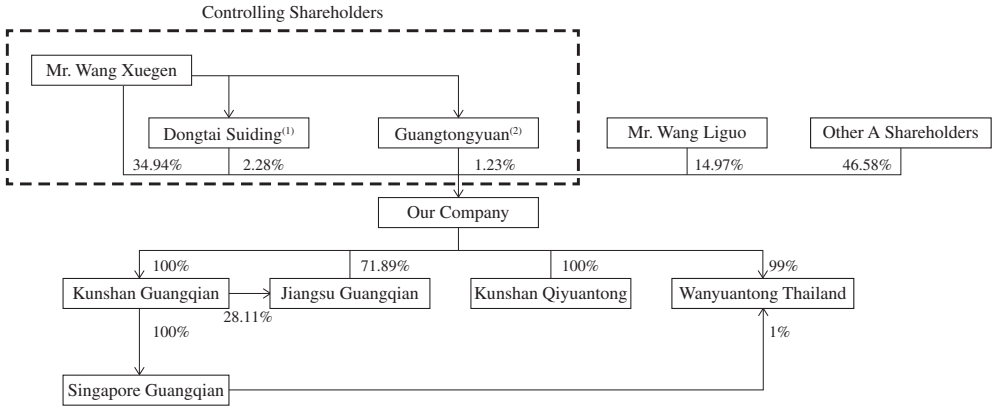
Upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the number of H Shares that are expected to be held by the public for the purpose of Rule 8.24 of the Listing Rules represents **[REDACTED]**% of our total issued Shares, which is higher than the minimum prescribed public float percentage applicable to our Shares under Rule 19A.13A(2) of the Listing Rules. Accordingly, our Company is expected to satisfy the applicable public float threshold upon **[REDACTED]**.

Based on an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the minimum **[REDACTED]**, our Company is expected to satisfy the free float requirement under Rule 19A.13C(2) of the Listing Rules.

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth a simplified shareholding and corporate structure of our Group immediately before the **[REDACTED]**.



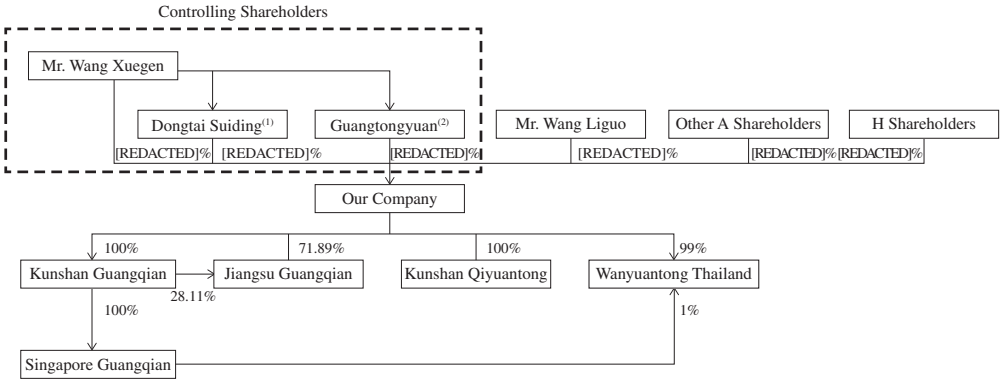
Notes:

(1) Dongtai Suiding is an employee shareholding platform for our employee share incentive plans effective prior to our quotation on the NEEQ. As of the Latest Practicable Date, Dongtai Suiding was held as to 1.06% by Mr. Wang Xuegen as its general partner. The remaining partnership interests in Dongtai Suiding was held among 30 limited partners, each holding less than 30% thereof, including Mr. Hu Youwen (胡友穩) and Mr. Huang Haifeng (黃海峰), our executive Directors, and other Independent Third Parties.

(2) Guangtongyuan is an employee shareholding platform for our employee share incentive plans effective prior to our quotation on the NEEQ. As of the Latest Practicable Date, Guangtongyuan was held as to 1.10% by Mr. Wang Xuegen as its general partner. The remaining partnership interest in Guangtongyuan was held among 34 limited partners, each an Independent Third Party.

Corporate Structure Immediately After the [REDACTED]

The following chart sets forth a simplified shareholding and corporate structure of our Group immediately after completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.



Notes:

(1)-(2) See "— Corporate Structure — Corporate Structure Immediately Before the **[REDACTED]**."

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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 Liguo, 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 the our sustainable development.

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

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.

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-cyclicality. This coordinated optimization between customer development and product evolution will serve as an important driver of our long-term growth and strategic positioning.

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.

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.

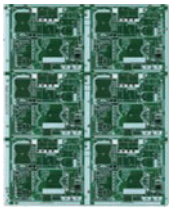
Product Portfolio

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.

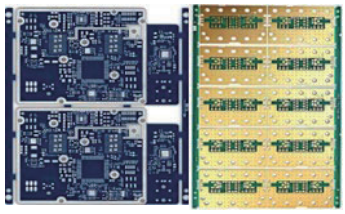
Product Type	Layer Count	Technical Features	Application Segment/Industry
Single-layer PCBs	1	1. Conductive copper foil is laminated on one side of the substrate. 2. Only one conductive layer; routing connections are achieved through through-hole components or jumper wires. 3. Mature manufacturing process, suitable for stable high-volume production.	Smart-home household appliances; mid- to low-end consumer electronics

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

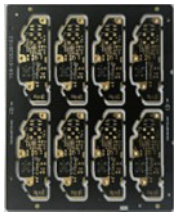
Images of Sample PCB Products



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.

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.

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.

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
		(in RMB thousands)	
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.

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.

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.

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.

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.

- *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;

- 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.

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.

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.

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.

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.

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

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.

Kunshan Plant

Year	Production Volume	Production Capacity[1]	Capacity Utilization Rate[2]
	(thousand sq.m.)	*(thousand sq.m.)*	
2023	1,434	2,100	68.3%
2024	1,435	2,100	68.4%
2025	1,174	2,100	55.9%

Dongtai Plant

Year	Production Volume	Production Capacity	Capacity Utilization Rate
	(thousand sq.m.)	*(thousand sq.m.)*	
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.

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.

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.

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.

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.

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.

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.

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

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

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

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%**	–	–	–

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.

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.

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.

- *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

Rank	Supplier	Purchase Amount (in RMB thousands)	% of Total Purchases	Industry – Company Description	Initial Engagement	Credit Term
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

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

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

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.

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.

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.

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.

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.

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

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.

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.

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.

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.

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%.

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:

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

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:

	Unit	**2023**	**2024**	**2025**
Purchased electricity consumption	*KWh*	71,665,783.68	69,379,506.00	76,839,419.80
Purchased electricity consumption density	*KWh/million revenue*	72,826.97	66,534.85	65,124.50
Natural gas consumption	m^3	201,525.44	235,132.74	256,575.00
Natural gas consumption density	m^3*/million revenue*	204.79	225.49	217.46
Gasoline consumption	*Ton*	37.94	29.24	37.59
Gasoline consumption density	*Ton/million revenue*	0.04	0.03	0.03
Diesel consumption	*Ton*	45.25	39.57	31.20
Diesel consumption density	*Ton/million revenue*	0.05	0.04	0.03
Steam consumption	*Ton*	22,845.57	23,237.19	27,215.45
Steam consumption density	*Ton/million revenue*	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.

Our water consumption and density are listed below:

	Unit	**2023**	**2024**	**2025**
Water consumption	*Thousand tons*	647.84	681.72	829.54
Water consumption density	*Thousand tons/million revenue*	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:

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

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:

	Unit	**2023**	**2024**	**2025**
GHG emissions (Scope 1) .	*ton of CO_2e*	705.07	721.48	765.35
GHG emissions (Scope 2) .	*ton of CO_2e*	48,025.04	50,254.91	49,630.56
GHG emission density. . . .	*ton of CO_2e/million revenue*	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.

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.

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 briberies 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.

*You should read the following discussion and analysis in conjunction with our audited consolidated financial information, included in the Accountants' Report in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards ("**IFRS**").*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

OVERVIEW

We are a high-tech enterprise specializing in the research, development, production and sale of printed circuit boards ("**PCBs**") headquartered in Kunshan, Jiangsu Province. Since our establishment, we have focused on developing comprehensive capabilities across engineering design, process technology and manufacturing execution, enabling us to offer a broad product portfolio covering single-layer, double-layer and multilayer PCBs, with an increasing focus on higher-value-added and special-process PCB products, including thick-copper and metal-based boards, ceramic PCBs, high-frequency and high-speed boards, ultra-thin rigid structures, half-hole boards and other advanced PCB solutions. 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 appliances, demonstrating both the breadth of our downstream markets and the versatility of our production platform,

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS, which comprises all standards and interpretations approved by the International Accounting Standards Board. We applied IFRS and revised IFRS consistently throughout the Track Record Period. Our historical financial information has been prepared under the historical cost basis except for certain assets and liabilities as set out in Note 2.1 to the Accountants' Report in Appendix I to this document. Our historical financial statements are presented in Renminbi, and all values are rounded to the nearest thousand except otherwise indicated.

In the application of our accounting policies, we are required to make judgments, estimates and assumptions. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods. Judgments made by our management in the application of IFRS that have significant effect on the financial statements and major sources of estimation uncertainty are stated in Note 3 to the Accountants' Report in Appendix I to this document.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Demand Trends in Downstream Application Industries

One of the most significant factors affecting our results of operations during the Track Record Period has been changes in demand across the downstream industries we serve. Our PCB products are primarily used in automotive electronics, consumer electronics, industrial control and household appliances, and demand from these application sectors directly influences our sales volume, product mix and pricing dynamics.

During the Track Record Period, demand from automotive electronics and consumer electronics was a key driver of our business performance. Growth in automotive electronics was supported by increasing vehicle electrification and higher electronic content per vehicle, while demand from consumer electronics was influenced by product upgrade cycles, new application launches and changes in end-market consumption patterns. In comparison, demand from industrial-control applications showed relatively stable development, driven by automation and equipment-upgrading needs, whereas demand from household appliances exhibited more cyclical fluctuations reflecting changes in consumer spending and inventory adjustments by downstream manufacturers.

In addition to our four primary application sectors, we have also seen emerging demand from medical-device, optical communication, artificial intelligence and robotics applications equipment applications, which we have identified as areas of increasing focus. These applications typically require PCB products with higher reliability, stable long-term performance and strict process control. While revenue contribution from these areas remains at an early stage during the Track Record Period, changes in demand from these sectors have begun to influence our product development priorities and capacity allocation, particularly for higher-value-added PCB products.

Overall, variations and structural changes in downstream industry demand affected our sales volumes, revenue composition and capacity utilization during the Track Record Period. Our ability to respond to these demand trends, by adjusting production planning, optimizing product structure and maintaining close customer relationships across both established and emerging application sectors, played an important role in shaping our financial performance.

Our Ability to Meet Customer Demand Through Production Capacity and Manufacturing Execution

Our ability to meet customer demand through adequate production capacity and effective manufacturing execution also affects our results of operations. As demand from our downstream application industries evolved, our financial performance was influenced by how efficiently we could allocate capacity, maintain stable production and deliver products that met customers' technical, quality and delivery requirements.

Our manufacturing operations are anchored by two core production bases located in Kunshan and Dongtai, which together form a coordinated manufacturing system aligned with different PCB product structures. The Kunshan facility focuses on the stable and large-scale production of traditional single-layer PCBs, supporting mature product categories with consistent demand and providing reliable baseline capacity. The Dongtai facility concentrates on the production of higher-value-added PCB products, including double-layer and multilayer PCBs, which typically involve higher technical complexity and longer production cycles. This product-structure based allocation of manufacturing resources allowed us to respond to changes in customer demand while maintaining stable quality and delivery performance.

During the Track Record Period, demand for higher-value-added PCB products increased, particularly in automotive electronics, consumer electronics and emerging computing-related applications. To support this shift, the Dongtai facility played an increasingly important role in our production system, and capacity utilization at Dongtai had a more direct impact on our sales volume and revenue composition. Our focus on prioritizing capacity for higher-value-added PCB products also resulted in selective allocation of production resources away from lower-value products, which affected overall sales volume but contributed to improved revenue mix and profitability.

In addition, our results of operations were influenced by our capacity expansion and preparation initiatives. We have been advancing the planned expansion of the Dongtai facility to further enhance production capacity and process capability for higher-value-added PCB products. These expansion activities involved capital expenditure, equipment installation and process ramp-up, which affected depreciation expenses and operating costs during the Track Record Period. At the same time, we have undertaken preparatory work for the establishment of a production facility in Thailand as part of our longer-term capacity planning and overseas expansion strategy. While the Thailand facility did not contribute revenue during the Track Record Period, related preparatory activities influenced our operating expenses and reflected our efforts to build a more resilient and diversified manufacturing footprint.

Overall, our ability to manage production capacity, allocate manufacturing resources between Kunshan and Dongtai, and execute capacity expansion and preparation initiatives played a significant role in determining our revenue growth, cost structure and profitability during the Track Record Period.

Changes in Product Mix and Sales

Changes in our product mix, in particular the increasing contribution from higher-value-added PCB products, affects our results of operations. As demand from downstream industries evolved and customers increasingly required PCB products with higher technical complexity and reliability, we progressively adjusted our product structure to prioritize PCB products with greater value contribution, such as multilayer PCBs, HDI boards and other special-process PCB products.

Higher-value-added PCB products generally carry higher average selling prices and higher gross profit margins. As a result, changes in the proportion of these products in our overall sales mix had a direct impact on our revenue composition and profitability. During the Track Record Period, revenue generated from multilayer PCBs increased at a greater pace among our products. In certain periods, this product mix adjustment also resulted in a reduction in sales volume for lower-value products, as production resources were selectively allocated toward higher-value-added PCB products.

The shift in product mix also affected our cost structure and operating expenses. The production of higher-value-added PCB products typically involves more complex manufacturing processes, longer production cycles and higher technical requirements, which may result in higher unit production costs and increased research and development expenses. However, these increases were partially offset by improved pricing, higher value contribution per unit and efficiency gains achieved as these products entered more stable mass production.

Overall, the ongoing optimization of our product mix toward higher-value-added PCB products played an important role in shaping our revenue growth, gross profit margin and overall profitability during the Track Record Period. Our ability to continue managing this product mix adjustment in line with market demand and manufacturing capability will remain a key factor influencing our future results of operations.

Fluctuations in Raw Material Costs and Pricing Dynamics

The fluctuations in the prices of raw materials, particularly copper-clad laminates, copper balls, and other key PCB manufacturing inputs also affect our results of operations. Raw materials constitute a significant portion of our cost of sales, and changes in their prices directly influence our production costs and gross profit margins.

During the Track Record Period, prices of certain raw materials experienced volatility due to factors such as changes in global commodity prices, supply-demand imbalances and macroeconomic conditions. In periods of rising raw material prices, our cost of sales increased, which exerted pressure on gross profit margins if such cost increases could not be fully passed on to customers in a timely manner. Conversely, in periods of relatively stable or declining raw material prices, our cost structure benefited from improved cost predictability and margin stability.

Our ability to manage the impact of raw material price fluctuations was influenced by several factors, including our procurement strategy, supplier relationships and pricing arrangements with customers. We maintain long-term cooperative relationships with major suppliers of copper-clad laminates and other key materials, which help support stable supply and provide a degree of cost visibility. In addition, for certain products and customers, pricing arrangements allow for partial cost pass-through, although the timing and extent of such adjustments may vary depending on customer contracts, market conditions and competitive dynamics.

The effect of raw material cost fluctuations on our results of operations also interacted with changes in our product mix. Higher-value-added PCB products generally have higher value contribution per unit, which may provide greater flexibility in absorbing raw material cost increases compared with lower-value products. As a result, the impact of raw material price movements on our profitability during the Track Record Period depended not only on cost trends but also on the composition of our product sales.

Overall, fluctuations in raw material costs and the effectiveness of our pricing and procurement strategies were important factors influencing our cost of sales and gross profit margin during the Track Record Period.

Impact of Foreign Exchange Fluctuations

We conduct a portion of our business in currencies other than Renminbi ("**RMB**"), primarily due to export sales to overseas customers and the procurement of certain raw materials and equipment denominated in foreign currencies. As a result, movements in exchange rates, particularly between RMB and major foreign currencies, affected our revenue, cost of sales and operating results.

During the Track Record Period, fluctuations in foreign exchange rates influenced the RMB equivalent of our foreign-currency-denominated revenue. In periods when the RMB depreciated against foreign currencies, the RMB value of our export sales generally increased, which had a positive impact on reported revenue. Conversely, when the RMB appreciated, the RMB value of such revenue declined, which could exert downward pressure on revenue growth. The timing and magnitude of these effects depended on the proportion of our sales settled in foreign currencies and prevailing exchange-rate movements during the relevant periods.

Foreign exchange movements also affected our cost structure. Certain raw materials, production equipment and other inputs are priced in foreign currencies, and fluctuations in exchange rates impacted the RMB cost of such purchases. In periods of RMB depreciation, the cost of foreign-currency-denominated inputs increased, which could partially offset the positive impact of higher RMB-denominated export revenue. In addition, foreign exchange gains or losses arising from the settlement of foreign-currency transactions and the translation of monetary assets and liabilities denominated in foreign currencies affected our other income or expenses during the Track Record Period.

We did not engage in speculative foreign exchange transactions during the Track Record Period, and our foreign exchange exposure was primarily managed through natural hedging, such as matching foreign-currency revenue with foreign-currency costs where possible. However, due to differences in timing and currency composition of receipts and payments, we were still exposed to fluctuations in exchange rates, which contributed to variability in our financial results.

Overall, foreign exchange fluctuations were an important external factor influencing our reported revenue, costs and profitability during the Track Record Period, and their impact varied depending on exchange-rate trends and the composition of our foreign-currency-denominated transactions.

RESULT OF OPERATIONS

The following table sets forth our selected consolidated statements of profit or loss for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Revenue	**984,056**	**100.0**	**1,042,754**	**100.0**	**1,179,885**	**100.0**
Cost of sales	(749,945)	(76.2)	(816,672)	(78.3)	(947,908)	(80.3)
Gross profit	**234,111**	**23.8**	**226,082**	**21.7**	**231,977**	**19.7**
Other income	10,874	1.1	12,133	1.2	20,987	1.8
Other gains/(losses), net	2,948	0.3	3,344	0.3	(6,155)	(0.5)
Selling and marketing expenses	(14,400)	(1.5)	(15,193)	(1.5)	(17,313)	(1.5)
Research and development expenses	(42,619)	(4.3)	(39,799)	(3.8)	(42,683)	(3.6)
Administrative expenses	(35,537)	(3.6)	(39,846)	(3.8)	(42,527)	(3.6)
Impairment losses on financial assets, net	(1,970)	(0.2)	267	0.0	(602)	(0.1)
Finance costs	(13,171)	(1.3)	(8,896)	(0.9)	(4,644)	(0.4)
Profit before income tax	**140,236**	**14.3**	**138,092**	**13.2**	**139,040**	**11.8**
Income tax expenses	(22,182)	(2.3)	(14,781)	(1.4)	(14,326)	(1.2)
Profits for the year attributable to owners of the Company	**118,054**	**12.0**	**123,311**	**11.8**	**124,714**	**10.6**

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

The following table sets forth our revenue.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Sales revenue	971,096	98.7	1,031,579	98.9	1,169,077	99.1
Revenue from other sources	12,960	1.3	11,175	1.1	10,808	0.9
Total revenue	**984,056**	**100.0**	**1,042,754**	**100.0**	**1,179,885**	**100.0**

During the Track Record Period, we mainly generated sales revenue from the sales of single-layer PCBs, double-layer PCBs, multilayer PCBs and others, which primarily consist of scrap metal sales generated as by-products of PCB manufacturing, as well as revenue from other sources, which was mainly derived from rental income from investment properties.

Sales revenue by product category

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Single-layer PCBs	263,130	27.1	254,717	24.7	216,728	18.5
Double-layer PCBs	295,177	30.4	284,882	27.6	352,160	30.1
Multilayer PCBs	362,687	37.3	431,047	41.8	512,098	43.8
Others	50,102	5.2	60,933	5.9	88,091	7.6
Total sales revenue	**971,096**	**100.0**	**1,031,579**	**100.0**	**1,169,077**	**100.0**

During the Track Record Period, multilayer PCBs were our largest revenue contributor, accounting for 37.3%, 41.8% and 43.8% of revenue from sales for the years ended 31 December 2023, 2024 and 2025, respectively. The increasing contribution of multilayer PCBs primarily reflected growing demand from application sectors requiring higher circuit density, enhanced reliability and more complex designs, particularly in automotive electronics and consumer electronics. In 2025, revenue from multilayer PCBs increased significantly to RMB512.1 million, driven by increased sales volume and continued optimisation of our product mix toward higher-value-added products.

Revenue by geographical location

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Domestic	944,411	97.3	965,482	93.6	1,053,216	90.1
Overseas	26,685	2.7	66,097	6.4	115,861	9.9
Total revenue from PCB sales	**971,096**	**100.0**	**1,031,579**	**100.0**	**1,169,077**	**100.0**

During the Track Record Period, the majority of our revenue was derived from domestic sales, accounting for 97.3%, 93.6% and 90.1% of total revenue for the years ended 31 December 2023, 2024 and 2025, respectively. Domestic revenue primarily reflected our established customer base and long-term relationships with manufacturers serving automotive electronics, consumer electronics, industrial control and smart-home household appliance applications in the Chinese Mainland. The decline in the proportion of domestic revenue in 2025 was mainly attributable to the continued growth of overseas sales rather than a decrease in domestic business.

Revenue from overseas customers increased from RMB26.7 million in 2023 to RMB66.1 million in 2024 and further increased to RMB115.9 million in 2025, representing 2.7%, 6.4% and 9.9% of total revenue, respectively. The continued increase in overseas revenue reflected the expansion of cooperation with export-oriented customers, the gradual growth of demand from overseas markets, and our efforts to develop overseas customer relationships, particularly in Southeast Asia and other emerging markets.

Revenue from other sources

In addition to revenue generated from PCB sales, we also derived a portion of revenue from other sources, which mainly comprised gross rental income from investment property operating leases. For the years ended 31 December 2023, 2024 and 2025, rental income amounted to RMB13.0 million, RMB11.2 million and RMB10.8 million, respectively. Such rental income was incidental to the principal PCB manufacturing operations and did not constitute a core business activity. During the Track Record Period, rental income represented a small proportion of the total revenue and did not have a material impact on our overall results of operations.

Sales volume

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume	Average Sales Price	Sales volume	Average Sales Price	Sales volume	Average Sales Price
	(thousand sq. m.)	*RMB/ Sq. M.*	*(thousand sq. m.)*	*RMB/ Sq. M.*	*(thousand sq. m.)*	*RMB/ Sq. M.*
Single-layer PCBs	1,441	183	1,449	176	1,216	178
Double-layer PCBs	556	531	577	493	728	484
Multilayer PCBs	387	937	489	881	618	829

Cost of Sales

During the Track Record Period, our cost of sales mainly comprised principal operating costs, other operating costs and inventory impairment losses. Total cost of sales amounted to RMB749.9 million, RMB816.7 million and RMB947.9 million for the years ended 31 December 2023, 2024 and 2025, respectively. The following table sets forth our cost of sales.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Principal operating costs	744,196	99.2	811,440	99.4	942,686	99.4
– Direct materials	439,210	58.6	475,824	58.3	519,523	54.8
– Direct labor	99,764	13.3	114,419	14.0	128,042	13.5
– Ancillary manufacturing costs	155,853	20.8	160,906	19.7	207,900	21.9
– Others	49,369	6.5	60,291	7.4	87,221	9.2
Other operating costs	5,749	0.8	5,232	0.6	5,222	0.6
Total cost of sales	**749,945**	**100.0**	**816,672**	**100.0**	**947,908**	**100.0**

During the Track Record Period, our cost of sales mainly comprised principal operating costs and other operating costs. Principal operating costs represented the largest component of our cost of sales, accounting for 99.2%, 99.4% and 99.4% of total cost of sales for the years ended December 31, 2023, 2024 and 2025, respectively.

Principal operating costs primarily consisted of direct materials, direct labor, manufacturing costs and others. Among principal operating costs, direct materials constituted the largest cost component, accounting for 58.6%, 58.3% and 54.8% of total cost of sales for the years ended December 31, 2023, 2024 and 2025, respectively. Direct materials mainly included copper-clad laminates, copper foil, copper balls, chemical materials and other production materials, as well as provisions for inventory impairment. Direct labor accounted for 13.3%, 14.0% and 13.5% of total cost of sales for the respective periods and mainly consisted of wages, bonuses and related employee benefits for production personnel. Ancillary manufacturing cost, which includes manufacturing overhead (including depreciation of production equipment and facilities, utilities, maintenance expenses and other factory-related costs), logistics costs and outsourcing costs, accounted for 20.8%, 19.7% and 21.9% of total cost of sales for the years ended December 31, 2023, 2024 and 2025, respectively. Others, which mainly comprised scrap-related costs, accounted for 6.5%, 7.4% and 9.2% of total cost of sales for the respective periods.

For the years ended December 31, 2023, 2024 and 2025, other operating costs accounted for 0.8%, 0.6% and 0.6% of total cost of sales, respectively, and mainly consisted of depreciation of investment properties.

Gross Profit and Gross Profit Margin

The following table sets forth the gross profit and gross profit margin by product type:

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit (RMB)	*Margin (%)*	*Gross Profit (RMB)*	*Margin (%)*	*Gross Profit (RMB)*	*Margin (%)*
	(in RMB thousands, except for percentages)					
Single-layer PCBs	57,959	22.0	54,075	21.2	47,509	21.9
Double-layer PCBs	57,483	19.5	42,163	14.8	49,157	14.0
Multilayer PCBs	110,725	30.5	123,259	28.6	128,855	25.2
Other revenue	733	1.5	643	1.1	869	1.0
Revenue from other sources	7,211	55.6	5,942	53.2	5,587	51.7
Total/Overall	**234,111**	**23.8**	**226,082**	**21.7**	**231,977**	**19.7**

Other Income

During the Track Record Period, other income was primarily attributable to government grants and interest income. Government grants mainly consisted of incentives provided by local government authorities in the PRC, including various forms of financial subsidies and preferential tax treatments, to support manufacturing activities, technological development and contribution to local economic development.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Government grants	8,047	74.0	9,352	77.1	16,017	76.3
Interest income	2,827	26.0	2,781	22.9	4,970	23.7
Total	**10,874**	**100.0**	**12,133**	**100.0**	**20,987**	**100.0**

Selling and Marketing Expenses

Our selling and marketing expenses mainly comprised employee compensation, business development expenses, travel expenses and other selling-related expenses for customer communication. These expenses were incurred to support customer development, maintain long-term customer relationships and facilitate business communication with customers across different application sectors.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Employee compensation	7,173	49.8	7,632	50.2	8,384	48.4
Business development expenses	5,954	41.3	6,141	40.4	6,454	37.3
Travel expenses	886	6.2	912	6.0	1,539	8.9
Other selling-related expenses	387	2.7	508	3.4	936	5.4
Total	**14,400**	**100.0**	**15,193**	**100.0**	**17,313**	**100.0**

Administrative Expenses

Our administrative expenses mainly comprised employee compensation, depreciation and amortization, professional and intermediary service fees, business entertainment expenses, transportation expenses, office expenses, taxes and surcharges, and other administrative expenses. These expenses were incurred in connection with our general management, finance, human resources, information technology, compliance and other administrative functions.

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Employee compensation	12,621	35.5	13,874	34.8	15,945	37.5
Depreciation and amortization	3,570	10.0	3,208	8.1	2,739	6.4
Professional and intermediary service fees	5,293	14.9	5,696	14.3	6,002	14.1
Business entertainment expenses	1,772	5.0	2,631	6.6	2,414	5.7
Transportation expenses	2,308	6.5	2,055	5.2	1,495	3.5
Office expenses	1,944	5.5	1,723	4.3	1,576	3.7
Taxes and surcharges	5,483	15.4	7,980	20.0	9,366	22.0
Other administrative expenses	2,546	7.2	2,679	6.7	2,990	7.1
Total	**35,537**	**100.0**	**39,846**	**100.0**	**42,527**	**100.0**

Research and Development Expenses

Our research and development ("**R&D**") expenses mainly comprised employee-related costs, materials consumption, depreciation of R&D-related equipment, and other R&D-related expenses. R&D expenses were incurred in connection with product development, process optimization, material testing and the enhancement of manufacturing capabilities for different PCB product categories.

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Employee-related costs	18,060	42.4	18,999	47.7	20,010	46.9
Materials consumption	21,398	50.2	17,268	43.4	19,190	45.0
Depreciation	3,157	7.4	3,153	7.9	3,262	7.6
Other R&D-related expenses	4	0.0	379	1.0	221	0.5
Total	**42,619**	**100.0**	**39,799**	**100.0**	**42,683**	**100.0**

Impairment Losses on Financial Assets

Impairment losses on financial assets mainly represented expected credit loss ("**ECL**") provisions recognized on trade receivables and other receivables, assessed in accordance with IFRS 9 Financial Instruments. For the year ended 31 December 2023, we recorded net impairment losses on financial assets of approximately RMB2.0 million, which mainly arose from additional ECL provisions recognized on trade receivables in accordance with IFRS 9. For the year ended 31 December 2024, we recorded a net reversal of impairment losses of approximately RMB0.3 million, reflecting improved collection performance and recoveries on previously impaired receivables. For the year ended 31 December 2025, we recorded net impairment losses of approximately RMB0.6 million, primarily attributable to additional ECL provisions recognised in line with the increased trade receivables balance and the application of the forward-looking ECL assessment under IFRS 9.

Other Gains and (Losses), Net

Other gains and losses mainly comprised gains or losses on disposal of property, plant and equipment, foreign exchange differences, fair value gains on financial assets at FVTPL, gain on disposal of financial assets at FVTPL, trade receivables discount allowed, foreign exchange difference and other miscellaneous items.

	Year ended December 31,		
	2023	2024	2025
	RMB	*RMB*	*RMB*
	(in RMB thousands)		
Gain/(loss) on disposal of property, plant and equipment, net	4	(1,681)	(1,357)
Fair value gains on financial assets at FVTPL	–	–	301
Gain on disposal of financial assets at FVTPL	–	–	501
Trade receivables discount allowed	–	–	(1,812)
Foreign exchange difference, net	2,292	4,737	(2,509)
Others	652	288	(1,279)
Total	**2,948**	**3,344**	**(6,155)**

Finance Costs

Finance costs mainly comprised interest expenses on borrowings incurred in connection with our financing activities.

	Year ended December 31,		
	2023	2024	2025
	RMB	*RMB*	*RMB*
		(in RMB thousands)	
Interest expense on borrowings	13,171	8,896	4,644
Total	**13,171**	**8,896**	**4,644**

Income Tax Expenses

Our income tax expenses comprised current tax and deferred tax. We are subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which we are domiciled and operate.

Entities established in the PRC were subject to the PRC corporate income tax rate of 25% during the Track Record Period. Certain of our PRC subsidiaries were recognized as "High and New Technology Enterprises" during the Track Record Period and were therefore eligible for a preferential corporate income tax rate of 15% for the relevant periods. In addition, we and certain of our PRC subsidiaries were entitled to an additional tax-deductible allowance for qualifying research and development expenses incurred during the Track Record Period.

For the years ended 31 December 2023, 2024 and 2025, income tax expenses amounted to RMB22.2 million, RMB14.8 million and RMB14.3 million, respectively. Income tax expense in 2025 remained broadly stable compared with 2024, primarily reflecting relatively stable profit before tax, continued application of preferential tax rates and R&D super-deductions, as well as the impact of deferred tax adjustments.

Profit for the Year

For the years ended 31 December 2023, 2024 and 2025, profit for the year amounted to RMB118.1 million, RMB123.3 million and RMB124.7 million, respectively.

DISCUSSION OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased from RMB1,042.8 million for the year ended December 31, 2024 to RMB1,179.9 million for the year ended December 31, 2025, representing a 13.2% increase. The increase in revenue was primarily attributable to growth in multilayer PCB sales and double-layer PCB sales, partially offset by a decline in revenue from single-layer PCBs.

Revenue from single-layer PCBs decreased from RMB254.7 million in 2024 to RMB216.7 million in 2025, representing a 14.9% decrease, mainly due to softened demand from certain consumer-electronics and smart-home household appliance applications. Sales volume of single-layer PCBs decreased from approximately 1,449,000 sq.m. in 2024 to 1,216,000 sq.m. in 2025, representing a 16.1% decrease.

Revenue from double-layer PCBs increased from RMB284.9 million in 2024 to RMB352.2 million in 2025, representing a 23.6% increase, primarily attributable to higher sales volume in automotive-electronics applications. Sales volume of double-layer PCBs increased from approximately 577,000 sq.m. in 2024 to 728,000 sq.m. in 2025, representing a 26.2% increase.

Revenue from multilayer PCBs increased from RMB431.0 million in 2024 to RMB512.1 million in 2025, representing an 18.8% increase, mainly driven by higher sales volume in automotive-electronics and consumer electronics applications, reflecting continued demand for higher-performance and higher-value-added PCB products.

Sales volume of multilayer PCBs increased from approximately 489,000 sq.m. in 2024 to 618,000 sq.m. in 2025, representing a 26.4% increase.

Revenue from other products increased from RMB60.9 million in 2024 to RMB88.1 million in 2025, representing a 44.6% increase, primarily due to higher scrap sales generated from increased production activities and price of scrap sales during the year.

Cost of Sales

Our cost of sales increased from RMB816.7 million in 2024 to RMB947.9 million in 2025, representing a 16.1% increase, which exceeded the rate of revenue growth during the same period. Principal operating costs increased from RMB811.4 million in 2024 to RMB942.7 million in 2025, representing a 16.2% increase. The increase was primarily driven by higher sales volumes of double-layer and multilayer PCBs in response to stronger downstream demand and the increase in cost of materials.

Other operating costs remained relatively stable during the period and mainly consisted of depreciation of investment properties.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased from RMB 226.1 million in 2024 to RMB 232.0 million in 2025, representing a 2.6% increase. However, our overall gross profit margin declined from 21.7% to 19.7%, primarily because the growth in cost of sales outpaced revenue growth during the year.

Gross profit margin for single-layer PCBs remained relatively stable in 2025 compared with 2024. Gross profit margin for double-layer PCBs decreased further, primarily due to decrease in average sales price as result of market price adjustments. Gross profit margin for multilayer PCBs declined in 2025 compared with 2024, primarily due to decrease in average sales price as result of market price adjustments and higher raw material costs.

The decline in overall gross margin was primarily attributable to pricing adjustments and increased cost pressures, including higher raw material costs, which outweighed the positive impact of product mix optimisation.

Other Income

Other income increased from RMB 12.1 million in 2024 to RMB 21.0 million in 2025, representing a 73.0% increase, primarily attributable to higher government grants received during the year, as well as an increase in interest income.

Selling and marketing expenses

Selling and marketing expenses increased from RMB15.2 million in 2024 to RMB17.3 million in 2025, representing a 14.0% increase, primarily due to higher employee compensation and increased travel expenses, reflecting expanded sales activities and intensified overseas market development efforts.

Administrative expenses

Administrative expenses increased from RMB39.8 million in 2024 to RMB42.5 million in 2025, representing a 6.7% increase, primarily due to higher employee compensation and increased taxes and surcharges during the year.

Research and development expenses

Research and development expenses increased from RMB39.8 million in 2024 to RMB42.7 million in 2025, representing a 7.3% increase, primarily attributable to higher employee-related costs and increased materials consumption, reflecting continued investment in HDI and other higher-value-added PCB technologies.

Other gains and losses, net

Other gains and losses changed from a net gain of RMB3.3 million in 2024 to a net loss of RMB6.2 million in 2025. The change was primarily attributable to net foreign exchange losses recognised in 2025, as well as losses from trade receivables discount allowed. These were partially offset by fair value gains on financial assets at FVTPL and gains on disposal of financial assets at FVTPL.

Finance Costs

Finance costs decreased from RMB8.9 million in 2024 to RMB4.6 million in 2025, representing a 47.8% decrease, primarily due to a reduction in outstanding borrowings and lower interest rates during the year.

Income Tax Expenses and Profit for the Year

Income tax expenses decreased from RMB14.8 million in 2024 to RMB14.3 million in 2025, representing a 3.1% decrease, mainly reflecting relatively stable taxable profits and the continued application of preferential tax treatments and R&D super-deductions. As a result of the foregoing, profit for the year increased from RMB123.3 million in 2024 to RMB124.7 million in 2025, representing a 1.1% increase.

Overall, the changes in our results of operations for the year ended 31 December 2025 compared with 2024 reflected continued growth in higher-value-added PCB products, particularly multilayer PCBs, alongside increased cost pressures and pricing adjustments. While revenue increased, gross margin declined due to higher cost structures and pricing dynamics. Nevertheless, disciplined expense control and reduced finance costs supported relatively stable net profit performance in 2025 compared with 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased from RMB984.1 million for the year ended 31 December 2023 to RMB1,042.8 million for the year ended 31 December 2024, representing 6.0% increase. The increase in revenue was primarily attributable to growth in multilayer PCB sales, partially offset by declines in revenue from single-layer and double-layer PCBs.

Revenue from single-layer PCBs decreased from RMB263.1 million in 2023 to RMB254.7 million in 2024, representing a 3.2% decrease, mainly due to lower average selling prices following copper-clad laminate price reductions and changes in downstream demand and product mix, under which certain higher-value consumer-electronics applications declined while lower-priced smart-home household appliance applications increased. The decrease in revenue for single-layer PCBs is partially offset by the increase in sales volume from approximately 1,441,000 sq.m. in 2023 to 1,449,000 sq.m. in 2024, representing a 0.6% increase.

Revenue from double-layer PCBs decreased from RMB295.2 million in 2023 to RMB284.9 million in 2024, representing a 3.5% decrease, primarily due to pricing pressure arising from raw material cost adjustments. The decrease in revenue for double-layer PCBs is partially offset by the increase in sales volume from approximately 556,000 sq.m. in 2023 to 577,000 sq.m. in 2024, representing a 3.8% increase.

Revenue from multilayer PCBs increased from RMB362.7 million in 2023 to RMB431.0 million in 2024, representing an 18.9% increase, mainly driven by higher sales volume in automotive-electronics and consumer-electronics applications, reflecting continued demand for higher-performance and higher-value-added PCB products.

Revenue from other products increased from RMB50.1 million in 2023 to RMB60.9 million in 2024, representing a 21.6% increase, primarily due to higher scrap sales generated from increased production activities during the year.

Cost of Sales

Our cost of sales increased from RMB749.9 million in 2023 to RMB816.7 million in 2024, representing an increase of RMB66.8 million, or 8.90%, which was higher than the rate of revenue growth during the same period. The increase in cost of sales was mainly attributable to increases in principal operating costs, which rose from RMB744.2 million in 2023 to RMB811.4 million in 2024.

The increase in principal operating costs was primarily driven by higher sales volumes of multilayer PCBs, which generally involve more complex production processes and higher material consumption. In addition, other production-related costs, mainly comprising of cost related to scrap metal, increased in line with higher production and sales volumes during the year.

Other operating costs remained relatively stable during the period and mainly consisted of depreciation of investment properties.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased from RMB234.1 million in 2023 to RMB226.1 million in 2024, representing a 3.4% decrease, while our overall gross profit margin declined from 23.8% to 21.7%.

Gross profit margin for single-layer PCBs declined in 2024 compared with 2023 mainly due to lower average selling prices. Gross profit margin for double-layer PCBs declined more noticeably, primarily due to intensified price competition in the market and the decrease in sales price. Gross profit margin for multilayer PCBs also declined moderately, reflecting decrease in sales price due to market price adjustments, although the impact was partially mitigated by higher sales volume and improved manufacturing efficiency.

Other Income

Other income increased from RMB10.9 million in 2023 to RMB12.1 million in 2024, representing a 11.6% increase, primarily due to higher government grants received during the year.

Selling and marketing expenses

Selling and marketing expenses increased from RMB14.4 million in 2023 to RMB15.2 million in 2024, representing a 5.5% increase, primarily due to increases in employee compensation and other selling-related expenses associated with expanded customer engagement and market development activities.

Administrative expenses

Administrative expenses increased from RMB35.5 million in 2023 to RMB39.9 million in 2024, mainly due to increases in employee compensation and taxes and surcharges, and partially offset by a decrease in depreciation and amortization in 2024.

Research and development expenses

Research and development expenses decreased from RMB42.6 million in 2023 to RMB39.8 million in 2024. The decrease was primarily attributable to a reduction in materials consumption, which declined from RMB21.4 million in 2023 to RMB17.3 million in 2024. This decrease was partially offset by an increase in employee-related costs due to higher remuneration for R&D personnel.

Other gains and losses, net

Other gains increased from RMB3.0 million in 2023 to RMB3.3 million in 2024, primarily due to an increase in net foreign exchange gains, which rose from RMB2.3 million in 2023 to RMB4.7 million in 2024, partially offset by a loss on disposal of property, plant and equipment of RMB1.7 million in 2024 compared with a gain of RMB4,000 in 2023.

Finance Costs

Finance costs decreased from RMB13.2 million in 2023 to RMB8.9 million in 2024, primarily due to a reduction in interest expense on borrowings reflecting lower average borrowings and reduced borrowing costs during the year.

Income Tax Expenses and Profit for the Year

Income tax expenses decreased from RMB22.2 million in 2023 to RMB14.8 million in 2024, primarily due to a change in the business model of our subsidiary Kunshan Guangqian in 2023 from a manufacturing entity to a trading entity. In 2023, certain deferred tax assets previously recognised were reversed as at the end of year, which resulted in higher income tax expenses in 2023 compared to our tax expenses in 2024. As a result, profit for the year increased from RMB118.1 million in 2023 to RMB123.3 million in 2024.

Overall, the changes in our results of operations for the year ended 31 December 2024 compared with 2023 reflected the combined effects of downstream industry demand, product mix adjustments toward higher-value-added PCB products, and disciplined cost management. Revenue growth was driven primarily by increased sales volume of multilayer PCBs, while gross profit and margin were affected by changes in pricing, raw material costs and product mix. Operating expenses increased in absolute terms as we continued to support business expansion and customer engagement, but remained generally well controlled relative to revenue. Taken together, these factors resulted in a moderate increase in profit for the year in 2024 compared with 2023.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at December 31		
	2023	2024	2025
	(in RMB thousands)		
NON-CURRENT ASSETS			
Property, plant and equipment	426,506	396,254	497,668
Right-of-use assets	17,486	17,036	16,644
Intangible assets	1,006	406	30
Investment properties	69,789	65,717	61,353
Prepayments, other receivables and other assets	17,593	13,253	22,014
Goodwill	6,731	6,731	6,731
Deferred tax assets	8,812	8,700	8,390
Total non-current assets	**547,923**	**508,097**	**612,830**
CURRENT ASSETS			
Inventories	154,956	173,792	273,659
Trade and bills receivables	460,996	455,935	471,728
Prepayments, other receivables and other assets	6,968	7,339	23,158
Financial assets at FVTOCI	24,404	406	5,094
Financial assets at FVTPL	–	–	172,066
Cash and bank balances	48,667	405,893	165,781
Restricted cash	135,036	125,454	125,966
Prepaid Tax	1,054	1,428	930
Total current assets	**832,081**	**1,170,247**	**1,238,382**
CURRENT LIABILITIES			
Trade and bills payables	458,743	381,546	526,388
Contract liabilities	881	199	1,276
Other payables and accruals	48,250	40,471	101,005
Borrowings	298,665	209,972	129,079
Income tax payable	4,411	3,119	2,721
Total current liabilities	**810,950**	**635,307**	**760,469**
Net current assets	**21,131**	**534,940**	**477,913**
Total assets less current liabilities	**569,054**	**1,043,037**	**1,090,743**
NON-CURRENT LIABILITIES			
Deferred income	17,223	15,983	14,663
Total non-current liabilities	**17,223**	**15,983**	**14,663**
Net assets	**551,831**	**1,027,054**	**1,076,080**

	As at December 31		
	2023	2024	2025
	(in RMB thousands)		
EQUITY			
Share capital	116,395	152,045	152,045
Reserves	435,436	875,009	924,035
Equity attributable to owners of the Company	**551,831**	**1,027,054**	**1,076,080**
Total equity	**551,831**	**1,027,054**	**1,076,080**

Net Current Assets/ (Liabilities)

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As at December 31			As at January 31,
	2023	2024	2025	2026
	(in RMB thousands)			**(unaudited)**
Current assets				
Inventories	154,956	173,792	273,659	309,400
Trade and bills receivables	460,996	455,935	471,728	487,544
Prepayments, other receivables and other assets	6,968	7,339	23,158	28,011
Financial assets at FVTOCI	24,404	406	5,094	19
Financial assets at FVTPL	–	–	172,066	140,268
Cash and bank balances	48,667	405,893	165,781	218,828
Restricted cash	135,036	125,454	125,966	134,565
Prepaid Tax	1,054	1,428	930	1,864
Total current assets	**832,081**	**1,170,247**	**1,238,382**	**1,320,499**
Current liabilities				
Trade and bills payables	458,743	381,546	526,388	593,275
Contract liabilities	881	199	1,276	1,478
Other payables and accruals	48,250	40,471	101,005	63,931
Borrowings	298,665	209,972	129,079	179,141
Income tax payable	4,411	3,119	2,721	756
Total current liabilities	**810,950**	**635,307**	**760,469**	**838,581**
Net current assets/ (liabilities)	**21,131**	**534,940**	**477,913**	**481,918**

Period ended January 31, 2026 compared with December 31, 2025

As at January 31, 2026 compared with December 31, 2025, our net current assets decreased from RMB477.9 million to RMB481.9 million. This slight increase was primarily attributable to an increase in current assets, which outpaced the rise in current liabilities. Current assets increased from RMB1,238.4 million to RMB1,320.5 million, while current liabilities increased from RMB760.5 million to RMB838.6 million.

On the asset side, the increase in current assets was mainly driven by higher inventories and cash and bank balances. Inventories increased from RMB273.7 million to RMB309.4 million, reflecting continued inventory build-up to support production activities. Cash and bank balances also increased from RMB165.8 million to RMB218.8 million, indicating improved liquidity. This was partially offset by a decrease in financial assets at FVTPL.

On the liability side, current liabilities increased mainly due to higher trade and bills payables, which rose from RMB526.4 million to RMB593.3 million, reflecting ongoing procurement and operational activities. Borrowings also increased compared with the previous period.

As a result of the foregoing, we maintained a stable liquidity position as at January 31, 2026, with a slight increase in net current assets compared with December 31, 2025.

Year ended December 31, 2025 compared with December 31, 2024

Our net current assets decreased slightly from RMB534.9 million as at December 31, 2024 to RMB477.9 million as at December 31, 2025. This change was primarily attributable to increases in both current assets and current liabilities during the year, with current liabilities increasing at a faster pace. Current assets increased from RMB1,170.2 million to RMB1,238.4 million, while current liabilities increased from RMB635.3 million to RMB760.5 million.

On the asset side, the increase in current assets was mainly driven by higher inventories. Inventories increased from RMB173.8 million as at December 31, 2024 to RMB273.7 million as at December 31, 2025, primarily reflecting increased raw material procurement and inventory build-up to support production activities and manage raw material price fluctuations. Financial assets at FVTPL amounted to RMB172.1 million as at December 31, 2025, mainly representing investments in structured deposits and certificates of deposit which corresponds to a decrease in cash.

On the liability side, current liabilities increased mainly due to higher trade and bills payables and other payables and accruals. Trade and bills payables increased from RMB381.5 million as at December 31, 2024 to RMB526.4 million as at December 31, 2025, primarily reflecting increased procurement activities and higher outstanding payables related to production and expansion activities. Other payables and accruals also increased during the year, mainly due to higher payables for equipment purchases and capital expenditures.

As a result of the foregoing, we maintained a healthy liquidity position as at December 31, 2025, although net current assets decreased compared with the prior year mainly due to increased working capital requirements and higher trade-related payables.

Year ended December 31, 2024 compared with December 31, 2023

Our net current assets increased significantly from RMB21.1 million as at December 31, 2023 to RMB534.9 million as at December 31, 2024.

This substantial improvement was primarily attributable to a significant increase in current assets, which rose from RMB832.1 million to RMB1,170.2 million, together with a decrease in current liabilities from RMB811.0 million to RMB635.3 million.

On the asset side, the increase in current assets was mainly driven by a sharp rise in cash and bank balances, which increased from RMB48.7 million as at December 31, 2023 to RMB405.9 million as at December 31, 2024. This increase primarily reflected the receipt of proceeds from equity financing activities during 2024, including the completion of our A Shares listing on the Beijing Stock Exchange, as well as improved operating cash inflows. Inventories also increased moderately, reflecting higher raw materials and work-in-progress balances to support production activities, while trade and bills receivables remained relatively stable.

On the liability side, current liabilities decreased mainly due to reductions in borrowings and trade and bills payables. Borrowings declined from RMB298.7 million as at December 31, 2023 to RMB210.0 million as at December 31, 2024, reflecting lower short-term bank financing following improved liquidity. Trade and bills payable decreased from RMB458.7 million to RMB381.5 million, primarily due to lower outstanding bills payable and improvement in payment settlement with suppliers.

As a result of the foregoing, our liquidity position strengthened significantly as at December 31, 2024, with net current assets at a substantially higher level compared with the prior year.

Property, Plant and Equipment

Property, plant and equipment primarily consisted of buildings, machinery, transportation equipment, office equipment and others, construction in progress and freehold land. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As at December 31		
	2023	**2024**	**2025**
	(in RMB thousands)		
Buildings	208,587	200,894	194,114
Machinery	210,503	189,277	235,446
Transportation equipment	3,910	2,302	2,644
Office equipment and others	3,046	2,312	2,507
Construction in progress	460	1,469	42,009
Freehold land	–	–	20,948
Total	**426,506**	**396,254**	**497,668**

Our property, plant and equipment decreased from RMB426.5 million as at December 31, 2023 to RMB396.3 million as at December 31, 2024. The decrease was primarily attributable to depreciation exceeding additions during the year, partially offset by transfers from construction in progress.

During 2024, additions to property, plant and equipment amounted to approximately RMB10.0 million, which mainly comprised purchases of machinery, transportation equipment and office equipment to support ongoing production operations. In the same year, disposals and write-offs of property, plant and equipment amounted to approximately RMB2.2 million, mainly relating to the disposal or scrapping of certain machinery, transportation equipment and office equipment that were no longer efficient or suitable for production needs.

Depreciation expenses for property, plant and equipment amounted to approximately RMB39.2 million in 2024, reflecting the continued depreciation of existing production facilities and equipment.

Overall, the net decrease in property, plant and equipment during 2024 was mainly attributable to the fact that additions during the year were lower than depreciation expenses for the same period.

As at December 31, 2025, property, plant and equipment increased to RMB497.7 million, compared with RMB396.3 million as at December 31, 2024. The increase was mainly attributable to significant capital expenditure during the year. Additions to property, plant and equipment amounted to approximately RMB103.8 million in 2025, primarily relating to purchases of machinery and equipment for production expansion, as well as the acquisition of freehold land for our Thailand manufacturing facility. Depreciation expenses for the year amounted to approximately RMB40.9 million. In addition, construction in progress increased significantly to RMB42.0 million as at December 31, 2025, compared with RMB1.5 million as at December 31, 2024, mainly reflecting capital expenditures incurred for ongoing production expansion projects and the construction of new manufacturing facilities. Overall, the increase in property, plant and equipment as at December 31, 2025 primarily reflected our continued investment in production capacity expansion and overseas manufacturing facilities.

Inventories

Our inventories mainly include raw materials, work in progress, finished goods and goods in transit. The following table sets forth the breakdown of our inventories as of the dates indicated:

	As at December 31,		
	2023	**2024**	**2025**
	(in RMB thousands)		
Raw materials	92,404	103,317	186,740
Work in progress	18,649	27,173	26,346
Finished goods	51,019	50,295	58,450
Goods in transit	1,330	3,032	10,622
Provision for inventories, net	(8,446)	(10,025)	(8,499)
Net carrying amount	**154,956**	**173,792**	**273,659**

Our inventories increased from RMB155.0 million as at December 31, 2023 to RMB173.8 million as at December 31, 2024. The increase was primarily attributable to higher balances of raw materials and work in progress, reflecting increased production activities during the year. Raw materials increased from RMB92.4 million as at December 31, 2023 to RMB103.3 million as at December 31, 2024, mainly due to higher procurement volumes to support production requirements. Work in progress increased from RMB18.7 million to RMB27.2 million during the same period, primarily as a result of increased production of double-layer and multilayer PCBs which have a relative higher value. Finished goods remained relatively stable, decreasing slightly from RMB51.0 million as at December 31, 2023 to RMB50.3 million as at December 31, 2024, reflecting a generally balanced level of production and product sales. Good in transit increased from RMB1.3 million to RMB3.0 million, mainly representing goods in transit and products delivered but not yet accepted by customers at the reporting date. Provisions for inventories increased from RMB8.5 million as at December 31, 2023 to RMB10.0 million as at December 31, 2024, mainly reflecting the increase in gross inventory balances and the application of consistent inventory valuation policies.

As at December 31, 2025, inventories increased significantly to RMB273.7 million, compared with RMB173.8 million as at December 31, 2024. The increase was mainly attributable to higher balances of raw materials and finished goods, reflecting increased production activities and inventory build-up to support expanding operations and manage raw material supply. Raw materials increased significantly from RMB103.3 million as at December 31, 2024 to RMB186.7 million as at December 31, 2025, mainly due to increased procurement of key production materials to support higher production volumes and manage fluctuations in raw material prices. Finished goods increased from RMB50.3 million to RMB58.5 million, reflecting higher production output during the year. Work in progress remained relatively stable, decreasing slightly from RMB27.2 million to RMB26.4 million, while goods in transit increased from RMB3.0 million to RMB10.6 million, mainly representing goods in transit and products delivered but not yet accepted by customers at the reporting date. Provisions for inventories decreased from RMB10.0 million as at December 31, 2024 to RMB8.5 million as at December 31, 2025, mainly reflecting improved inventory management and the recovery of certain inventory values. Overall, the increase in inventories as at December 31, 2025 primarily reflected our expanded production scale and procurement of raw materials to support increased manufacturing activities.

The following table sets forth our inventory turnover days as of the dates indicated:

	As at December 31,		
	2023	**2024**	**2025**
	(days)	*(days)*	*(days)*
Inventory turnover days	77.9	78.8	90.8

Overall, inventory turnover days remained at a level generally consistent with our production cycle and operating model during the Track Record Period.

Inventory turnover days increased from 77.9 days in 2023 to 78.8 days in 2024. The increase was mainly attributable to the moderate increase in inventories during the year, particularly higher balances of raw materials and work in progress, which reflected increased production activities and procurement to support manufacturing operations. Inventory turnover days further increased to 90.8 days in 2025. This increase was primarily driven by the significant rise in raw materials inventories during the year, as the increased procurement of key materials to support expanded production activities and manage fluctuations in raw material prices. The increase in inventory turnover days also reflected higher overall inventory balances associated with the expansion of production scale.

Trade and Bills Receivables

Trade and bills receivables primarily arise from sales of our PCB products in the ordinary course of business. The following table sets forth the breakdown of our trade and bills receivables as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Trade receivables	451,479	464,360	480,320
Bills receivables	31,776	13,297	13,629
Less: allowance for impairment	(22,259)	(21,722)	(22,221)
Total	**460,996**	**455,935**	**471,728**

Our trade and bills receivables remained relatively stable, decreasing slightly from RMB461.0 million as at December 31, 2023 to RMB455.9 million as at December 31, 2024. Trade receivables increased from RMB451.5 million to RMB464.4 million during the same period, primarily reflecting higher sales volume during 2024. This increase was partially offset by improved collection efficiency and settlement of receivables during the year.

Bills receivables decreased from RMB31.8 million as at December 31, 2023 to RMB13.3 million as at December 31, 2024, mainly because a significant portion of bills had been endorsed or transferred before year end. In addition, in 2024 and 2025 the structure of endorsed bills shifted toward bills issued by banks with higher credit ratings, allowing more bills to meet the derecognition conditions upon endorsement, thereby reducing the balance of bills receivables outstanding at the reporting date.

As at December 31, 2025, our trade and bills receivables increased slightly to RMB471.7 million, compared with RMB455.9 million as at December 31, 2024. Trade receivables increased from RMB464.4 million to RMB480.3 million, primarily reflecting increased sales scale during 2025. Bills receivables remained relatively stable, increasing slightly from RMB13.3 million to RMB13.6 million during the same period.

We recognize impairment losses on trade receivables in accordance with IFRS 9 using the expected credit loss ("**ECL**") model. For trade receivables, we apply the simplified approach and recognize lifetime ECLs. Allowance for impairment of trade and bills receivables decreased slightly from RMB22.3 million as at December 31, 2023 to RMB21.7 million as at December 31, 2024. During the year ended December 31, 2024, we recorded a net reversal of impairment losses of RMB0.6 million, primarily due to recoveries of previously impaired receivables and improved collection performance. As at December 31, 2025, allowance for impairment increased slightly to RMB22.2 million, reflecting the growth in receivables balances while maintaining prudent credit risk management.

We generally grant credit periods ranging from approximately 90 to 120 days to customers, taking into account factors such as customer scale, credit profile, cooperation history and transaction volume. Trade receivables are non-interest bearing.

The majority of our trade receivables were aged within one year as at December 31, 2023, 2024 and 2025, reflecting our established customer base and effective credit control procedures. There was no material deterioration in the aging profile of trade receivables during the Track Record Period.

The following table sets forth an ageing analysis of our trade receivables as at the end of each year of the Track Record Period, based on the invoice date and net of allowance for impairment:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Within 1 year	428,018	442,572	457,937
1–2 years	280	66	162
2–3 years	922	–	–
Total	**429,220**	**442,638**	**458,099**

The majority of our trade receivables were aged within one year throughout the Track Record Period. As at December 31, 2023, 2024 and 2025, net receivables aged within one year accounted for approximately 99.7%, 100.0% and 100.0% of net trade receivables, respectively, reflecting our established customer relationships and effective credit control procedures.

Cash and Bank Balances and Restricted Cash

Cash and bank balances and restricted cash primarily represent cash on hand, bank deposits and deposits pledged as security in the ordinary course of business. The following table sets forth the breakdown of our cash and bank balances and restricted cash as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Cash and bank balances	48,667	405,893	165,781
Restricted cash	135,036	125,454	125,966
Total	**183,703**	**531,347**	**291,747**

Our total cash and bank balances and restricted cash increased significantly from RMB183.7 million as at December 31, 2023 to RMB531.3 million as at December 31, 2024. The increase was primarily attributable to a substantial rise in cash and bank balances during 2024 due to proceeds raised from our listing at the Beijing Stock Exchange. Cash and bank balances increased from RMB48.7 million as at December 31, 2023 to RMB405.9 million as at December 31, 2024, mainly due to the receipt of proceeds from equity financing activities during the year, including the completion of our A-share listing on the Beijing Stock Exchange, as well as improved operating cash inflows.

Restricted cash decreased slightly from RMB135.0 million as at December 31, 2023 to RMB125.5 million as at December 31, 2024. Restricted cash primarily represents deposits pledged as security for the issuance of bank acceptance notes in connection with the settlement of trade payables. The change in restricted cash reflected fluctuations in the scale of such arrangements during the year.

As at December 31, 2025, our total cash and bank balances and restricted cash decreased to RMB291.7 million, compared with RMB531.3 million as at December 31, 2024. The decrease was mainly attributable to a reduction in cash and bank balances, which declined from RMB405.9 million to RMB165.8 million, reflecting investments in financial assets, capital expenditures for production expansion and dividend payments during the year. Restricted cash remained relatively stable, increasing slightly from RMB125.5 million as at December 31, 2024 to RMB126.0 million as at December 31, 2025, mainly reflecting the continued use of bank acceptance notes in supplier settlement arrangements.

Trade and Bills Payables

Trade and bills payables primarily arise from the purchase of raw materials, production equipment and services in the ordinary course of business. The following table sets forth the breakdown of our trade and bills payable as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Trade payables	264,912	243,030	323,597
Bills payables	193,831	138,516	202,791
Total	**458,743**	**381,546**	**526,388**

Our trade and bills payables decreased from RMB458.7 million as at December 31, 2023 to RMB381.5 million as at December 31, 2024, mainly due our increased efforts to pay our payables as result of increased cash position. Trade payables decreased from RMB264.9 million as at December 31, 2023 to RMB243.0 million as at December 31, 2024, reflecting lower outstanding supplier balances at year end.

Bills payables also decreased from RMB193.8 million to RMB138.5 million, primarily due to a lower level of bank acceptance notes issued for supplier settlements.

As at December 31, 2025, our trade and bills payables increased to RMB526.4 million, compared with RMB381.5 million as at December 31, 2024. Trade payables increased from RMB243.0 million to RMB323.6 million, mainly reflecting increased procurement of raw materials and production inputs in line with expanded production activities. Bills payables also increased from RMB138.5 million to RMB202.8 million, reflecting a higher level of bank acceptance notes used for supplier settlements. Overall, the increase in trade and bills payable as at December 31, 2025 primarily reflected the expansion of production activities and procurement volumes during the year.

The following table sets forth an ageing analysis of our trade payables as at the end of each year of the Track Record Period, based on the invoice date:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Within 1 year	262,615	242,094	322,848
1–2 years	2,020	361	161
2–3 years	8	323	101
Over 3 years	269	252	487
Total	**264,912**	**243,030**	**323,597**

The majority of our trade payables were aged within one year throughout the Track Record Period. As at December 31, 2023, 2024 and 2025, trade payables aged within one year amounted to RMB262.6 million, RMB242.1 million and RMB322.8 million, respectively, representing the substantial majority of total trade payables. Amounts aged over one year remained minimal during the Track Record Period, reflecting our generally stable payment practices and normal settlement cycles with suppliers.

Other Payables and Accruals

Other payables and accruals primarily comprise deferred income, payables for acquisitions of property, plant and equipment, employee benefits payable, other tax payables, deposits received, and other payables and accruals incurred in the ordinary course of business. The following table sets forth the breakdown of our other payables and accruals as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	(in RMB thousands)		
Non-current			
Deferred income	17,223	15,983	14,663
Current			
Payables for acquisitions of property, plant and equipment	22,911	12,631	72,650
Employee benefits payable	13,325	14,764	16,555
Other tax payables	3,045	3,666	3,404
Deposits received	1,020	1,020	1,020
Other payables and accruals	7,949	8,390	7,376
Total current	**48,250**	**40,471**	**101,005**
Total	**65,473**	**56,454**	**115,668**

Our total other payables and accruals decreased from RMB65.5 million as at December 31, 2023 to RMB56.5 million as at December 31, 2024, and increased significantly to RMB115.6 million as at December 31, 2025.

Non-current other payables mainly comprised deferred income, which represents government grants received for the construction or acquisition of certain equipment. Deferred income decreased slightly from RMB17.2 million as at December 31, 2023 to RMB16.0 million as at December 31, 2024, and further decreased to RMB14.7 million as at December 31, 2025, primarily due to the amortization of such government grants to profit or loss over the useful lives of the related assets.

Current other payables and accruals decreased from RMB48.3 million as at December 31, 2023 to RMB40.5 million as at December 31, 2024. The decrease was mainly attributable to a reduction in payables for acquisitions of property, plant and equipment, reflecting lower capital expenditure outstanding as at year end. This decrease was partially offset by increases in employee benefits payable and other taxes payable, which reflected higher personnel costs and tax-related accruals associated with business operations during the year.

As at December 31, 2025, current other payables and accruals increased significantly to RMB101.0 million, compared with RMB40.5 million as at December 31, 2024. The increase was primarily attributable to a substantial rise in payables for acquisitions of property, plant and equipment, reflecting higher outstanding payables related to equipment purchases and capital expenditures for production expansion projects. In addition, employee benefits payable and other tax payable increased during the year in line with business growth.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through a combination of cash generated from operating activities, equity financing and borrowings.

As at December 31, 2025, we had cash and cash equivalents of RMB165.8 million, compared with RMB48.7 million and RMB405.9 million as at December 31, 2023 and 2024, respectively. Our cash and bank balances increased significantly in 2024 primarily due to strong operating cash inflows and the receipt of proceeds from equity financing activities, including the completion of our A-share listing on the Beijing Stock Exchange. Cash and cash equivalents decreased in 2025 mainly due to investments in financial assets, capital expenditures for production expansion and dividend payments during the year.

Our primary sources of liquidity are cash generated from operating activities, cash and bank balances, and available banking facilities. Cash generated from operations has historically been sufficient to support our working capital requirements, including inventory procurement, settlement of trade and bills payables, payment of operating expenses and servicing of borrowings.

During the Track Record Period, our liquidity position was further strengthened by a reduction in borrowings and an increase in equity, resulting in improved net current assets and a stronger balance sheet position.

We have not experienced any material liquidity difficulties, defaults or breaches of covenants during the Track Record Period. The Directors are of the view that we have sufficient liquidity and capital resources to meet our present requirements and foreseeable working capital needs.

The table below sets forth our cash flows for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	(in RMB thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	140,236	138,092	139,040
Finance costs	13,171	8,896	4,644
Interest income	(2,827)	(2,781)	(4,970)
Fair value gains on financial assets at FVTPL	–	–	(301)
Gain on disposal of financial assets at FVTPL	–	–	(501)
Loss from debt restructuring	–	–	1,812
Depreciation of property, plant and equipment	40,906	39,152	40,920
Depreciation of investment properties	4,071	4,072	4,062
Depreciation of right-of-use assets	450	450	451
Amortization of intangible assets	878	600	376
Amortization of deferred government grants	(2,115)	(2,210)	(2,290)
(Loss)/gain on disposal of property, plant and equipment	(4)	1,681	1,357
Provisions for credit impairment losses, net	1,970	(267)	602
Provision of inventories, net	5,914	7,350	5,766
Net foreign exchange (gains)/losses	(2,292)	(4,737)	2,509
Operating cash flows before movements in working capital	**200,358**	**190,298**	**198,447**
Increase in inventories	(19,286)	(26,186)	(105,633)
Decrease/(increase) in restricted cash	21,935	9,582	(512)
(Increase)/decrease in trade and bills receivables	(69,267)	(10,304)	(53,413)
(Increase)/decrease in prepayments, other receivables and other assets	(846)	2,681	(15,366)
Decrease/(increase) in receivable financing	6,987	23,998	(4,688)
Increase/(decrease) in trade and bills payables	(26,398)	(77,197)	144,842
Increase/(decrease) in contract liabilities	422	(682)	1,077
(Decrease)/increase in other payables and accruals	4,430	5,675	11,417
Net cash generated from operations	**118,335**	**117,865**	**171,201**
Income taxes paid	(13,720)	(16,335)	(13,916)
Interest received	2,827	2,781	2,913
Net cash flows generated from operating activities	**107,442**	**104,311**	**160,198**

	Year ended December 31,		
	2023	2024	2025
	(in RMB thousands)		
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of PPE	35	447	330
Purchase of PPE, land use rights and intangible assets	(50,550)	(6,644)	(66,716)
Proceeds from disposal of financial assets at FVTPL	–	–	135,122
Investment income and interest received	–	–	501
Interest received	–	–	170
Purchases of financial assets at FVTPL	–	–	(305,000)
Net cash used in investing activities	**(50,515)**	**(6,197)**	**(235,593)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	–	366,036	–
Proceeds from borrowings	410,404	246,780	238,000
Repayment of borrowings	(433,500)	(335,380)	(318,780)
Interest paid	(13,470)	(8,989)	(4,757)
Dividend paid	–	–	(76,022)
Others	(11,498)	(12,226)	(3,330)
Net cash from/(used in) financing activities	**(48,064)**	**256,221**	**(164,889)**
Net increase/(decrease) in cash and cash equivalents	**8,863**	**354,335**	**(240,284)**
Cash at beginning of year	39,249	48,667	405,893
FX effect	555	2,891	172
Cash at end of year	**48,667**	**405,893**	**165,781**

In 2025, we generated net cash flows from operating activities of RMB160.2 million, representing a significant increase compared with RMB104.3 million in 2024. This was primarily attributable to our profit before tax of RMB139.0 million, adjusted for non-cash and non-operating items mainly including depreciation of property, plant and equipment of RMB40.9 million, depreciation of investment properties of RMB4.1 million, amortisation of intangible assets of RMB0.4 million, and finance costs of RMB4.6 million. These adjustments were partially offset by interest income of RMB5.0 million, fair value gains on financial assets at FVTPL of RMB0.3 million, gains on disposal of financial assets at FVTPL of RMB0.5 million, and amortisation of deferred government grants of RMB2.3 million.

Net cash flows from operating activities were also affected by changes in working capital, primarily including an increase in inventories of RMB105.6 million, an increase in trade and bills receivables of RMB53.4 million, and an increase in prepayments, other receivables and other assets of RMB15.4 million. These effects were partially offset by a significant increase in trade and bills payable of RMB144.8 million and an increase in other payables and accruals of RMB11.4 million. After taking into account income taxes paid of RMB13.9 million, net cash flows generated from operating activities amounted to RMB160.2 million for the year.

In 2024, we generated net cash flows from operating activities of RMB104.3 million. This was primarily attributable to our profit before tax of RMB138.1 million, adjusted for non-cash and non-operating items mainly including depreciation of property, plant and equipment of RMB39.2 million, depreciation of investment properties of RMB4.1 million, amortization of intangible assets of RMB0.6 million, and finance costs of RMB8.9 million. These adjustments were partially offset by amortization of deferred government grants of RMB2.2 million, interest income of RMB2.8 million, and net foreign exchange gains of RMB4.7 million.

Net cash flows from operating activities were further affected by changes in working capital, primarily including an increase in trade and bills receivables of RMB10.3 million, an increase in inventories of RMB26.2 million, and a decrease in trade and bills payables of RMB77.2 million, partially offset by a decrease in restricted cash of RMB9.6 million and a decrease in prepayments, other receivables and other assets of RMB2.7 million. After taking into account income taxes paid of RMB16.3 million, net cash flows generated from operating activities amounted to RMB104.3 million for the year.

In 2023, we generated net cash flows from operating activities of RMB107.4 million. This was primarily attributable to our profit before tax of RMB140.2 million, as adjusted for non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB40.9 million, depreciation of investment properties of RMB4.1 million, amortization of intangible assets of RMB0.9 million, and finance costs of RMB13.2 million. These adjustments were partially offset by amortization of deferred government grants of RMB2.1 million and net foreign exchange gains of RMB2.3 million.

Net cash flows from operating activities were also affected by changes in working capital, primarily including an increase in trade and bills receivables of RMB69.3 million, an increase in inventories of RMB19.3 million and a decrease in trade and bills payables of RMB26.4 million. These effects were partially offset by a decrease in restricted cash of RMB21.9 million. After taking into account income taxes paid of RMB13.7 million, net cash flows generated from operating activities amounted to RMB107.4 million for the year.

Cash Flows from Investing Activities

In 2025, we recorded net cash flows used in investing activities of RMB235.6 million. This was primarily attributable to purchases of financial assets at FVTPL of RMB305.0 million and purchases of property, plant and equipment, prepaid land-use rights and intangible assets of RMB66.7 million, reflecting investments in financial products using temporarily idle funds as well as capital expenditures for production expansion and equipment upgrades. These cash outflows were partially offset by proceeds from disposal of financial assets at FVTPL of RMB135.1 million.

In 2024, we recorded net cash flows used in investing activities of RMB6.2 million. This was primarily attributable to purchases of property, plant and equipment, prepaid land-use rights and intangible assets of RMB6.6 million, reflecting ongoing capital expenditures to support production operations and maintenance of manufacturing facilities.

In 2023, we recorded net cash flows used in investing activities of RMB50.5 million. This was mainly attributable to purchases of property, plant and equipment, prepaid land-use rights and intangible assets of RMB50.6 million, representing capital expenditures incurred in connection with production equipment upgrades and facility-related investments during the year.

Cash Flows from Financing Activities

In 2025, we recorded net cash flows used in financing activities of RMB164.9 million. This was primarily attributable to repayment of borrowings of RMB318.8 million and dividend payments of RMB76.0 million, reflecting our continued de-leveraging and distribution to shareholders following improved financial performance. These outflows were partially offset by proceeds from borrowings of RMB238.0 million. In addition, interest paid of RMB4.8 million and other financing-related cash outflows of RMB3.3 million contributed to the overall net cash outflow from financing activities during the year.

In 2024, we recorded net cash flows generated from financing activities of RMB256.2 million. This was primarily attributable to proceeds from capital contribution of RMB366.0 million, reflecting equity financing activities completed during the year, including the completion of our A-share listing on the Beijing Stock Exchange, and proceeds from borrowings of RMB246.8 million. These inflows were partially offset by repayment of borrowings of RMB335.4 million, interest paid of RMB9.0 million, and other financing-related cash outflows of RMB12.2 million. As a result, financing activities provided a significant net source of cash during the year.

In 2023, we recorded net cash flows used in financing activities of RMB48.1 million. This was primarily attributable to proceeds from borrowings of RMB410.4 million, which were more than offset by repayment of borrowings of RMB433.5 million, interest paid of RMB13.5 million, and other financing-related cash outflows of RMB11.5 million. No proceeds from capital contributions were received during the year.

Working Capital Sufficiency

The Directors are of the opinion that, after taking into account our internal resources, available banking facilities and cash flows from operations, we have sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

INDEBTEDNESS

The following table sets forth our indebtedness as of the dates indicated:

	As at December 31,			As at January 31,
	2023	2024	2025	2026
	(in RMB thousands)			
				(unaudited)
Current				
Borrowings	298,665	209,972	129,079	179,141
Lease liabilities	–	–	–	–
Subtotal	**298,665**	**209,972**	**129,079**	**179,141**
Non-current				
Borrowings	–	–	–	–
Lease liabilities	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**
Total indebtedness	**298,665**	**209,972**	**129,079**	**179,141**

As at December 31, 2023, 2024 and 2025, and as at January 31, 2026 all of our borrowings were classified as current, as they were repayable within one year in accordance with the terms of the relevant loan agreements. We did not have any non-current borrowings as at the end of each of these years.

Borrowings

The following table sets forth the categories of our borrowings as of the dates indicated:

	As at December 31,			As at January 31,
	2023	2024	2025	2026
	(in RMB thousands)			
				(unaudited)
Current portion				
Secured and unguaranteed borrowings	69,045	44,025	34,024	34,024
Unsecured and guaranteed borrowings	121,520	56,952	45,030	45,030
Secured and guaranteed borrowings	108,100	79,069	40,016	90,056
Unsecured and unguaranteed borrowings	–	29,926	10,009	10,031
Subtotal	**298,665**	**209,972**	**129,079**	**179,141**

Our total borrowing decreased from RMB298.7 million as at December 31, 2023 to RMB210.0 million as at December 31, 2024, and further decreased to RMB129.1 million as at December 31, 2025. The decrease during the Track Record Period was primarily attributable to repayments of bank borrowings, reflecting improved liquidity and operating cash flows as well as proceeds from equity financing activities completed in 2024 following our A-share listing on the Beijing Stock Exchange.

The effective interest rates on our borrowings ranged from approximately 3.0% to 5.2%, 2.8% to 3.5%, and 2.0% to 2.6% per annum for the years ended December 31, 2023, 2024 and 2025, respectively. As at January 31, 2026, our total borrowing was RMB179,141. As of the Latest Practicable Date, our borrowings are no longer guaranteed in compliance with the Listing Rules.

We did not breach any financial covenants under its borrowing arrangements during the Track Record Period.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, save as disclosed elsewhere in this Financial Information section, we did not have any bank or other loans, or any issued and outstanding or agreed-to-be-issued loan capital, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptances (other than ordinary trade bills), acceptance credits, debentures, mortgages, charges, hire purchase commitments or finance lease commitments, guarantees or other material contingent liabilities.

Our Directors confirm that there has not been any material change in our indebtedness during the Track Record Period and up to the Latest Practicable Date. The Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material defaults or breaches of covenants in respect of its indebtedness.

CAPITAL EXPENDITURE AND COMMITMENT

Capital Expenditure

The following table sets forth our capital expenditure for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(in RMB thousands)		
Purchases of property, plant and equipment and intangible assets	50,550	6,644	66,716

Our capital expenditure amounted to RMB50.6 million, RMB6.6 million and RMB66.7 million for the years ended December 31, 2023, 2024 and 2025, respectively. Capital expenditure in 2023 was primarily attributable to investments in production machinery, equipment upgrades and supporting facilities. Capital expenditure in 2024 decreased compared with 2023 mainly due to the completion of certain capital projects in prior periods and a lower level of new investment during the year. Capital expenditure in 2025 increased compared with 2024 primarily due to investments in production equipment and facilities as well as the acquisition of land and other assets related to production expansion.

During the Track Record Period, capital expenditure was funded primarily through internal resources, including operating cash flows, supplemented by bank borrowings and equity financing proceeds, including proceeds from the Company's A-share listing on the Beijing Stock Exchange.

Capital Commitments

As at December 31, 2023, 2024 and 2025, we had capital commitments of approximately RMB2.7 million, RMB3,7 million and RMB66.2 million, respectively, representing contracted but not provided for expenditures relating to the acquisition of property, plant and equipment for our Kunshan, Dongtai and Thailand facilities.

The Directors confirm that, save as disclosed above and elsewhere in this "Financial Information" section, there were no other material capital commitments outstanding as at December 31, 2025.

KEY FINANCIAL RATIOS

The following table sets forth certain key financial ratios for the periods indicated:

	As at/for the year ended December 31,		
	2023	2024	2025
Profitability ratios			
Gross profit margin (%)[1]	23.8	21.7	19.7
Net profit margin (%)[2]	12.0	11.8	10.6
Liquidity ratios			
Current ratio (times)[3]	1.0	1.8	1.6
Efficiency ratios			
Inventory turnover days (days)[4]	77.9	78.8	90.8
Leverage ratios			
Gearing ratio (%)[5]	54.1	20.4	12.0

1. Gross profit margin is calculated as gross profit divided by revenue for the relevant period.

2. Net profit margin is calculated as profit for the year divided by revenue for the relevant period.

3. Current ratio is calculated as total current assets divided by total current liabilities as at the relevant year end.

4. Inventory turnover days are calculated as the average of beginning and ending inventories divided by cost of sales for the year and multiplied by 365 days.

5. Gearing ratio is calculated as total borrowings divided by total equity as at the relevant year end.

Our gross profit margin decreased from 23.8% in 2023 to 21.7% in 2024, primarily reflecting changes in product mix, customer price adjustments following earlier raw material price movements and increased cost pressures during the year. Gross profit margin further declined to 19.7% in 2025, mainly due to higher raw material costs and outsourcing expenses as well as customer price adjustments, which offset the positive impact of increased sales volume of multilayer PCB products. Net profit margin remained relatively stable, decreasing slightly from 12.0% in 2023 to 11.8% in 2024, and further to 10.6% in 2025, as the impact of lower gross margin was partially offset by reduced finance costs and disciplined expense management.

Our current ratio improved significantly from 1.0 as at December 31, 2023 to 1.8 as at December 31, 2024. This improvement was mainly attributable to a substantial increase in cash and bank balances following the completion of our A-share listing on the Beijing Stock Exchange and improved operating cash inflows, together with a reduction in current borrowings and trade and bills payable. The current ratio slightly decreased to 1.6 as at December 31, 2025, mainly due to increases in inventories and trade and bills payables associated with expanded production activities, although it remained at a relatively healthy level.

Our inventory turnover days remained relatively stable in 2023 and 2024, slightly increasing from increased from 77.9 to 78.8 days. Inventory turnover days further increased to 90.8 days in 2025, mainly reflecting higher raw materials inventories and inventory build-up to support increased production scale and manage raw material supply fluctuations.

Our gearing ratio decreased from 54.1% as at December 31, 2023 to 20.4% as at December 31, 2024, reflecting a decrease in borrowings and a significant increase in equity following equity financing activities during 2024. The gearing ratio further decreased to 12.0% as at December 31, 2025, mainly due to continued repayment of borrowings and the strengthening of our equity base, indicating a continued improvement in our capital structure and balance sheet position.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISKS

Our operations expose us to certain market risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The principal objective of our risk management is to manage these risks within acceptable limits while supporting our operating and financing activities. Our exposure to market risks and the related management policies during the Track Record Period are described below.

Foreign Exchange Risk

Foreign exchange risk arises from transactions denominated in currencies other than Renminbi ("**RMB**"), primarily in connection with export sales to overseas customers and certain purchases of raw materials and equipment denominated in foreign currencies, mainly United States dollars.

During the Track Record Period, a portion of our revenue and cash balances was denominated in foreign currencies. Fluctuations in exchange rates may therefore affect our revenue, costs, operating results and cash flows when foreign-currency-denominated amounts are translated into RMB.

We did not enter into any speculative foreign exchange transactions during the Track Record Period. Our foreign exchange exposure was primarily managed through natural hedging, such as matching foreign-currency revenue with foreign-currency costs where possible. Management monitors foreign exchange exposure on an ongoing basis and may consider additional risk management measures if foreign currency exposure increases in the future.

Interest Rate Risk

Interest rate risk arises from exposure to changes in market interest rates on interest-bearing assets and liabilities, primarily bank borrowings and cash deposits.

During the Track Record Period, our interest-bearing borrowings mainly comprised short-term bank loans with floating interest rates and maturities within one year. Accordingly, changes in market interest rates may affect our finance costs and results of operations. However, our exposure to interest rate risk was relatively limited due to the short maturity profile of our borrowings and the decreasing level of borrowings during the Track Record Period.

Our cash and bank balances earn interest at floating rates based on prevailing bank deposit rates. Changes in market interest rates may therefore affect our interest income. However, given the relatively low deposit interest rates and the limited proportion of interest income relative to our overall revenue during the Track Record Period, the impact of such changes was not material.

Credit Risk

Credit risk arises from the possibility that customers or counterparties may fail to meet their obligations under contracts, resulting in financial losses.

Our credit risk is primarily attributable to trade receivables. We maintain strict credit control procedures, including customer credit assessment, credit limits, regular review of outstanding balances and close monitoring of overdue receivables. The majority of our trade receivables were aged within one year as at December 31, 2023 and 2024, and we did not experience any material deterioration in the credit quality of our receivables during the Track Record Period.

We recognize impairment losses on trade receivables in accordance with IFRS 9 using the expected credit loss model. Management considers the allowance for impairment to be adequate, having regard to historical credit loss experience, customer credit profiles, ageing analysis and forward-looking information.

Credit risk related to cash and bank balances is considered low, as such balances are deposited with creditworthy financial institutions with no recent history of default.

Liquidity Risk

Liquidity risk is the risk we may encounter difficulty in meeting its financial obligations associated with its financial liabilities as they fall due. Our primary liquidity needs arise from funding our working capital requirements, capital expenditures and repayment of borrowings. During the Track Record Period, we financed our operations primarily through a combination of cash generated from operating activities, bank borrowings and equity financing proceeds. We generated positive net cash flows from operating activities of RMB107.4 million, RMB104.3 million and RMB160.2 million for the years ended December 31, 2023, 2024 and 2025, respectively, providing a stable source of liquidity to support its operations.

As at December 31, 2023, 2024 and 2025, we recorded net current assets of RMB21.1 million, RMB534.9 million and RMB477.9 million, respectively. The significant improvement in liquidity in 2024 was primarily attributable to the receipt of proceeds from equity financing activities, including the Company's A-share listing on the Beijing Stock Exchange, as well as improved operating cash inflows. Our cash and bank balances and restricted cash amounted to RMB183.7 million, RMB531.3 million and RMB291.7 million as at December 31, 2023, 2024 and 2025, respectively. The decrease in 2025 was mainly due to investments in financial assets, capital expenditures for production expansion and dividend payments during the year.

We monitor liquidity position on an ongoing basis through cash flow forecasts and maintain sufficient cash and available banking facilities to meet its short-term and long-term funding requirements. The Directors are of the view that the Group has sufficient liquidity and financial resources to meet its present requirements and foreseeable working capital needs. We have not experienced any material liquidity difficulties, defaults or breaches of covenants during the Track Record Period.

Quantitative Market Risk Disclosure

Our exposure to market risks during the Track Record Period did not result in material volatility in our financial results. Management does not consider that reasonably possible changes in foreign exchange rates or interest rates would have had a material adverse effect on our results of operations or financial position during the Track Record Period.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at December 31, 2025, we did not have any material off-balance sheet commitments or arrangements.

During the Track Record Period and up to December 31, 2025, we did not enter into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, results of operations, liquidity, capital resources or capital expenditures.

In particular, we did not have any off-balance sheet arrangements in the form of guarantees, operating lease commitments (other than short-term or low-value leases recognized in accordance with IFRS), joint venture arrangements, structured entities, special purpose vehicles, or other similar arrangements that were not reflected in the consolidated statements of financial position.

DIVIDEND POLICY

Our dividend policy is subject to the applicable laws and regulations of the People's Republic of China, our articles of association and the discretion of our board of directors, taking into account factors such as our financial performance, cash flow position, capital requirements, future business and investment plans, statutory reserve requirements and other factors the board of directors considers relevant.

During the Track Record Period, dividends were declared and paid in accordance with applicable PRC laws and regulations and the Company's articles of association. Any declaration and payment of dividends are subject to approval by the shareholders at a general meeting.

Following our A-share listing, the Company has adopted a dividend policy that seeks to balance the provision of reasonable returns to shareholders with the need to retain sufficient funds to support business development, capital expenditure and long-term growth. In determining whether to declare dividends and the amount thereof, the board of directors will consider, among other things, the Company's profitability, operating and cash flow conditions, capital expenditure plans, financing needs and overall financial position.

	Year ended December 31,		
	2023	2024	2025
		(in RMB thousands)	
Final dividends	–	–	76,022

The final dividends of RMB5.00 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 annual general meeting on 21 April 2025. The Group had not recognised this as a liability as at 31 December 2024 but reflected as an appropriation of retained profits for the year ended 31 December 2024 during the year ended 31 December 2025. The final dividends were paid on 16 May 2025.

There can be no assurance that dividends will be declared or paid in any particular amount or at any particular time in the future. The amount of dividends payable, if any, may vary from year to year and will depend on the Company's results of operations, financial condition and other factors as determined by the board of directors.

No Material Adverse Changes

The Directors confirm that, since December 31, 2025, being the date to which the latest audited consolidated financial statements were prepared, there has been no material adverse change in our financial position, results of operations, business prospects or assets and liabilities.

Save as disclosed elsewhere in this Financial Information section, we have not experienced any material adverse developments affecting its operations, financial condition or liquidity since December 31, 2025.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and commissions; and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range stated in this document and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross proceeds. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]**, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]** expenses is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. As of December 31, 2025, we did not incur any **[REDACTED]** expenses.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

See "Appendix II — Unaudited Pro Forma Financial Information".

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

PROPERTY VALUATION

Cushman & Wakefield Limited, an independent property valuer, has valued the Group's property interests in the PRC as at 31 January 2026. The valuation has been prepared in accordance with the HKIS Valuation Standards, the RICS Global Valuation Standards and the International Valuation Standards, and complies with the relevant requirements of the Listing Rules.

The valuer has adopted the investment method, by capitalising the rental income derived from existing tenancies with due allowance for reversionary potential, and has made reference to comparable market evidence where appropriate.

As at 31 January 2026, the total market value of the properties held by the Group in the PRC in their existing state amounted to approximately RMB140.0 million.

The Group's properties comprise (i) Kunshan Qiyuantong Industrial Park and (ii) a portion of Kunshan Wanyuantong Industrial Park, both located in Jiangsu Province, the PRC. The Group holds 100% interest in each of these properties, which are held for industrial use and generate rental income.

A reconciliation of the net book value of the Group's properties to their fair value as at January 31, 2026 is set out below:

	Industrial properties located in Kunshan City, Jiangsu Province, the PRC
	(in RMB thousands)
Net book value as of December 31, 2025	61,353
Depreciation for the period from January 1, 2026 to January 31, 2026 (unaudited)	341
Net book value as of January 31, 2026 (unaudited)	61,012
Net valuation surplus	78,988
Valuation of the properties owned by our Group as at January 31, 2026 as set out in the property valuation report in the section headed "Property Valuation" in Appendix III to this document	140,000

The valuation assumes that the properties are free from encumbrances and that the Group has valid and enforceable title with the right to use, occupy, transfer or lease the properties for the respective land use terms. No allowance has been made for any charges, pledges or taxation that may arise upon disposal.

The full text of the valuation report, including the valuation certificates and details of the properties, is set out in Appendix III to this document.

OVERVIEW

As of the Latest Practicable Date, our Company was held as to 34.94% by Mr. Wang Xuegen (王雪根), 2.28% by Dongtai Suiding, and 1.23% by Guangtongyuan. Mr. Wang Xuegen is general partner of each of Dongtai Suiding and Guantongyuan.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Wang Xuegen will be entitled to exercise and control (through Dongtai Suiding and Guangtongyuan) the exercise an aggregate of **[REDACTED]**% of the voting power at general meetings of our Company. Upon **[REDACTED]**, each of Mr. Wang Xuegen, Dongtai Suiding and Guangtongyuan will constitute a group of controlling shareholders of our Company under the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates upon **[REDACTED]**.

Management Independence

Upon **[REDACTED]**, our Board will comprise eight Directors, including four executive Directors and four independent non-executive Directors. Although Mr. Wang Xuegen, our executive Director, is also a Controlling Shareholder and the general partner of Dongtai Suiding and Guangtongyuan, our management and operational decisions are made collectively by our executive Directors and senior management, most of whom have served our Group for a long time and all of whom have substantial experience in the industry in which we are engaged and/or in their respective fields of expertise. The balance of power and authority is ensured by the operation of the senior management and our Board. See "Directors and Senior Management" for further details.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act in good faith for the benefit of our Company as a whole, and avoid conflicts between his/her personal interests and the interests of our Company. Further, we believe our independent non-executive Directors bring independent judgment to the decision-making process of our Board. In the event that a Director or his/her associate has a material interest in a contract or arrangement or any other proposal to be entered into by our Group, the interested Director will abstain from voting on the relevant board resolution and not be counted in the quorum of the relevant Board meetings. See "— Independence from Our Controlling Shareholders — Corporate Governance Measures" for further details.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management (other than Mr. Wang Xuegen) are able to perform their managerial role in our Group independently of our Controlling Shareholders and their respective close associates after **[REDACTED]**.

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company after **[REDACTED]**, we have full rights to make all decisions regarding, and to carry out, our own business operations independently. Our Company (together with our subsidiaries) holds or enjoys the benefit of all licenses, qualifications, intellectual properties and permits necessary to carry on our business, and has sufficient capital, equipment, facilities, access to customers and suppliers, and employees to operate our business independently of our Controlling Shareholders and their respective close associates. We have also established a set of internal control measures and adopted corporate governance practices to facilitate the effective operation of our business.

Apart from the transaction set out in "Connected Transaction," our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders or their respective close associates upon **[REDACTED]**.

Based on the above, our Directors are satisfied that we will be able to operate independently of our Controlling Shareholders and their respective close associates after **[REDACTED]**.

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. We have our own accounting and finance department with a team of independent financial staff responsible for discharging the treasury function, and an Audit Committee comprising solely of non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

We have independent access to third-party financing and our Directors believe that, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their respective close associates. Hence, we do not rely on our Controlling Shareholders or their close associates to provide financial assistance to our Group. As of the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by our Controlling Shareholders or their respective close associates to our Group.

Based on the above, our Directors believe that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after **[REDACTED]**.

COMPETITION WITH OUR CONTROLLING SHAREHOLDERS

Delineation of Business

We are a high-tech enterprise specializing in the research, development, production and sale of printed circuit boards. Each of Dongtai Suiding and Guangtongyuan is an employee shareholding platform and has no substantive business operations.

Each of our Controlling Shareholders confirms that, as of the Latest Practicable Date, he/it did not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Non-Competition Undertaking

In connected with our A Share listing, Mr. Wang Xuegen provided a non-competition undertaking to our Company pursuant to which he has undertaken that, so long as he remains a controlling shareholder or an actual controller of our Company:

(a) none of Mr. Wang Xuegen and other enterprises controlled by him (the "**Relevant Parties**") is engaged in the business which is the same as or competes with the principal business of our Company, or directly or through investment holding, minority stake, joint ventures, associates, or any other form, engages in, or operates on behalf of others, any business that is the same as, similar to, or in competition with the principal business of our Company. The Relevant Parties would not directly or indirectly participate in any business which competes or is likely to compete with the principal business of our Company;

(b) the Relevant Parties would not engage in any business in or outside China that directly competes with the principal business of our Company, our subsidiaries and branches, which includes investing in, acquiring, or merging with companies or other entities in or outside China that competes or is likely to compete with the principal business of our Company, our subsidiaries and branches;

(c) if our Company enters into new business areas, the Relevant Parties would not engage in any business that directly competes with the new business of our Company, either in or outside China, through investment holding or minority stake with substantive control, which includes investing in, acquiring, or merging with companies, their subsidiaries and branches or other entities that are currently or may in the future engage in such new business;

(d) if our Company is of the view that the Relevant Parties engage in a business that directly compete with the principal business of our Company, Mr. Wang would terminate such business or consolidate such business into our Company; and

(e) the above undertakings are irrevocable and if Mr. Wang fails to fulfill the above undertakings, he would indemnify our Company for any actual loss suffered as a result.

Corporate Governance Measures

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their respective close associates:

(a) as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. See "Directors and Senior Management — Directors — Independent Non-executive Directors";

(d) in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our annual report or by way of announcements; and

(e) we have appointed First Shanghai Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

Upon **[REDACTED]**, certain transaction as set out below between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

The table below sets forth the party that will become our connected person and has entered into transaction with us which will constitute our continuing connected transaction upon **[REDACTED]**:

Connected Person	Relationship
Kunshan Zhongcun Electronic Co., Ltd. (昆山中村電子有限公司) ("**Zhongcun**") .	Zhongcun is controlled by Mr. Wang Minliang (王敏良), the nephew of Mr. Wang Xuegen, our Controlling Shareholder and executive Director

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

Sales of Products to Zhongcun

During our ordinary and usual course of business, we sell our PCB equipment, semi-finished products, and electronic components products to Zhongcun. The prices charged by us for these products are determined on an arm's length basis with reference to our standard price schedule for our other independent customers, which takes into account factors such as product specifications, order volume, delivery terms and prevailing market conditions.

As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the aforesaid transaction, which is conducted on normal commercial terms or better, are expected to be less than 0.1% on an annual basis, it will be exempted from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

OUR SHARE CAPITAL

As of the Latest Practicable Date, the issued share capital of our Company consisted of 152,044,663 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Beijing Stock Exchange.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the issued share capital of our Company will be as follows:

	Number of Shares	% in total issued share capital
A Shares in issue	152,044,663	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is exercised in full), the issued share capital of our Company will be as follows:

	Number of Shares	% in total issued share capital
A Shares in issue	152,044,663	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

OUR SHARES

Upon the completion of the **[REDACTED]**, our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the Chinese Mainland, the qualified investors in the Chinese Mainland under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in the Chinese Mainland.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the **[REDACTED]**. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H Shares for listing and trading on the Stock Exchange.

RANKING

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank pari passu with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

APPROVAL FROM A SHAREHOLDERS REGARDING THE [REDACTED]

We obtained our A Shareholders' approval to issue H Shares and seek the **[REDACTED]** of H Shares on the Stock Exchange at the general meeting of our Company held on March 29, 2026. Such approval is subject to the following conditions:

(i) **Size of the [REDACTED].** The proposed number of H Shares to be **[REDACTED]** shall not exceed **[REDACTED]**% of the total issued share capital enlarged by the H Shares to be issued pursuant to the **[REDACTED]** (before the exercise of the **[REDACTED]**). The number of H Shares to be issued pursuant to the exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the total number of H Shares to be **[REDACTED]** initially under the **[REDACTED]**.

(ii) **Method of [REDACTED].** The method of **[REDACTED]** shall be by way of an **[REDACTED]** to institutional investors and a **[REDACTED]** for subscription in Hong Kong.

(iii) **Target investors.** The H Shares shall be **[REDACTED]** to public investors in Hong Kong under the **[REDACTED]** and international investors, qualified domestic institutional investors in the Chinese Mainland and other investors who are approved by mainland Chinese regulatory bodies to invest abroad in **[REDACTED]**.

(iv) **[REDACTED] basis.** The **[REDACTED]** of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders as a whole, acceptance of investors and the risks related to the **[REDACTED]**, according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) **Validity period.** The **[REDACTED]** of H Shares and **[REDACTED]** of H Shares on the Stock Exchange shall be completed within 24 months after the date of the shareholders' meeting.

There is no other approved **[REDACTED]** plan for our Shares except the **[REDACTED]**.

GENERAL MEETINGS

For details of circumstance under which our general meetings are required, see "Summary of Articles of Association — Shareholders and Shareholders' General Meeting" in Appendix IV.

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the following persons will have an interest or short position in Shares and/or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company.

Name of Shareholder	Nature of interest[1]	Number and description of Shares or underlying Shares held	Shareholding as of the Latest Practicable Date		Shareholding upon completion of the [REDACTED][2]	
			in total A Shares	in total issued share capital	in total A Shares	in total issued share capital
Mr. Wang Xuegen (王雪根).	Beneficial owner	53,118,690 A Shares	34.94%	34.94%	34.94%	**[REDACTED]**%
	Interest in controlled corporation[3]	5,328,709 A Shares	3.50%	3.50%	3.50%	**[REDACTED]**%
Mr. Wang Liguo (汪立國) .	Beneficial owner	22,765,053 A Shares	14.97%	14.97%	14.97%	**[REDACTED]**%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(3) As of the Latest Practicable Date, Mr. Wang Xuegen was the general partner of Dongtai Suiding and Guangtongyuan. By virtue of the SFO, Mr. Wang Xuegen is deemed to be interested in the Shares held by Dongtai Suiding and Guangtongyuan.

OVERVIEW

Upon **[REDACTED]**, our Board will comprise eight Directors, including four executive Directors and four independent non-executive Directors, namely:

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Wang Xuegen (王雪根).	57	Executive Director and chairman of our Board	June 2011	June 7, 2011	Overall and long-term strategic planning and other significant matters affecting our Group's development strategy
Mr. Wang Liguo (汪立國).	49	Executive Director and general manager	June 2011	January 19, 2018	Strategic planning and key corporate governance matters, and the overall management of our Group's operations
Mr. Hu Youwen (胡友穩).	56	Executive Director and executive deputy general manager	December 2014	December 23, 2025	Overseeing our Group's production, planning, quality control and other management functions
Mr. Huang Haifeng (黃海峰).	46	Executive Director	August 2011	June 27, 2025	Overseeing our Group's audit and financial reporting matters, our production planning and coordination of our Group
Mr. Min Changzheng (閔長征).	50	Independent non-executive Director	November 2020	November 8, 2020	Providing independent advice on the operations and management of our Group
Dr. Wang Xiaohu (王曉虎).	42	Independent non-executive Director	November 2020	November 8, 2020	Providing independent advice on the operations and management of our Group
Ms. Yu Haiyan (余海燕).	53	Independent non-executive Director	December 2025	December 23, 2025	Providing independent advice on the operations and management of our Group
Dr. Yuan Jie (袁杰)	48	Independent non-executive Director	**[REDACTED]**	**[REDACTED]**	Providing independent advice on the operations and management of our Group

Our senior management team, in addition to the executive Directors listed above, comprises the following:

Name	Age	Position	Time of joining our Group	Date of appointment as senior management	Roles and responsibilities
Ms. Ji Jiajia (季佳佳).	37	Deputy general manager	November 2020	November 8, 2020	Overseeing our Group's finances, the office of our Board and investment matters
Mr. Xu Jian (徐健)	40	Chief financial officer, secretary of our Board and joint company secretary	December 2011	March 15, 2024	Overseeing the financial and funds management, board affairs, capital management, investor relations and securities affairs of our Group

None of our Directors and members of our senior management are related to the other Directors or members of senior management.

DIRECTORS

Executive Directors

Mr. Wang Xuegen (王雪根) is our executive Director and the chairman of our Board. As the founder of our Group, Mr. Wang was appointed as a Director and the chairman of the Board of our Company on June 7, 2011, and was redesignated as an executive Director on March 6, 2026 with effect from the **[REDACTED]**. Mr. Wang Xuegen has also served as an executive director and general manager of Jiangsu Guangqian and Kunshan Guangqian since January 2022, an executive director of Kunshan Qiyuantong since May 2020, and a director of Wanyuantong Thailand since June 2025. Prior to joining our Group, Mr. Wang was the founder and controlling shareholder of Kunshan Wanzheng Printed Circuit Board Co., Ltd. (崑山萬正電路板有限公司), which was established in April 2001. Wang obtained a diploma in business administration from Southwest University of Science and Technology (西南科技大學) in the PRC in August 2011 through long distance learning course.

Mr. Wang Liguo (汪立國) is our executive Director and general manager. Mr. Wang joined our Group in June 2011 as our general manager, and served as the secretary of our Board from March 2024 to March 2025. He was appointed as a Director on January 19, 2018, and was redesignated as an executive Director on March 6, 2026 with effect from the **[REDACTED]**. In addition, Mr. Wang has also served as the general manager of Kunshan Qiyuantong since May 2020, a director of Singapore Guangqian since April 2025, and a director of Wanyuantong Thailand since June 2025. Prior to joining our Group, Mr. Wang worked at Shanghai Wanzheng Circuit Board Co., Ltd. (上海萬正線路板有限公司). Mr. Wang obtained a diploma in construction management from Southwest Jiaotong University (西南交通大學) in the PRC in July 2021 through long distance learning course.

Mr. Hu Youwen (胡友穩) is our executive Director and deputy general manager. Mr. Hu joined our Group as an executive deputy general manager of our Company in December 2014 and has held the position since. He was appointed as a Director on December 23, 2025, and was redesignated as an executive Director on March 6, 2026 with effect from the **[REDACTED]**. Prior to joining our Group, Mr. Hu worked at Shanghai Wanzheng Circuit Board Co., Ltd. (上海萬正線路板有限公司) from December 2004 to November 2014. Mr. Hu obtained a diploma in enterprise management from Lu'an Normal College (六安師範專科學校), currently known as West Anhui University (皖西學院)) in the PRC in July 1997.

Mr. Huang Haifeng (黃海峰) is our executive Director. Mr. Huang joined our Group in August 2011 and served as the director of research and development of our Company until December 2024. He was subsequently appointed as the director of our planning department of our Company in January 2025. Mr. Huang was also the chairman of the supervisory committee of our Company from November 2020 to June 2025. He was appointed as a Director on June 27, 2025 and was redesignated as an executive Director on March 6, 2026 with effect from the **[REDACTED]**. Prior to joining our Group, Mr. Huang served as the assistant to the general manager of Kunshan Hosanna Electronic Co., Ltd. (崑山賀升電子有限公司) from September 2010 to July 2011. Mr. Huang obtained a diploma in mechatronics from Anhui Radio and Television University (安徽省廣播電視大學, currently known as Anhui Open University (安徽開放大學)) in the PRC in July 2000.

Independent Non-executive Directors

Mr. Min Changzheng (閔長征) has been our independent Director since November 8, 2020 and was redesignated as an independent non-executive Director on March 6, 2026 with effect from the **[REDACTED]**. Outside of our Group, Mr. Min has been a senior partner of Shanghai SGLA Law Firm (上海中聯律師事務所) since July 2023. Prior to joining our Group, Mr. Min served as a partner of Shanghai Boss & Young Attorneys-At-Law (上海邦信陽中建中匯律師事務所) from January 2019 to June 2023, and an attorney at Shanghai Allbright Law Offices (上海市錦天城律師事務所) from the first quarter of 2017 to December 2018, and Shanghai K-Insight Law Firm (上海市金石律師事務所) from December 2013 to December 2016. Mr. Min obtained a bachelor's degree in industrial accounting from Luoyang Institute of Technology (洛陽工學院) in the PRC in 1997, a bachelor's degree in law from Wuhan University (武漢大學) in the PRC in December 2004 through long distance learning course, a master's degree in law from Shanghai Jiao Tong University (上海交通大學) in the PRC in June 2009, and a master's degree in professional accountancy from The Chinese University of Hong Kong in Hong Kong in November 2017. Mr. Min has been a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since September 2011.

Dr. Wang Xiaohu (王曉虎) has been our independent Director since November 8, 2020 and was redesignated as an independent non-executive Director on March 6, 2026 with effect from the **[REDACTED]**. Outside of our Group, Dr. Wang has been serving at the School of Economics at Fudan University (復旦大學) since August 2020, with his current position as a professor. Prior to joining our Group, Dr. Wang worked as an assistant professor at the Department of Economics of The Chinese University of Hong Kong from August 2013 to July 2020. Dr. Wang obtained a bachelor's degree in economics from Wuhan University (武漢大學) in the PRC in June 2006, and a doctoral degree in economics from Singapore Management University in Singapore in June 2012.

Ms. Yu Haiyan (余海燕) has been our independent Director since December 23, 2025 and was redesignated as an independent non-executive Director on March 6, 2026 with effect from the **[REDACTED]**. Outside of our Group, Ms. Yu has served at Jiangsu Dahua Certified Public Accountants Co., Ltd. (江蘇大華會計師事務所有限公司) since July 2003 with her current position as deputy chief accountant. Ms. Yu obtained a bachelor's degree in auditing from Xiamen University (廈門大學) in the PRC in July 1994. She has been accredited by the MOF as a certified public accountant since May 1996 and a certified asset valuer since June 2003.

Dr. Yuan Jie (袁杰) will be our independent non-executive Director with effect from the **[REDACTED]**. Outside of our Group, Dr. Yuan has served at the Department of Electronic and Computer Engineering of the School of Engineering of the Hong Kong University of Science and Technology successively as an associate dean and a professor since July 2024, an associate professor from July 2012 to June 2024, and an assistant professor from August 2006 to June 2012. He is the founder of and has served as a director of Atom Semiconductor Technologies Ltd. (原子半導體科技有限公司) since October 2020. Dr. Yuan obtained a doctor of philosophy degree from the University of Pennsylvania in the United States in August 2006, and a bachelor of science degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 2000.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management and operation of our business. Mr. Wang Xuegen, Mr. Wang Liguo, Mr. Hu Youwen and Mr. Huang Haifeng, our executive Directors, are also members of our senior management. For their biographies, see "— Directors — Executive Directors."

Ms. Ji Jiajia (季佳佳) is a deputy general manager of our Company. Ms. Ji joined our Group in October 2020, serving as a deputy general manager of our Company and the secretary of our Board until March 2024. Between August 2021 and March 2024, she also served as our chief financial officer. From March 2024 to March 2025, she served as an assistant to the general manager of our Company, responsible for the daily operations of the general manager's office and coordination matters. Ms. Ji resumed the post as the secretary of our Board from March 2025 to January 2026, and was re-appointed as our deputy general manager in January 2026. Prior to joining our Group, Ms. Ji worked at Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)) from September 2012 to October 2020, with her last position as an audit manager. Ms. Ji obtained a bachelor's degree in auditing from Nanjing Audit University (南京審計大學) in the PRC in June 2012. She was qualified as an accountant professional by the Ministry of Human Resources and Social Security (人力資源和社會保障部) of the PRC and the MOF in September 2017, and a tax agent by the China Certified Tax Agents Association (中國註冊税務師協會) in November 2018. She has been a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and the Zhejiang Institute of Certified Public Accountants (浙江省註冊會計師協會) since January 2021.

Mr. Xu Jian (徐健) is our chief financial officer, joint company secretary and secretary to our Board. Mr. Xu joined our Group in December 2011 as an accountant until July 2012, and served as the general ledger accountant of Kunshan Guangqian from July 2012 to September 2018. After that, Mr. Xu served as a listing affairs officer of our Company from September 2018 to November 2020, the manager of our internal audit department from November 2020 to May 2022, and our financial manager from May 2022 to March 2024. He was appointed as a deputy general manager and the chief financial officer of our Company in March 2024, the secretary of our Board in January 2026 and our joint company secretary on March 6, 2026. Prior to joining our Group, from July 2007 to March 2009, Mr. Xu worked at China Electric Equipment Group Corporate (中電電氣集團有限公司). Mr. Xu obtained a diploma in financial management from Wuxi Vocational College of Commerce and Technology (無錫商業職業技術學院) in the PRC in July 2007. He was accredited as an intermediate accountant by the Ministry of Human Resources and Social Security (中華人民共和國人力資源和社會保障部) and the MOF in September 2023.

JOINT COMPANY SECRETARIES

Mr. Xu Jian (徐健), our chief financial officer and the secretary to our Board, has been appointed as our joint company secretary. For the biographical details of Mr. Xu, see "— Senior Management."

Ms. Wong Ka Chi (王嘉慈), joined Vistra Corporate Services (HK) Limited since May 2017 and now serves as manager of company secretarial services, where she provides a full range of company secretarial services and is currently serving a portfolio of clients. Ms. Wong has over ten years of experience in the corporate services industry. Since March 2026, she has been serving as the company secretary of XJ International Holdings Co., Ltd. (Stock Code: 1765), the shares of which was listed on the Main Board of the Stock Exchange. Ms. Wong obtained a master of corporate governance from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in November 2018 and a bachelor of commerce with a major in accounting from Curtin University (formerly known as Curtin University of Technology), Australia in January 2011. She has been an associate member of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in United Kingdom and the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) since June 2020.

FURTHER INFORMATION ABOUT OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on March 6, 2026 and March 25, 2026 (as the case may be) and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company; and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

Each of our Directors confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Mr. Wang Liguo, our executive Director, was a supervisor of Shanghai Dongye Industry Co., Ltd. (上海東野實業有限公司) prior to its revocation for the lack of continuous actual operation on September 19, 2001. Mr. Wang confirms that, to the best of his knowledge, (i) the revoked company was solvent immediately prior to its revocation and had no outstanding claim or liabilities; (ii) he has not received any notification in respect of penalty, acting or proceeding from PRC authorities as a result of the revocation; and (iii) he is not aware of any actual or potential claim which has been or will be made against him as a result of the revocation.

Save as their directorships in our Company, none of our Directors held any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document. To the best knowledge, information and belief of our Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises Ms. Yu Haiyan, Mr. Min Changzheng and Dr. Wang Xiaohu, with Ms. Yu Haiyan (being our independent non-executive Director with appropriate professional qualifications) as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises Mr. Wang Liguo, Mr. Min Changzheng and Dr. Wang Xiaohu, with Dr. Wang Xiaohu as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises Mr. Min Changzheng, Ms. Yu Haiyan and Mr. Huang Haifeng, with Mr. Min Changzheng as the chairperson.

Strategy and ESG Committee

Our Board has established a strategy and ESG committee (the "**Strategy and ESG Committee**") with written terms of reference. The primary duties of the Strategy and ESG Committee are to research on making recommendations to our Board on our long-term development strategies and major decisions. The Strategy and ESG Committee comprises Mr. Wang Xuegen, Mr. Wang Liguo and Mr. Hu Youwen, with Mr. Wang Xuegen as the chairperson.

Corporate Governance

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon **[REDACTED]**.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Upon **[REDACTED]**, our Board will comprise of one female and seven male Directors ranging from 42 to 57 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained diplomas/degrees in various majors including mechatronics, economics and accounting. We have four independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the **[REDACTED]**, our Nomination Committee will monitor and evaluate the implementation of our board diversity policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in annual reports the biographical details of each Director and a summary of the board diversity policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive remuneration in the form of fees, basic salaries, allowances and benefits in kind, contributions to pension schemes and discretionary bonuses. We determine the remuneration of our Directors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors for the years ended December 31, 2023, 2024 and 2025 were RMB1.5 million, RMB1.5 million and RMB2.4 million, respectively. None of our Directors have waived or agreed to waive any emoluments for each of the same periods.

Under the arrangements in force at the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026 to be approximately RMB3.5 million.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 included two, two and two of our Directors. During the same years, the aggregate amounts of remuneration of the five highest paid individuals were RMB3.6 million, RMB3.6 million and RMB4.5 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors or the five highest paid individuals for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed First Shanghai Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, among other things, advise our Company in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and

(d) where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or trading volume of our listed securities or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of our compliance advisor shall commence on the **[REDACTED]** and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

FUTURE PLANS

See "Business — Our Strategies" for further details of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the **[REDACTED]** of approximately HK$**[REDACTED]** (after deducting the **[REDACTED]** fees and other estimated expenses payable by us in connection with the **[REDACTED]**), assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range stated in this document, and assuming the **[REDACTED]** is not exercised.

We intend to use the net proceeds from the **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the Phase II development of our Thailand production base. Phase I of the Thailand facility is expected to be operational in the second half of 2026, with Phase II construction set to begin in the second half of 2027. This overseas production base is a strategic initiative to complement the domestic manufacturing footprint, diversify operations, conduct R&D activities and better serve customers with global supply-chain needs. Phase II construction plan includes the purchase and installation of equipment, the construction and renovation of production facilities, and the construction of ancillary facilities, of which:

  - Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to purchase and install manufacturing equipment for the Thailand production facility. Such equipment will primarily include PCB production and testing machinery, such as drilling machines, electroplating lines, exposure and imaging systems, etching equipment, AOI (automated optical inspection) systems and other related production and quality-control equipment. These machines are expected to be sourced from established and reputable equipment manufacturers, widely adopted across the PCB industry. We intend to procure equipment of the same type and specifications as those currently deployed in our production facilities, which have demonstrated stable performance and reliability, thereby ensuring operational consistency and reducing implementation risks for the Thailand facility;

  - Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the construction and renovation manufacturing facilities, including the development of production plant premises with a planned gross floor area of approximately 39,084 square meters, as well as dedicated engineering and product development centers, pilot lines, volume production lines and supporting infrastructure; and

  - Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the construction of ancillary facilities, including utility and supporting systems such as air emission treatment systems, central chilled water systems, boilers and piping networks, air compressor systems, power distribution facilities, wastewater treatment and recycling systems, chemical regeneration systems, environmental protection equipment, IT infrastructure and workshop utility connections, as well as temporary utilities required during construction.

  Phase II of the Thailand production base is expected to commence operations in the first half of 2029. Upon completion, the expanded facility will further enhance our production capacity, strengthen its global manufacturing footprint and improve its ability to serve customers with international supply-chain requirements.

  For details, see "Business — Manufacturing — Production Facilities — Thailand Expansion Plan and Strategic Importance."

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to purchase and install equipment for the production of our HDI boards in connection with our planned expansion of the Dongtai Plant. Such equipment 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. These machines are expected to be sourced from established and reputable equipment manufacturers to ensure stable performance and reliability, thereby ensuring operational consistency and reducing implementation risks. These additions are intended to enhance our HDI production capabilities, improve process precision and yield rates, and support the increasing demand for high-density, high-performance PCB products. For details, see "Business — Manufacturing — Production Facilities — Dongtai Facility Expansion."

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used to supplement working capital and for other general corporate purposes. Such use of proceeds is expected to support the Company's day-to-day operational needs, including the procurement of raw materials, payment of staff costs (including recruitment of additional personnel to support capacity expansion), utilities and other operating expenses, as well as to provide additional liquidity to support the ramp-up of new production capacity. In addition, a portion of the proceeds may be applied toward general corporate purposes, including administrative expenses, ongoing business development activities, enhancement of internal management systems and other general corporate initiatives, thereby strengthening the Company's overall financial flexibility and supporting its sustainable growth.

In the event that the **[REDACTED]** is set at the high end or the low end of the indicative **[REDACTED]** range, being HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**, respectively, the net proceeds of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) will increase by approximately HK$**[REDACTED]** or decrease by approximately HK$**[REDACTED]**, respectively. Under such circumstances, we will increase or decrease the

allocation of the net proceeds to the above purposes on a pro-rata basis. If the **[REDACTED]** is exercised in full, we estimate that we will receive total net proceeds of approximately HK$**[REDACTED]** at the low-end of the indicative **[REDACTED]** range of HK$**[REDACTED]** per **[REDACTED]** and HK$**[REDACTED]** at the high-end of the indicative **[REDACTED]** range of HK$**[REDACTED]** per **[REDACTED]**, after deducting the estimated **[REDACTED]** fees and expenses payable by us. If the **[REDACTED]** is exercised, we intend to apply such additional net proceeds for the above uses on a pro-rata basis.

In the event that the net proceeds are insufficient to fund the above purposes, we intend to finance the shortfall through cash generated from operating activities, bank loans and other borrowings.

To the extent that the net proceeds from the **[REDACTED]** are not immediately required for the above purposes, we will, in the best interests of the Company, only place the net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance and applicable laws and regulations in other jurisdictions. We will make an appropriate announcement if there is any material change to the above proposed use of proceeds.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report set out on pages I-1 to I-68, received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

容诚 | RCHK

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF KUNSHAN WANYUANTONG ELECTRONICS TECHNOLOGY CO., LTD. AND CHINA INDUSTRIAL SECURITIES INTERNATIONAL CAPITAL LIMITED

INTRODUCTION

We report on the historical financial information of Kunshan Wanyuantong Electronics Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-68, which comprises the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Track Record Period**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-68 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the initial **[REDACTED]** of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, 2024 and 2025 and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES") AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
[●]
Practising Certificate Number: [●]
Hong Kong
[REDACTED]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*5*	984,056	1,042,754	1,179,885
Cost of sales		(749,945)	(816,672)	(947,908)
Gross profit		234,111	226,082	231,977
Other income	*6(a)*	10,874	12,133	20,987
Selling and marketing expenses		(14,400)	(15,193)	(17,313)
Administrative expenses		(35,537)	(39,846)	(42,527)
Research and development expenses	*7*	(42,619)	(39,799)	(42,683)
Impairment losses on financial assets, net	*8*	(1,970)	267	(602)
Other gains and (losses), net	*6(b)*	2,948	3,344	(6,155)
Finance costs	*9*	(13,171)	(8,896)	(4,644)
PROFIT BEFORE TAX	*8*	140,236	138,092	139,040
Income tax expenses	*12*	(22,182)	(14,781)	(14,326)
PROFIT FOR THE YEAR		118,054	123,311	124,714
Attributable to:				
Owners of the Company		118,054	123,311	124,714
EARNINGS PER SHARE				
Basic (RMB per share)	*14*	1.01	1.04	0.82
Diluted (RMB per share)	*14*	1.01	1.04	0.82

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
PROFIT FOR THE YEAR		118,054	123,311	124,714
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations, net of tax		–	–	244
Provision for electronic debt certificates of trade receivables		–	–	90
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		–	–	334
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		118,054	123,311	125,048
Attributable to:				
Owners of the Company		118,054	123,311	125,048

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*15*	426,506	396,254	497,668
Right-of-use assets	*16*	17,486	17,036	16,644
Intangible assets	*17*	1,006	406	30
Investment properties	*18*	69,789	65,717	61,353
Prepayments, other receivables and other assets	*22*	17,593	13,253	22,014
Goodwill	*19*	6,731	6,731	6,731
Deferred tax assets	*26*	8,812	8,700	8,390
TOTAL NON-CURRENT ASSETS		547,923	508,097	612,830
CURRENT ASSETS				
Inventories	*20*	154,956	173,792	273,659
Trade and bills receivables	*21*	460,996	455,935	471,728
Prepayments, other receivables and other assets	*22*	6,968	7,339	23,158
Prepaid income tax		1,054	1,428	930
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	–	–	172,066
Receivable financing	*25*	24,404	406	5,094
Cash and bank balances	*27*	48,667	405,893	165,781
Restricted cash	*27*	135,036	125,454	125,966
TOTAL CURRENT ASSETS		832,081	1,170,247	1,238,382
CURRENT LIABILITIES				
Trade and bills payables	*28*	458,743	381,546	526,388
Contract liabilities		881	199	1,276
Other payables and accruals	*29*	48,250	40,471	101,005
Borrowings	*30*	298,665	209,972	129,079
Income tax payable		4,411	3,119	2,721
TOTAL CURRENT LIABILITIES		810,950	635,307	760,469
NET CURRENT ASSETS		21,131	534,940	477,913
TOTAL ASSETS LESS CURRENT LIABILITIES		569,054	1,043,037	1,090,743
NON-CURRENT LIABILITIES				
Deferred income	*29*	17,223	15,983	14,663
TOTAL NON-CURRENT LIABILITIES		17,223	15,983	14,663
NET ASSETS		551,831	1,027,054	1,076,080
EQUITY				
Share capital	*31*	116,395	152,045	152,045
Reserves		435,436	875,009	924,035
Equity attributable to owners of the Company		551,831	1,027,054	1,076,080
TOTAL EQUITY		551,831	1,027,054	1,076,080

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statements of financial position of the Company at the end of each of the Track Record Period is as follows:

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*15*	32,796	29,321	27,023
Right-of-use assets	*16*	3,249	3,118	3,044
Intangible assets	*17*	17	–	–
Investments properties	*18*	22,593	20,845	18,806
Investment in subsidiaries	*24*	44,833	44,833	347,838
Prepayments, other receivables and other assets	*22*	4,648	875	5,001
Deferred tax assets	*26*	1,182	1,084	938
TOTAL NON-CURRENT ASSETS		109,318	100,076	402,650
CURRENT ASSETS				
Inventories	*20*	41,048	44,200	57,977
Trade and bills receivables	*21*	160,749	148,936	141,626
Prepayments, other receivables and other assets	*22*	270,672	265,330	248,237
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	–	–	40,196
Cash and bank balances	*27*	31,217	367,303	86,886
Restricted cash	*27*	90,098	100,022	85,481
TOTAL CURRENT ASSETS		593,784	925,791	660,403
CURRENT LIABILITIES				
Trade and bills payables	*28*	203,458	170,260	268,917
Contract liabilities		79	25	25
Other payables and accruals	*29*	7,322	6,303	8,260
Borrowings	*30*	99,074	74,051	64,046
TOTAL CURRENT LIABILITIES		309,933	250,639	341,248
NET CURRENT ASSETS		283,851	675,152	319,155
TOTAL ASSETS LESS CURRENT LIABILITIES		393,169	775,228	721,805
NET ASSETS		393,169	775,228	721,805
EQUITY				
Share capital	*31*	116,395	152,045	152,045
Reserves	*32*	276,774	623,183	569,760
TOTAL EQUITY		393,169	775,228	721,805

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Share capital *(note 31)*	Capital reserve *(note a)*	Statutory reserve *(note b)*	Retained profits	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	116,395	160,865	8,417	148,100	433,777
Profit for the year	–	–	–	118,054	118,054
Total comprehensive income for the year	–	–	–	118,054	118,054
Appropriation of statutory reserve	–	–	3,432	(3,432)	–
As at 31 December 2023	116,395	160,865	11,849	262,722	551,831

	Attributable to owners of the Company				
	Share capital *(note 31)*	Capital reserve *(note a)*	Statutory reserve *(note b)*	Retained profits	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	116,395	160,865	11,849	262,722	551,831
Profit for the year	–	–	–	123,311	123,311
Total comprehensive income for the year	–	–	–	123,311	123,311
Issue of shares	35,650	316,262	–	–	351,912
Appropriation of statutory reserve	–	–	3,015	(3,015)	–
As at 31 December 2024	152,045	477,127	14,864	383,018	1,027,054

	Attributable to owners of the Company					
	Share capital *(note 31)*	**Capital reserve** *(note a)*	**Statutory reserve** *(note b)*	**Other reserve** *(note c)*	**Retained profits**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	152,045	477,127	14,864	–	383,018	1,027,054
Profit for the year	–	–	–	–	124,714	124,714
Other comprehensive income for the year	–	–	–	334	–	334
Total comprehensive income for the year	–	–	–	334	124,714	125,048
Dividends declared *(note 13)*	–	–	–	–	(76,022)	(76,022)
Appropriation of statutory reserve	–	–	2,260	–	(2,260)	–
As at 31 December 2025	152,045	477,127	17,124	334	429,450	1,076,080

Notes:

(a) Capital reserve mainly includes share premium.

(b) It represents the statutory reserve of the Company in the People's Republic of China (the "**PRC**").

(c) Other reserve mainly represents provision for electronic debt certificates of trade receivables and exchange difference on the translation of financial statements of foreign operations.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		140,236	138,092	139,040
Adjustments for:				
Finance costs	*9*	13,171	8,896	4,644
Interest income	*6*	(2,827)	(2,781)	(4,970)
Fair value gains on financial assets at FVTPL	*6*	–	–	(301)
Gain on disposal of financial assets at FVTPL	*6*	–	–	(501)
Loss from debt restructuring	*6*	–	–	1,812
Depreciation of property, plant and equipment	*15*	40,906	39,152	40,920
Deprecation of investment properties	*18*	4,071	4,072	4,062
Depreciation of right-of-use assets	*16*	450	450	451
Amortisation of intangible assets	*17*	878	600	376
Amortisation of deferred government grants	*6*	(2,115)	(2,210)	(2,290)
(Loss)/gain on disposal of property, plant and equipment, net	*6*	(4)	1,681	1,357
Provisions for credit impairment losses, net	*8*	1,970	(267)	602
Provision of inventories, net	*8*	5,914	7,350	5,766
Net foreign exchange (gains)/losses	*6*	(2,292)	(4,737)	2,509
Operating cash flows before movements in working capital		200,358	190,298	193,477
Increase in inventories		(19,286)	(26,186)	(105,633)
Decrease/(increase) in restricted cash		21,935	9,582	(512)
Increase in trade and bills receivables		(69,267)	(10,304)	(53,413)
(Increase)/decrease in prepayments, other receivables and other assets		(846)	2,681	(15,366)
Decrease/(increase) in receivable financing		6,987	23,998	(4,688)
Increase/(decrease) in trade and bills payables		(26,398)	(77,197)	144,842
Increase/(decrease) in contract liabilities		422	(682)	1,077
Increase in other payables and accruals		4,430	5,675	11,417
Net cash generated from operations		118,335	117,865	171,201
Income taxes paid		(13,720)	(16,335)	(13,916)
Interest received		2,827	2,781	2,913
Net cash flows generated from operating activities		107,442	104,311	160,198

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment		35	447	330
Purchase of property, plant and equipment, prepaid land-use rights and intangible assets		(50,550)	(6,644)	(66,716)
Proceeds from disposal of financial assets at FVTPL		–	–	135,122
Investment income received		–	–	501
Interest received		–	–	170
Purchases of financial assets at FVTPL		–	–	(305,000)
Net cash flows used in investing activities		(50,515)	(6,197)	(235,593)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		–	366,036	–
Proceeds from borrowings		410,404	246,780	238,000
Repayment of borrowings		(433,500)	(335,380)	(318,780)
Interest paid		(13,470)	(8,989)	(4,757)
Dividend paid to owners of the Company		–	–	(76,022)
Others		(11,498)	(12,226)	(3,330)
Net cash flows (used in)/generated from financing activities		(48,064)	256,221	(164,889)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,863	354,335	(240,284)
Cash and cash equivalents at beginning of year		39,249	48,667	405,893
Effect of foreign exchange rate changes		555	2,891	172
Cash and cash equivalents at end of year	*27*	48,667	405,893	165,781

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a joint stock limited company registered in the People's Republic of China (the "**PRC**"). The Company's A shares were listed on the Beijing Stock Exchange on 19 November 2024. The address of the Company's registered office and its principal place of business is No.1288, Shipai Zhonghua Road, Bacheng Town, Kunshan City, Jiangsu Province, the PRC.

During the Track Record Period, the Company and its subsidiaries are principally engaged in research and development, manufacturing and sales of printed circuit boards ("**PCBs**").

In the opinion of the directors, the ultimate controlling party of the Company is Mr. Wang Xuegen, which holds 34.94% of the Company's total equity.

In the Historical Financial Information, certain English name of the companies referred herein represent the management's best effort to translate the Chinese name of the companies as no English name has been registered.

As at the end of each year of the Track Record Period and the date of this report, the particulars of the Company's principal subsidiaries are set out as below:

Entity name	Place and date of incorporation/ registration and place of operations	Paid-in capital (RMB)	Percentage of direct equity interest attributable to the Company as at				Principal activities
			31 December 2023	31 December 2024	31 December 2025	Date of this report	
Kunshan Guangqian Electronics Co., Ltd. (昆山廣謙電子有限公司) *(note a)*	Chinese Mainland 16 November 2009	13,934,490	100%	100%	100%	100%	Sale of PCBs
Jiangsu Guangqian Electronics Co., Ltd. (江蘇廣謙電子有限) *(note a)*	Chinese Mainland 1 February 2018	355,703,000	100%	100%	100%	100%	Research and development, manufacturing and sales of PCBs

Note:

(a) The statutory financial statements for the years ended 31 December 2023 and 2024 prepared under the PRC Generally Accepted Accounting Principles ("**PRC GAAP**") were audited by RSM China CPA LLP.

(b) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the operating results during the Track Record Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards ("**IAS**") and Interpretations approved by the International Accounting Standards Board ("**IASB**"). In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 3.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in note 2.3. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards, which have been issued but not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Annual Improvements to IFRS Accounting Standards–Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]

1 Effective for accounting periods beginning on or after 1 January 2026
2 Effective for accounting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Except for new IFRS Accounting Standards mentioned below, the Group anticipates that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of profit or loss.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Track Record Period. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at end of each reporting period. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial assets at FVTPL and financial assets at FVTOCI at the end of each of the Track Record Period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Track Record Period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Track Record Period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Buildings	20-30 years
Machinery	5-10 years
Transportation equipment	4-5 years
Office equipment and others	3-5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Buildings held for rental purposes are depreciated using the same depreciation policy as the Group's fixed assets. Land use rights held for rental purposes are amortised using the same amortisation policy as right-of-use assets.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over their estimated useful lives of 3 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Prepaid land use rights	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("**FVTOCI**"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Bills receivables measured at FVTOCI and electronic debt certificates of trade receivables classified as at FVTOCI upon acquisition by the Company are presented as receivable financing.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTOCI (debt instruments)

For debt investments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statements of profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, trade and bills payables, other payables and accruals, and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statements of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statements of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statements of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each year of the Track Record Period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statements of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each year of Track Record Period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each year of Track Record Period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each year of Track Record Period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each year of Track Record Period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Track Record Period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statements of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statements of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on declaration of the goods for customs clearance in accordance with the contract terms for overseas sales and acceptance of the products as agreed in the sales contracts for domestic sales.

A portion of the sales of products is on vendor-managed inventory ("**VMI**") arrangements where the products are delivered to the customers' locations for their use. The control of the products is transferred when the products are picked up by the customers.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognised in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Retirement benefits pension scheme

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed is incurred.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each year of Track Record Period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statements of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of overseas subsidiaries are currencies other than RMB. As at the end of the Track Record Period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Track Record Period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the consolidated statements of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each year of Track Record Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the Historical Financial Information, respectively.

4. OPERATING SEGMENT INFORMATION

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker, being executive directors of the Company and the chief executive. The Group's management reviews the consolidated results of the Group when making decisions about allocating resources and assessing performance as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. Accordingly, only entity-wide information, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

Geographical information in respect of Group's non-current assets

The geographical location of the Group's non-current assets (excluding deferred tax assets), mainly comprising of the property, plant and equipment, right-of-use assets, intangible assets, investment properties, goodwill, prepayments, other receivables and other assets is based on the geographical location of these assets. As at the end of each year for the Track Record Period, the geographical location of the Group's non-current assets are as follows.

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets (excluding deferred tax assets)			
– Chinese Mainland	539,111	499,397	571,428
– Thailand	–	–	33,012
Total	539,111	499,397	604,440

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	128,812	140,272	139,934
Customer B	147,487	130,578	145,109
	276,299	270,850	285,043

The group of entities under common control of a reporting entity is considered as a single customer.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	971,096	1,031,579	1,169,077
Revenue from other sources			
– Gross rental income from operating leases of investment property	12,960	11,175	10,808
Total	984,056	1,042,754	1,179,885

Revenue from contracts with customers

Disaggregated revenue information

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
Single-layer PCBs	263,130	254,717	216,728
Double-layer PCBs	295,177	284,882	352,160
Multi-layer PCBs	362,687	431,047	512,098
Others	50,102	60,933	88,091
Total	971,096	1,031,579	1,169,077
Geographical markets (based on the location at which the goods are delivered)			
Chinese Mainland	944,411	965,482	1,053,216
Other countries/regions	26,685	66,097	115,861
Total	971,096	1,031,579	1,169,077

All revenue from contracts with customers within the scope of IFRS 15 are recognised at a point in time. The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales of goods such that it does not disclose the information about its remaining performance obligations as the contracts have an original expected duration of one year or less.

6. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

(a) Other income

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants*	8,047	9,352	16,017
Interest income	2,827	2,781	4,970
	10,874	12,133	20,987

* The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives and preferential tax treatments, to reward the Group's support and contribution for the development of local economies.

During the Track Record Period, amortisation of deferred government grants included in other income amounted to approximately RMB2,115,000, RMB2,210,000, and RMB2,290,000, respectively. The remaining government grants income recognised during the Track Record Period have no unfulfilled condition or contingencies.

(b) Other gains and (losses), net

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gain/(loss) on disposal of property, plant and equipment, net	4	(1,681)	(1,357)
Fair value gains on financial assets at FVTPL	–	–	301
Gain on disposal of financial assets at FVTPL	–	–	501
Loss from debt restructuring *(note)*	–	–	(1,812)
Foreign exchange difference, net	2,292	4,737	(2,509)
Others	652	288	(1,279)
	2,948	3,344	(6,155)

Note:

The Company has signed agreements with certain customers, waiving partial trade receivables due from these customers in order to accelerate the settlement of the remaining trade receivables.

7. RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses	18,060	18,999	20,010
Material costs	21,398	17,268	19,190
Depreciation	3,157	3,153	3,262
Others	4	379	221
	42,619	39,799	42,683

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December		
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials recognised as cost of products		433,296	468,474	513,757
Depreciation of property, plant and equipment	*15*	40,906	39,152	40,920
Depreciation of investment properties	*18*	4,071	4,072	4,062
Depreciation of right-of-use assets	*16*	450	450	451
Amortisation of intangible assets	*17*	878	600	376
Provision of inventories, net		5,914	7,350	5,766
Employee benefit expenses:				
Wages, salaries and other allowances (including directors', supervisors' and chief executives' remuneration *(note 10)*)		114,628	124,449	141,737
Pension scheme contributions and social welfare*		22,843	26,647	30,096
		137,471	151,096	171,833
Impairment/(reversal of impairment) of trade and bills receivables	*21*	1,987	(265)	499
Impairment of electronic debt certificates of trade receivables		–	–	90
(Reversal of impairment)/impairment of prepayments, other receivables and other assets	*22*	(17)	(2)	13
		1,970	(267)	602

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on borrowings	13,171	8,896	4,644

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors', supervisors' and chief executives' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees, salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	2,620	2,924	4,636

Fees, salaries, allowances and benefits in kind paid to or for the executive directors of the Company, supervisors and chief executives are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

There was no arrangement under which directors, supervisors and chief executives waived or agreed to waive any remuneration during the Track Record Period. No emolument was paid by the Group to the directors of the Company, supervisors and chief executives as an inducement to join or upon joining the Group or as compensation for loss of office for the Track Record Period.

Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

	Fees	Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*
Year ended 31 December 2023			
Executive directors			
Mr. Wang Xuegen	–	709	709
Mr. Wang Liguo *(note a)*	–	637	637
Independent non-executive directors			
Mr. Min Changzheng	70	–	70
Mr. Wang Xiaohu	70	–	70
Supervisors			
Mr. Huang Haifeng	–	189	189
Mr. Li Weixi	–	189	189
Ms. Wang Liping	–	115	115
Chief executives			
Mr. Hu Youwen	–	274	274
Ms. Ji Jiajia	–	367	367
	140	2,480	2,620
Year ended 31 December 2024			
Executive directors			
Mr. Wang Xuegen	–	736	736
Mr. Wang Liguo *(note a)*	–	663	663
Independent non-executive directors			
Mr. Min Changzheng	71	–	71
Mr. Wang Xiaohu	71	–	71
Supervisors			
Mr. Huang Haifeng	–	193	193
Mr. Li Weixi	–	196	196
Ms. Wang Liping	–	124	124
Chief executives			
Mr. Hu Youwen	–	289	289
Ms. Ji Jiajia *(note b)*	–	379	379
Mr. Xu Jian *(note c)*	–	202	202
	142	2,782	2,924

	Fees	Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*
Year ended 31 December 2025			
Executive directors			
Mr. Wang Xuegen	–	1,167	1,167
Mr. Wang Liguo *(note a)*	–	1,082	1,082
Independent non-executive directors			
Mr. Min Changzheng	88	–	88
Mr. Wang Xiaohu	88	–	88
Ms. Yu Haiyan *(note e)*	–	–	–
Supervisors			
Mr. Huang Haifeng	–	235	235
Mr. Li Weixi *(note d)*	–	221	221
Ms. Wang Liping *(note d)*	–	142	142
Chief executives			
Mr. Hu Youwen *(note f)*	–	649	649
Ms. Ji Jiajia *(note b)*	–	660	660
Mr. Xu Jian	–	304	304
	176	4,460	4,636

Notes:

(a) Mr Wang Liguo served as the executive director and general manager during the years ended 31 December 2023, 2024 and 2025.

(b) Ms. Ji Jiajia resigned as a chief executive in March 2024 and was reappointed in March 2025.

(c) Mr. Xu Jian was appointed as a chief executive in March 2024.

(d) Mr. Li Weixi and Ms. Wang Liping resigned as supervisors in June 2025.

(e) Ms. Yu Haiyan was appointed as an independent non-executive director in December 2025.

(f) Mr. Hu Youwen was appointed as an executive director in December 2025, and has served as the executive director and chief executive thereafter.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 included 2 executive directors, 2 executive directors, and 2 executive directors and 1 chief executive, respectively. Details of those directors and chief executives' remuneration are set out in note 10 above. Details of the remuneration for the Track Record Period of the highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	2,222	2,184	1,646

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Nil – HK$1,000,000	3	3	2
HK$1,000,001 – HK$1,500,000	–	–	–
Total	3	3	2

12. INCOME TAX EXPENSES

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% on the taxable income.

Preferential tax treatment is available to the Company and certain subsidiary since they are certified as High and New Technology Enterprises, and the Company and certain subsidiary are subject to a preferential income tax rate of 15% from 1 January 2023 to the year ended 31 December 2025.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current tax charge	16,156	14,669	14,016
Deferred tax charge *(note 26)*	6,026	112	310
Total tax charge for the year	22,182	14,781	14,326

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	140,236	138,092	139,040
Tax at the statutory tax rate of 15%	21,035	20,714	20,856
Tax effect of different tax rates for specific provinces or enacted by local authority	136	1,233	1,518
Tax effect of expenses not deductible for tax purpose	385	561	740
Tax effect of tax rate changes on opening deferred tax	(1,192)	–	–
Tax effect of utilising tax losses for which a deferred tax asset was not previously recognised	–	(2,490)	(3,281)
Tax effect of unrecognised deductible temporary differences or tax losses during the year	7,444	–	–
Tax effect of super deduction for research and development expenses *(note)*	(5,626)	(5,237)	(5,507)
Tax charge at the Group's effective tax rate	22,182	14,781	14,326

Note:

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in research and development ("**R&D**") activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year. Starting from January 2021, the additional deduction ratio increased to 100% for manufacturing industry. Starting from 1 October 2022, the additional deduction ratio was increased to 100% for other industries.

13. DIVIDEND

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Final dividends	–	–	76,022

Note:

The final dividends of RMB5.00 per 10 shares (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Company on 21 April 2025. The Group had not recognised this as a liability as at 31 December 2024 but reflected as an appropriation of retained profits for the year ended 31 December 2024 during the year ended 31 December 2025. The final dividends were paid on 16 May 2025.

14. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during each year of the Track Record Period, excluding treasury shares as these shares are not considered outstanding for earnings per share calculation purposes.

The following reflects the earnings and share data used in the basic and diluted earnings per share computation:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Earnings			
Profit for the year attributable to owners of the Company, used in the basic and diluted earnings per share calculation	118,054	123,311	124,714

	Year ended 31 December		
	2023	2024	2025
Shares			
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation (thousand shares)	116,395	118,978	152,045
Basic (RMB per share)	1.01	1.04	0.82
Diluted (RMB per share)	1.01	1.04	0.82

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Transportation equipment	Office equipment and others	Construction in progress	Freehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023							
Cost	217,499	344,559	9,057	9,548	21,578	–	602,241
Accumulated depreciation	(19,579)	(125,955)	(4,587)	(6,040)	–	–	(156,161)
Net carrying amount	197,920	218,604	4,470	3,508	21,578	–	446,080
Year ended 31 December 2023							
Opening net carrying amount	197,920	218,604	4,470	3,508	21,578	–	446,080
Additions	–	14,981	697	523	5,258	–	21,459
Disposals	–	(127)	–	–	–	–	(127)
Depreciation provided during the year *(note 8)*	(7,097)	(31,567)	(1,257)	(985)	–	–	(40,906)
Transfer from construction in progress	17,764	8,612	–	–	(26,376)	–	–
Closing net carrying amount	208,587	210,503	3,910	3,046	460	–	426,506

	Buildings	Machinery	Transportation equipment	Office equipment and others	Construction in progress	Freehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023 and 1 January 2024							
Cost	235,263	366,700	9,754	10,071	460	–	622,248
Accumulated depreciation	(26,676)	(156,197)	(5,844)	(7,025)	–	–	(195,742)
Net carrying amount	208,587	210,503	3,910	3,046	460	–	426,506
Year ended 31 December 2024							
Opening net carrying amount	208,587	210,503	3,910	3,046	460	–	426,506
Additions	–	8,140	560	362	1,994	–	11,056
Disposals	–	(1,152)	(893)	(111)	–	–	(2,156)
Depreciation provided during the year *(note 8)*	(7,693)	(29,199)	(1,275)	(985)	–	–	(39,152)
Transfer from construction in progress	–	985	–	–	(985)	–	–
Closing net carrying amount	200,894	189,277	2,302	2,312	1,469	–	396,254
As at 31 December 2024 and 1 January 2025							
Cost	235,263	363,560	8,900	8,328	1,469	–	617,520
Accumulated depreciation	(34,369)	(174,283)	(6,598)	(6,016)	–	–	(221,266)
Net carrying amount	200,894	189,277	2,302	2,312	1,469	–	396,254
Year ended 31 December 2025							
Opening net carrying amount	200,894	189,277	2,302	2,312	1,469	–	396,254
Additions	–	77,561	1,405	1,280	42,697	20,948	143,891
Disposals	–	(1,709)	(27)	(64)	–	–	(1,800)
Depreciation provided during the period *(note 8)*	(7,711)	(31,152)	(1,036)	(1,021)	–	–	(40,920)
Transfer from investment properties	243	–	–	–	–	–	243
Transfer from construction in progress	688	1,469	–	–	(2,157)	–	–
Closing net carrying amount	194,114	235,446	2,644	2,507	42,009	20,948	497,668
As at 31 December 2025							
Cost	236,421	434,339	10,144	9,460	42,009	20,948	753,321
Accumulated depreciation	(42,307)	(198,893)	(7,500)	(6,953)	–	–	(255,653)
Net carrying amount	194,114	235,446	2,644	2,507	42,009	20,948	497,668

As at 31 December 2023, 2024 and 2025, the Group's property, plant and equipment with carrying values of approximately RMB204,208,000, RMB221,018,000 and RMB193,551,000 respectively, were pledged for borrowings (note 30).

Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	35,792	34,015	35,933
Research and development expenses	3,157	3,153	3,262
Administrative expense	1,957	1,984	1,711
Selling and marketing expenses	–	–	14
Total	40,906	39,152	40,920

The Company

	Buildings	Machinery	Transportation equipment	Office equipment and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023					
Cost	20,573	62,215	5,898	3,662	92,348
Accumulated depreciation	(5,060)	(43,474)	(3,158)	(2,637)	(54,329)
Net carrying amount	15,513	18,741	2,740	1,025	38,019
Year ended 31 December 2023					
Opening net carrying amount	15,513	18,741	2,740	1,025	38,019
Additions	–	835	516	28	1,379
Disposals	–	(125)	–	–	(125)
Depreciation provided during the year	(687)	(4,620)	(920)	(250)	(6,477)
Closing net carrying amount	14,826	14,831	2,336	803	32,796
As at 31 December 2023 and 1 January 2024					
Cost	20,573	62,802	6,414	3,690	93,479
Accumulated depreciation	(5,747)	(47,971)	(4,078)	(2,887)	(60,683)
Net carrying amount	14,826	14,831	2,336	803	32,796
Year ended 31 December 2024					
Opening net carrying amount	14,826	14,831	2,336	803	32,796
Additions	–	2,072	–	43	2,115
Disposals	–	(215)	–	(4)	(219)
Depreciation provided during the year	(995)	(3,210)	(951)	(215)	(5,371)
Closing net carrying amount	13,831	13,478	1,385	627	29,321
As at 31 December 2024 and 1 January 2025					
Cost	20,573	62,797	6,414	3,693	93,477
Accumulated depreciation	(6,742)	(49,319)	(5,029)	(3,066)	(64,156)
Net carrying amount	13,831	13,478	1,385	627	29,321
Year ended 31 December 2025					
Opening net carrying amount	13,831	13,478	1,385	627	29,321
Additions	–	1,925	–	228	2,153
Transfer from investment properties	243	–	–	–	243
Depreciation provided during the period	(1,005)	(2,861)	(605)	(223)	(4,694)
Closing net carrying amount	13,069	12,542	780	632	27,023
As at 31 December 2025					
Cost	21,043	64,722	6,414	3,922	96,101
Accumulated depreciation	(7,974)	(52,180)	(5,634)	(3,290)	(69,078)
Net carrying amount	13,069	12,542	780	632	27,023

As at 31 December 2023, 2024 and 2025, the Company's property, plant and equipment with carrying values of approximately RMB10,159,000, RMB13,200,000 and RMB12,506,000 respectively, were pledged for borrowings (note 30).

16. LEASES

The Group

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	Prepaid land use rights
	RMB'000
As at 1 January 2023	17,936
Depreciation charge *(note 8)*	(450)
As at 31 December 2023	17,486
As at 1 January 2024	17,486
Depreciation charge *(note 8)*	(450)
As at 31 December 2024	17,036
As at 1 January 2025	17,036
Transfer from investment properties	59
Depreciation charge *(note 8)*	(451)
As at 31 December 2025	16,644

(b) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases	96	80	81
Depreciation charge of right-of-use assets	450	450	451
	546	530	532

As at 31 December 2023, 2024 and 2025, the Group's right-of-use assets with carrying values of approximately RMB17,486,000, RMB17,036,000 and RMB16,644,000 respectively, were pledged for borrowings (note 30).

The Company

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	Prepaid land use rights
	RMB'000
As at 1 January 2023	3,380
Depreciation charge	(131)
As at 31 December 2023	3,249
As at 1 January 2024	3,249
Depreciation charge	(131)
As at 31 December 2024	3,118
As at 1 January 2025	3,118
Transfer from investment properties	59
Depreciation charge	(133)
As at 31 December 2025	3,044

As at 31 December 2023, 2024 and 2025, the Company's right-of-use assets with carrying values of approximately RMB3,249,000, RMB3,118,000 and RMB3,044,000 respectively, were pledged for borrowings (note 30).

17. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
As at 1 January 2023	
Cost	4,371
Accumulated amortisation	(2,717)
Net carrying amount	1,654
Year ended 31 December 2023	
Opening net carrying amount	1,654
Additions	230
Amortisation *(note 8)*	(878)
Closing net carrying amount	1,006
As at 31 December 2023 and 1 January 2024	
Cost	4,601
Accumulated amortisation	(3,595)
Net carrying amount	1,006
Year ended 31 December 2024	
Opening net carrying amount	1,006
Amortisation *(note 8)*	(600)
Closing net carrying amount	406
As at 31 December 2024 and 1 January 2025	
Cost	4,601
Accumulated amortisation	(4,195)
Net carrying amount	406
Year ended 31 December 2025	
Opening net carrying amount	406
Amortisation *(note 8)*	(376)
Closing net carrying amount	30
As at 31 December 2025	
Cost	4,601
Accumulated amortisation	(4,571)
Net carrying amount	30

The Company

	Software
	RMB'000
As at 1 January 2023	
Cost	455
Accumulated amortisation	(373)
Net carrying amount	82
Year ended 31 December 2023	
Opening net carrying amount	82
Amortisation	(65)
Closing net carrying amount	17
As at 31 December 2023 and 1 January 2024	
Cost	455
Accumulated amortisation	(438)
Net carrying amount	17
Year ended 31 December 2024	
Opening net carrying amount	17
Amortisation	(17)
Closing net carrying amount	–
As at 31 December 2024 and 1 January 2025	
Cost	455
Accumulated amortisation	(455)
Net carrying amount	–
Year ended 31 December 2025	
Opening net carrying amount	–
Amortisation	–
Closing net carrying amount	–
As at 31 December 2024 and 1 January 2025	
Cost	455
Accumulated amortisation	(455)
Net carrying amount	–

18. INVESTMENT PROPERTIES

The Group

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023			
Cost	77,064	14,199	91,263
Accumulated depreciation	(14,232)	(3,171)	(17,403)
Net carrying amount	62,832	11,028	73,860
Year ended 31 December 2023	62,832	11,028	73,860
Depreciation provided during the year *(note 8)*	(3,651)	(420)	(4,071)
Closing net carrying amount	59,181	10,608	69,789
As at 31 December 2023 and 1 January 2024			
Cost	77,064	14,199	91,263
Accumulated depreciation	(17,883)	(3,591)	(21,474)
Net carrying amount	59,181	10,608	69,789
Year ended 31 December 2024	59,181	10,608	69,789
Depreciation provided during the year *(note 8)*	(3,652)	(420)	(4,072)
Closing net carrying amount	55,529	10,188	65,717
As at 31 December 2024 and 1 January 2025			
Cost	77,064	14,199	91,263
Accumulated depreciation	(21,535)	(4,011)	(25,546)
Net carrying amount	55,529	10,188	65,717
Year ended 31 December 2025	55,529	10,188	65,717
Depreciation provided during the period*(note 8)*	(3,643)	(419)	(4,062)
Transfer to property, plant and equipment	(243)	–	(243)
Transfer to right-of-use assets	–	(59)	(59)
Closing net carrying amount	51,643	9,710	61,353
At 31 December 2025			
Cost	76,594	14,107	90,701
Accumulated depreciation	(24,951)	(4,397)	(29,348)
Net carrying amount	51,643	9,710	61,353

The Group leases out land and buildings under operating leases with rentals payable monthly. During the Track Record Period, the leases typically run for an initial period of 1 to 10 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

As at 31 December 2023, 2024 and 2025, the Group's investment properties with carrying values of approximately RMB69,789,000, RMB65,717,000 and RMB20,349,000 respectively, were pledged for borrowings (note 30).

Fair values of the Group's investment properties as at the end of each of the Track Record Period are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment properties	263,352	206,074	141,870

As at 31 December 2023, 2024 and 2025, all investment properties of the Group are located in the PRC. The fair values of investment properties as at 31 December 2023, 2024 and 2025 are determined based on the valuation carried out by an independent professionally qualified valuer. The fair value of investment properties at the end of each of the Track Record Period is measured on a recurring basis and categorised as Level 3 fair value measurement. The fair value of investment properties is determined by the directors at the end of each reporting period using market comparison approach by reference to recent sales price of comparable properties on a price per square feet basis using market data which is publicly available. There has been no change from the valuation techniques used in the prior year.

The Company

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023			
Cost	31,380	8,877	40,257
Accumulated depreciation	(13,259)	(2,657)	(15,916)
Net carrying amount	18,121	6,220	24,341
Year ended 31 December 2023	18,121	6,220	24,341
Depreciation provided during the year	(1,506)	(242)	(1,748)
Closing net carrying amount	16,615	5,978	22,593
As at 31 December 2023 and 1 January 2024			
Cost	31,380	8,877	40,257
Accumulated depreciation	(14,765)	(2,899)	(17,664)
Net carrying amount	16,615	5,978	22,593
Year ended 31 December 2024	16,615	5,978	22,593
Depreciation provided during the year	(1,507)	(241)	(1,748)
Closing net carrying amount	15,108	5,737	20,845
As at 31 December 2024 and 1 January 2025			
Cost	31,380	8,877	40,257
Accumulated depreciation	(16,272)	(3,140)	(19,412)
Net carrying amount	15,108	5,737	20,845
Year ended 31 December 2025	15,108	5,737	20,845
Transfer to property, plant and equipment	(243)	–	(243)
Transfer to right-of-use assets	–	(59)	(59)
Depreciation provided during the period	(1,497)	(240)	(1,737)
Closing net carrying amount	13,368	5,438	18,806
At 31 December 2025			
Cost	30,910	8,784	39,694
Accumulated depreciation	(17,542)	(3,346)	(20,888)
Net carrying amount	13,368	5,438	18,806

As at 31 December 2023, 2024 and 2025, the Company's investment properties with carrying values of approximately RMB22,593,000, RMB20,845,000 and RMB18,806,000 respectively, were pledged for borrowings (note 30).

19. GOODWILL

Cost at 1 January 2023	6,731
Accumulated impairment	–
Net carrying amount	6,731
Cost at 1 January 2023, net of accumulated impairment	6,731
Impairment during the year	–
Cost and net carrying amount at 31 December 2023	6,731
Cost at 31 December 2023	6,731
Accumulated impairment	–
Net carrying amount	6,731
Cost at 1 January 2024, net of accumulated impairment	6,731
Impairment during the year	–
Cost and net carrying amount at 31 December 2024	6,731
Cost at 31 December 2024	6,731
Accumulated impairment	–
Net carrying amount	6,731
Cost at 1 January 2025, net of accumulated impairment	6,731
Impairment during the year	–
Cost and net carrying amount at 31 December 2025	6,731
Cost at 31 December 2025	6,731
Accumulated impairment	–
Net carrying amount	6,731

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit for impairment testing:

- Kunshan Guangqian Electronics Co., Ltd. (昆山廣謙電子有限公司) cash-generating unit

The recoverable amount of RMB574,895,000, RMB630,618,000 and RMB1,200,214,000 as at 31 December 2023, 2024 and 2025 has been determined based on value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The revenue growth rate used to extrapolate the cash flows beyond the five-year period is 0%.

Assumptions were used in the value in use calculation of the cash-generating unit for 31 December 2023, 2024 and 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Compound revenue growth rate	3.08%-9.3%	2.92%-5.06%	1.47%-22.18%
Budgeted gross margins	9.28%-10.77%	10.48%-12.20%	11.34%-13.92%
Pre-tax discount rate	12.41%	12.41%	13.64%

Compound revenue growth rate – The compound revenue growth rate is for the five-year period and is estimated based on the historical sales data and market outlook perceived by management.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant unit.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

Sensitivity to changes in assumptions

With regard to the assessment of the value in use of the cash-generating unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including goodwill, of the cash-generating unit to materially exceed the recoverable amount.

20. INVENTORIES

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	92,404	103,317	186,740
Work in progress	18,649	27,173	26,346
Finished goods	51,019	50,295	58,450
Goods in transit	1,330	3,032	10,622
Provision for inventories, net	(8,446)	(10,025)	(8,499)
Net carrying amount	154,956	173,792	273,659

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	30,475	31,489	43,634
Work in progress	2,539	2,867	2,250
Finished goods	8,125	8,946	9,217
Goods in transit	2,447	2,773	3,995
Provision for inventories, net	(2,538)	(1,875)	(1,119)
Net carrying amount	41,048	44,200	57,977

21. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	451,479	464,360	480,320
Bills receivables	31,776	13,297	13,629
Less: allowance for impairment	(22,259)	(21,722)	(22,221)
Total	460,996	455,935	471,728

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

The credit period granted to the customers is generally within 90-120 days during the Track Record Period.

As at 31 December 2023, certain bills receivables of the Group with an aggregate amount of RMB5,000,000 were pledged as security for issuance of bills payable.

An ageing analysis of the trade receivables of the Group as at the end of each of the Track Record Period (based on the invoice date and net of allowance of impairment) is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	428,018	442,572	457,937
1-2 years	280	66	162
2-3 years	922	–	–
	429,220	442,638	458,099

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	21,006	22,259	21,722
Impairment recognised/(reversed), net	1,987	(265)	499
Amount written off as uncollectible	(734)	(272)	–
At the end of the year	22,259	21,722	22,221

Detailed information about the impairment of trade receivables and the Group's exposure to credit risk is disclosed in note 39.

Transferred financial assets that are derecognised in their entirety

The Group endorsed certain bills receivable accepted by banks in the PRC (the "**Derecognised Bills**") with a carrying amount in aggregate of RMB44,082,000, RMB79,367,000, RMB91,236,000 at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity of within six months at the end of each of the Track Record Period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors of the Company, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables-subsidiaries	162,506	153,202	145,432
Trade receivables-third parties	170	185	5
Bills receivables	3,382	868	1,288
Less: allowance for impairment	(5,309)	(5,319)	(5,099)
Total	160,749	148,936	141,626

An ageing analysis of the trade receivables of the Company as at the end of each year of the Track Record Period (based on the invoice date and net of allowance for impairment) is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	157,331	148,068	140,276
1-2 years	31	–	62
2-3 years	5	–	–
	157,367	148,068	140,338

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	5,632	5,309	5,319
Impairment recognised/(reversed), net	(267)	10	(220)
Amount written off as uncollectible	(56)	–	–
At the end of the year	5,309	5,319	5,099

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for property, plant and equipment	820	3,021	5,440
Prepayments for plant renovation, decoration and supporting facilities	10,050	8,458	12,018
Prepaid **[REDACTED]** expenses	4,105	–	3,249
Others	2,618	1,774	1,307
	17,593	13,253	22,014
Current			
Prepayments for materials	2,462	4,941	8,487
Value-added-tax recoverable	2,963	915	12,661
Security deposits	1,189	1,137	1,583
Others	390	380	474
Less: allowance for impairment	(36)	(34)	(47)
	6,968	7,339	23,158
Total	24,561	20,592	45,172

The movements in the loss allowance for impairment are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	53	36	34
Impairment recognised/(reversed), net	(17)	(2)	13
At the end of the year	36	34	47

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for property, plant and equipment	543	875	1,752
Prepaid **[REDACTED]** expenses	4,105	–	3,249
	4,648	875	5,001
Current			
Receivables from subsidiaries *(note)*	268,372	262,948	246,035
Prepayments for materials	1,312	1,299	1,119
Security deposits	1,019	1,117	1,117
Less: allowance for impairment	(31)	(34)	(34)
	270,672	265,330	248,237
Total	275,320	266,205	253,238

Note:

Receivables from subsidiaries are non-trade in nature, unsecured and recoverable on demand.

The movements in the loss allowance for impairment are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	46	31	34
Impairment recognised/(reversed), net	(15)	3	–
At the end of the year	31	34	34

23. FINANCIAL ASSETS AT FVTPL

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits *(note a)*	–	–	30,301
Certificate of deposit *(note b)*	–	–	141,765
Total	–	–	172,066

Notes:

(a) Structured deposits are managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They were classified as financial assets at FVTPL as their contractual cash flows are not SPPI.

(b) The transferable certificates of deposit held by the Group, which bear fixed returns, are classified as financial assets measured at FVTPL by the management as the business model for managing these financial assets is not for collecting contractual cash flows or for collecting contractual cash flows and selling the financial assets.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Certificate of deposit	–	–	40,196
Total	–	–	40,196

24. INVESTMENTS IN SUBSIDIARIES

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments, at cost	44,833	44,833	347,838

Particulars of the major subsidiaries as at the end of each year of the Track Record Period and the date of this report are set out in note 1 to the Historical Financial Information.

25. RECEIVABLE FINANCING

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank acceptance bills	24,404	406	3,493
Electronic debt certificates of trade receivables	–	–	1,601
Total	24,404	406	5,094

26. DEFERRED TAX ASSETS

The Group

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred taxes relate to the same authority.

The movements in deferred tax assets for the years ended 31 December 2023, 2024 and 2025, where there is no any applicable offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

	Tax losses	Deferred income	Impairment of financial assets	Allowance for asset impairment	Unrealised profit on intercompany transactions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	6,932	2,768	3,163	1,524	451	14,838
Credited/(charged) to profit or loss	(6,932)	(185)	1,324	(203)	(30)	(6,026)
As at 31 December 2023 and 1 January 2024	–	2,583	4,487	1,321	421	8,812
Credited/(charged) to profit or loss	–	(186)	(279)	344	9	(112)
As at 31 December 2024 and 1 January 2025	–	2,397	4,208	1,665	430	8,700
Credited/(charged) to profit or loss	–	(198)	106	(355)	137	(310)
As at 31 December 2025	–	2,199	4,314	1,310	567	8,390

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses not recognised	49,627	39,669	26,556

Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits or taxable temporary differences will be available against which the tax losses can be utilised.

The Company

Deferred tax assets

	Impairment of financial assets	Allowance for asset impairment	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	852	560	1,412
Charged to profit or loss	(51)	(179)	(230)
As at 31 December 2023 and 1 January 2024	801	381	1,182
Credited/(charged) to profit or loss	2	(100)	(98)
As at 31 December 2024 and 1 January 2025	803	281	1,084
Charged to profit or loss	(33)	(113)	(146)
As at 31 December 2025	770	168	938

27. CASH AND BANK BALANCES AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	48,667	405,893	165,781
Restricted cash *(note)*	135,036	125,454	125,966
Total	183,703	531,347	291,747
Denominated in:			
RMB	179,052	510,453	231,016
USD	4,651	20,894	44,566
THB	–	–	16,165
Total	183,703	531,347	291,747

RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated their fair values.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	31,217	367,303	86,886
Restricted cash *(note)*	90,098	100,022	85,481
Total	121,315	467,325	172,367
Denominated in:			
RMB	116,868	447,552	129,440
USD	4,447	19,773	42,927
Total	121,315	467,325	172,367

Note:

Restricted cash mainly include guarantee deposits for issuance of bank acceptance notes.

28 TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– that are not part of supplier finance arrangement ("**SFA**")	264,912	241,030	323,597
– that are part of SFA	–	2,000	–
Bills payables	193,831	138,516	202,791
Total	458,743	381,546	526,388

The credit period granted by suppliers is generally within 120 days. An ageing analysis of the trade payables as at the end of each year of the Track Record Period, based on the invoice date, is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	262,615	242,094	322,848
1-2 years	2,020	361	161
2-3 years	8	323	101
Over 3 years	269	252	487
	264,912	243,030	323,597

***Supplier Finance Arrangement* ("SFA")**

The Group introduces third party supply chain information service platforms to provide services to its suppliers holding the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall transfer the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables-subsidiaries	58,899	20,645	97,939
Trade payables-third parties	52,018	48,725	71,540
Bills payables	92,541	100,890	99,438
Total	203,458	170,260	268,917

An ageing analysis of the trade payables as at the end of each year of the Track Record Period, based on the invoice date, is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	110,321	68,758	168,897
1 to 2 years	366	133	99
2 to 3 years	6	250	65
Over 3 years	224	229	418
	110,917	69,370	169,479

As at the end of each year of the Track Record Period, no matured bills payables were unpaid.

29. OTHER PAYABLES AND ACCRUALS AND DEFERRED INCOME

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Deferred income *(note)*	17,223	15,983	14,663
Current			
Payables for acquisitions of property, plant and equipment	22,911	12,631	72,650
Employee benefits payable	13,325	14,764	16,555
Other tax payables	3,045	3,666	3,404
Deposits	1,020	1,020	1,020
Others	7,949	8,390	7,376
	48,250	40,471	101,005

Note:

It mainly represents the receipt of government grants for constructions of certain equipment, which has been recognised as a non-current liability on the consolidated statements of financial position. Such deferred income is amortised on the straight-line basis to profit or loss over the expected useful lives of the relevant assets acquired.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Payables for acquisitions of property, plant and equipment	240	304	726
Employee benefits payable	3,352	3,619	4,037
Other tax payables	1,641	887	903
Others	2,089	1,493	2,594
Total	7,322	6,303	8,260

30. BORROWINGS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Secured and unguaranteed borrowings *(noted a)*	69,045	44,025	34,024
Unsecured and guaranteed borrowings *(note b)*	121,520	56,952	45,030
Secured and guaranteed borrowings *(noted c)*	108,100	79,069	40,016
Unsecured and unguaranteed borrowings	–	29,926	10,009
Total	298,665	209,972	129,079

As at 31 December 2023, 2024 and 2025, the borrowings bear effective interest rates with range of from 3.0% to 5.15%, 2.8% to 3.45%, and 1.95% to 2.6% per annum, respectively.

Notes:

(a) For the years ended 31 December 2023, 2024 and 2025, short-term bank borrowings of RMB69,045,000, RMB44,025,000 and RMB34,024,000, respectively, were pledged by property, plant and equipment, prepaid land use rights and investment properties.

(b) For the years ended 31 December 2023 and 2024, the Group obtained bank loans that are guaranteed by the Company and its subsidiaries and executive director, Mr. Wang Xuegen and Ms. Wang Chunying.

For the year ended 31 December 2025, the Group obtained bank loans that are solely guaranteed by the Company and its subsidiaries.

(c) For the years ended 31 December 2023 and 2024, short-term bank borrowings of RMB108,100,000 and RMB79,069,000 were pledged by property, plant and equipment, prepaid land use rights and investment properties and guaranteed by the Company and its subsidiaries and executive director, Mr. Wang Xuegen and Ms. Wang Chunying.

For the year ended 31 December 2025, short-term bank borrowings of RMB40,016,000 were pledged by property, plant and equipment, prepaid land use rights and investment properties and solely guaranteed by the Company and its subsidiaries.

(d) The carrying amount of the pledged assets was RMB291,483,000, RMB303,771,000, and RMB230,544,000, as at 31 December 2023, 2024 and 2025 respectively.

The Group's borrowings were repayable as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed as:			
– Within 1 year	298,665	209,972	129,079

During the Track Record Period, the Group did not violate any financial covenants under the borrowing agreements.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Secured and unguaranteed borrowings *(note a)*	54,031	44,025	34,024
Unsecured and guaranteed borrowings *(note b)*	45,043	20,018	20,014
Unsecured and unguaranteed borrowings	–	10,008	10,008
Total	99,074	74,051	64,046

Notes:

(a) For the years ended December 31 2023, 2024 and 2025, the Company obtained bank loans that are secured by property, plant and equipment, prepaid land use rights and investment property. The carrying amount of the pledged asset was RMB36,001,000, RMB37,263,000, and RMB34,356,000 as at 31 December 2023, 2024 and 2025, respectively.

(b) For the years ended 31 December 2023 and 2024, the Company obtained bank loans that are guaranteed by its subsidiaries and the executive director, Mr. Wang Xuegen and Ms. Wang Chunying.

For the year ended 31 December 2025, the Company obtained bank loans that are solely guaranteed by its subsidiaries.

The Company's borrowings were repayable as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed as:			
– Within 1 year	99,074	74,051	64,046

31. SHARE CAPITAL

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid:			
Share capital	116,395	152,045	152,045

The changes in the Company's authorised, issued and fully paid share capital are as follows:

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
As at 1 January 2023, 31 December 2023 and 1 January 2024	116,395	116,395
Issue of shares	35,650	35,650
As at 31 December 2024, 1 January 2025 and 31 December 2025	152,045	152,045

On 19 November 2024, the Company's A shares were listed on the Beijing Stock Exchange under the stock code 920060. In connection with the A share listing, the Company issued an aggregate of 35,650,000 A shares at an offer price of RMB11.16 per share, raising net proceeds of RMB366,036,000.

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Track Record Period are presented in the consolidated statements of changes in equity.

The Company

	Capital reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	154,802	8,417	79,239	242,458
Profit for the year	–	–	34,316	34,316
Appropriation of statutory reserve	–	3,432	(3,432)	–
As at 31 December 2023	154,802	11,849	110,123	276,774

	Capital reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	154,802	11,849	110,123	276,774
Profit for the year	–	–	30,147	30,147
Issue of shares	316,262	–	–	316,262
Appropriation of statutory reserve	–	3,015	(3,015)	–
As at 31 December 2024	471,064	14,864	137,255	623,183

	Capital reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	471,064	14,864	137,255	623,183
Profit for the year	–	–	22,599	22,599
Dividends declared *(note 13)*	–	–	(76,022)	(76,022)
Appropriation of statutory reserve	–	2,260	(2,260)	–
As at 31 December 2025	471,064	17,124	81,572	569,760

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in liabilities arising from financing activities

	Bank borrowings	Dividends payable	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	322,835	–	322,835
Financing cash flows:			
– Proceeds from borrowings	410,404	–	410,404
– Repayment of borrowings	(433,500)	–	(433,500)
– Interest paid	(13,470)	–	(13,470)
Non-cash changes:			
– Interest accrued during the year	13,171	–	13,171
– Others	(775)	–	(775)
As at 31 December 2023 and 1 January 2024	298,665	–	298,665
Financing cash flows:			
– Proceeds from borrowings	246,780	–	246,780
–Repayment of borrowings	(335,380)	–	(335,380)
–Interest paid	(8,989)	–	(8,989)
Non-cash changes:			
–Interest accrued during the year	8,896	–	8,896
As at 31 December 2024 and 1 January 2025	209,972	–	209,972
Financing cash flows:			
– Proceeds from borrowings	238,000	–	238,000
– Repayment of borrowings	(318,780)	–	(318,780)
– Interest paid	(4,757)	–	(4,757)
– Dividend paid to owners of the Company	–	(76,022)	(76,022)
Non-cash changes:			
– Interest accrued during the period	4,644	–	4,644
– Dividends declared	–	76,022	76,022
As at 31 December 2025	129,079	–	129,079

34. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group

Remuneration paid and payable for key management personnel includes the directors and the chief executives of the Group as disclosed in note 10.

Save as disclosed above, there was no material transactions or balances with related parties during the Track Record Period.

35. COMMITMENTS

At the end of each reporting period, commitments contracted but not provided for in the Historical Financial Information were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for			
– Property, plant and equipment	2,672	3,693	66,193

36. CONTINGENT LIABILITIES

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

As at 31 December 2023, 2024 and 2025, the Group did not have any material contingent liabilities.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Track Record Period were as follows:

As at 31 December 2023

Financial assets

	Financial assets at FVTOCI	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	–	460,996	460,996
Financial assets included in prepayments, other receivables and other assets	–	1,153	1,153
Receivable financing	24,404	–	24,404
Cash and bank balances and restricted cash	–	183,703	183,703
Total	24,404	645,852	670,256

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	458,743
Financial liabilities included in other payables and accruals	31,880
Borrowings	298,665
Total	789,288

As at 31 December 2024

Financial assets

	Financial assets at FVTOCI	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	–	455,935	455,935
Financial assets included in prepayments, other receivables and other assets	–	1,103	1,103
Receivable financing	406	–	406
Cash and bank balances and restricted cash	–	531,347	531,347
Total	406	988,385	988,791

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	381,546
Financial liabilities included in other payables and accruals	22,041
Borrowings	209,972
Total	613,559

As at 31 December 2025

Financial assets

	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	–	–	471,728	471,728
Financial assets included in prepayments, other receivables and other assets	–	–	1,536	1,536
Structured deposits and certificate of deposit	172,066	–	–	172,066
Receivable financing	–	5,094	–	5,094
Cash and bank balances and restricted cash	–	–	291,747	291,747
Total	172,066	5,094	765,011	942,171

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	526,388
Financial liabilities included in other payables and accruals	81,406
Borrowings	129,079
Total	736,513

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

		Fair value measurement using		
	As at 31 December 2023	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTOCI				
Receivable financing	24,404	–	24,404	–

		Fair value measurement using		
	As at 31 December 2024	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTOCI				
Receivable financing	406	–	406	–

		Fair value measurement using		
	As at 31 December 2025	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL				
Structured deposits	30,301	–	30,301	–
Certificate of deposit	141,765	–	141,765	–
Financial assets at FVTOCI				
Receivable financing	5,094	–	3,493	1,601
Total	177,160	–	175,559	1,601

Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique.

Assets subject to Level 2 of structured deposits, certificate of deposit and bank acceptance bills are determined with reference to quoted value from banks and financial institutions based on expected return with reference to underlying investment as a key input.

Electronic debt certificates of trade receivables are categorised into Level 3 of the fair value hierarchy, which are based on that their fair values approximate the face values of the bills.

The Group mainly uses discounted cash flow model with inputted interest rate, which were influenced by historical fluctuation and the probability of market fluctuation, to evaluate the fair value of the electronic debt certificates of trade receivables classified as Level 3 financial assets.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances and restricted cash, structured deposits and certificate of deposits and borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, receivable financing, financial assets included in prepayments, other receivables and other assets, trade and bills payables, and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk and price risk. The board of directors review and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risks primarily through sales and purchases which give rise to receivables, payables and cash and bank balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the entities to which the transactions relate. The foreign currencies giving rise to this risk is primarily USD.

Foreign currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. To ensure the currency risk exposure of the Group is kept to an acceptable level and seeks to minimise the gap between assets and liabilities in the same currency.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in RMB against USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding USD denominated monetary items and adjusts their translation at the end of each year for the Track Record Period for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit before income tax where RMB strengthen 10% against USD. For a 10% weakening of RMB against USD, there would be an equal and opposite impact on the profit before income tax and the amounts below would be positive.

	As at 31 December		
	2023	2024	2025
USD	(12,176)	(14,444)	(15,803)

Other change in foreign exchange rates have no significant impact on foreign currency risk.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term borrowings with a floating interest rate.

The following tables list out the interest rate profiles of the Group's floating rate instruments as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Floating rate instruments			
– Borrowings	–	–	10,007

If interest rates of floating rate instruments had been 50 basis points higher/lower with all other variables held constant, profit before income tax would be lower/higher approximately RMB500,000 for the year ended 31 December 2025.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from the risk of default by counterparties. The maximum exposure to credit risk is equal to the carrying amounts of these instruments.

Cash and bank balances and restricted cash

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions. While cash and bank balances and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at 31 December 2023, 2024 and 2025.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade and bills receivables

To manage the risk arising from trade receivables, the Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

The Group has applied the IFRS 9 simplified approach to measuring ECL which uses a lifetime ECL for all and trade receivables. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is assessed individually or based on provision matrix, as appropriate, and the expected loss rates are based on the common credit risk characteristics as well as the corresponding historical credit losses.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales and probability of default of counter parties on an ongoing basis throughout each year for the Track Record Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognised impairment losses.

A default on trade receivables is when the counterparty fails to make contractual payments when they fall due. Trade receivables are written off when there is no reasonable expectation of recovery.

On that basis, the ECL allowance as at 31 December 2023, 2024 and 2025 was determined as follows for trade receivables:

	Trade receivables		
	Gross carrying amount	ECL allowance	Expected loss rate
	RMB'000	*RMB'000*	*%*
As at 31 December 2023			
Assessed based on grouping	443,978	14,758	3.32
Assessed individually	7,501	7,501	100.00
As at 31 December 2024			
Assessed based on grouping	457,088	14,450	3.16
Assessed individually	7,272	7,272	100.00
As at 31 December 2025			
Assessed based on grouping	473,048	14,949	3.16
Assessed individually	7,272	7,272	100.00

Financial assets included in prepayments, other receivables and other assets

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. To assess whether there is a significant increase in credit risk in other receivables and other assets, the Group compares the risk of a default occurring on the financial assets at the end of each reporting period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behavior of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, other receivables from related parties were settled within 12 months after upon maturity hence the ECL is minimal.

For other receivables and other assets, the management of the Group makes individual assessment on the recoverability of other receivables and other assets based on historical settlement records, past experience, creditability of counterparties and also quantitative and qualitative information that is reasonable, supportive and forward-looking information that is available without undue cost or effort. The management of the Group assessed the credit risk in the Group's outstanding balance of other receivables and other assets is immaterial.

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings. The Group's policy is that all the borrowings should be approved by the management of the group.

The tables below summarise the maturity profile of the Group's financial liabilities at the end of each year of Track Record Period based on contractual undiscounted payments:

As at 31 December 2023

	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	304,734	–	–	304,734
Trade and bills payables	458,743	–	–	458,743
Financial liabilities included in other payables and accruals	31,880	–	–	31,880
	795,357	–	–	795,357

As at 31 December 2024

	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	213,764	–	–	213,764
Trade and bills payables	381,546	–	–	381,546
Financial liabilities included in other payables and accruals	22,041	–	–	22,041
	617,315	–	–	617,315

As at 31 December 2025

	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	131,224	–	–	131,224
Trade and bills payables	526,388	–	–	526,388
Financial liabilities included in other payables and accruals	81,046	–	–	81,046
	738,658	–	–	738,658

Price risk

The Group is exposed to price risk in respect of financial assets at FVTPL, which mainly include investments in structured deposits and certificate of deposit. The Group is not exposed to commodity price risk.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using the liability-to-asset ratio, which is total liabilities divided by total assets. The liability-to-asset ratios as at the end of each of the Track Record Period were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	1,380,004	1,678,344	1,851,212
Total liabilities	828,173	651,290	775,132
Liability-to-asset ratio	60.01%	38.81%	41.87%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately demand repayments of borrowings. There have been no breaches of the financial covenants of any borrowings during the Track Record Period.

40. EVENT AFTER THE END OF THE REPORTING PERIOD

The Group has no significant event subsequent to 31 December 2025.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2025.

The information set forth in this Appendix II does not form part of the "Accountants' Report" received from the Reporting Accountant Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this document, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the "Accountants' Report" set forth in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the **[REDACTED]** as if it had taken place on 31 December 2025 and based on the audited consolidated net tangible assets attributable to the owners of the Company as at 31 December 2025 as shown in the Accountants' Report, the text of which is set out in Appendix I to this document, and adjusted as described below.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 or at any future dates following the **[REDACTED]**.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025	**Estimated net proceeds from the [REDACTED]**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025**	
	(Note 1)	**(Note 2)**		**(Note 3)**	**(Note 4)**
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on minimum indicative **[REDACTED]** of HK$**[REDACTED]** per Share . .	1,069,319	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on mid indicative **[REDACTED]** of HK$**[REDACTED]** per Share . .	1,069,319	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on maximum indicative **[REDACTED]** of HK$**[REDACTED]** per Share . . .	1,069,319	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 is extracted from the Accountants' Report as set out in Appendix I to this document, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at December 31, 2025 of approximately RMB1,076,080,000 with an adjustment for the intangible assets of RMB30,000 and the goodwill of RMB6,731,000.

(2) The estimated net proceeds from the **[REDACTED]** are based on **[REDACTED]** new **[REDACTED]** and the indicative **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, HK$**[REDACTED]** per **[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**, being the lower end of the indicative **[REDACTED]** range, the mid-price and the upper end of the indicative **[REDACTED]** range, respectively, after deduction of the estimated **[REDACTED]** commissions and fees and other related expenses, and does not take account of any Shares which may be issued upon the exercise of the **[REDACTED]**.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 is arrived at after adjustments referred to in the preceding paragraphs and on the basis that a total of **[REDACTED]** shares were in issue assuming that the **[REDACTED]** had been completed on December 31, 2025 but takes no account of any shares which may be allotted and issued by the Company pursuant to the exercise of the **[REDACTED]**. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at December 31, 2025 would be RMB**[REDACTED]** (HK$**[REDACTED]**), RMB**[REDACTED]** (HK$**[REDACTED]**) and RMB**[REDACTED]** (HK$**[REDACTED]**), based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, HK$**[REDACTED]** per **[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**, respectively.

(4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company, the amounts stated in Hong Kong dollars are converted into Renminbi at a rate of HK$1 to RMB0.8792 No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) Save as disclosed above, no other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market value of the properties held by the Group in the PRC as at 31 January 2026.

CUSHMAN & WAKEFIELD
戴 德 梁 行

27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

The Board of Directors

Kunshan Wanyuantong Electronics Technology Co.,Ltd.
No.1288, Shipai Zhonghua Road
Bacheng Town,
Kunshan City,
Jiangsu Province,
The PRC

Dear Sirs,

RE: VALUATION OF TWO INDUSTRIAL PARKS OWNED BY THE GROUP

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions of Kunshan Wanyuantong Electronics Technology Co., Ltd.*(昆山萬源通電子科技股份有限公司). (the "**Company**") for Cushman & Wakefield ("**C&W**") to value certain properties (individually the "**Property**" or collectively the "**Properties**") in the People's Republic of China (the "**PRC**") (as more particularly described in the attached valuation reports) in which the Company and/or its subsidiaries (together referred to as the "**Group**") have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the values of the properties as at 31 January 2026 (the "**Valuation Date**").

VALUATION BASIS

Our valuation of each of the Properties represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We confirm that the valuations comply with the requirements outlined in the HKIS Valuation Standards, the RICS Global Valuation Standards and the International Valuation Standards, and Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of The Hong Kong Limited.

Our valuation of each of the Properties is on an entirety interest basis.

VALUATION ASSUMPTIONS

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuations of the Properties, we have relied on the information and advice given by the

Company and the Company's PRC legal adviser (the "**Legal Adviser**"), ALLBRIGHT LAW OFFICES(Shanghai) (上海市錦天城律師事務所), regarding the titles to the Properties and the interests of the Group in the Properties.

Unless otherwise stated, in valuing the Properties, we have assumed that Company have enforceable title to the properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired term as granted.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the valuation report.

No allowance has been made in our valuations for any charges, pledges or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Sustainability and Environmental, Social, and Governance ("**ESG**") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuations, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Properties as observed from inspections, information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

VALUATION METHOD

In forming our opinions of the market value of the Properties, we have used Investment Method, by capitalising the rental income derived from the existing tenancies, with due provision for reversionary potential of each constituent portion of the Properties at an appropriate capitalization rate. As the Properties generate rental income from letting arrangements and such rental comparables are readily available, we consider Investment Method to be the best method to value the Property, which is also commonly used in valuing properties for investment purpose. We have also cross-checked against comparables of asking price available in the relevant market.

When using Investment Method, we have mainly made reference to lettings within the Properties as well as other relevant comparable rental evidence of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors. The capitalisation rates adopted in our valuations are based on our analyzes of the yields of properties of similar use type after due adjustments. Such capitalization rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the Property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analyzed yields of transactions of the relevant use type.

SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information given by the Company and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the Properties, particulars of occupancy, completion date, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided by the Company with copies of documents in relation to the current titles to the Properties. However, we have not been able to conduct searches to verify the ownership of the Properties and we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Company or the Legal Adviser regarding the interests of the Company in the Property.

SITE INSPECTION

The senior valuer of our Shanghai Office, Bowen Huang (Master of Property and Development and Master of Construction Project Management with 2 years of experience in property valuation), has inspected the exterior, and where possible, the interior of the Properties on 19 January 2026. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all monetary sums stated in our valuations is in Renminbi ("**RMB**") the official currency of the PRC.

INDEPENDENCE

We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We attach herewith summary of valuations and valuation report.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MHKIS, MRICS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Notes: :

(1) Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

(2) * Company name in English translation for identification only.

SUMMARY OF VALUATIONS

	Property	Market value in existing state as at 31 January 2026	Interest attributable to the Group	Market value in existing state as at 31 January 2026 attributable to the Group
		(RMB)	*(%)*	*(RMB)*
Properties held for investment by the Group in the PRC				
1.	Kunshan Qiyuantong Industrial Park, No. 588 Dechang Road, Shipai, Bacheng Town, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市巴城鎮石牌德昌路588號昆山啟源通產業園)	65,000,000	100	65,000,000
2.	A portion of Kunshan Wanyuantong Industrial Park, No. 1288 Zhonghua Road, Shipai, Bacheng Town, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市巴城鎮石牌中華路1288號昆山萬源通產業園部份)	75,000,000	100	75,000,000
	Total (RMB):	**140,000,000**		**140,000,000**

VALUATION REPORT

Properties held for investment by the Group in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2026
1.	Kunshan Qiyuantong Industrial Park, No. 588 Dechang Road, Shipai, Bacheng Town, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市巴城鎮石牌德昌路588號昆山啟源通產業園)	Kunshan Qiyuantong Industrial Park is a manufacturing park for various production activities, which erected on a parcel of land, with a site area of 20,000.00 sq.m. The Property was completed in May 2022 with a total gross floor area of 25,857.16 sq.m.. The breakdown of the gross floor area is listed as below: **Use** / **Gross Floor Area** (*sq.m.*) Guard Room, Electrical Room, Pump House, Reservoir: 759.69 1# Factory: 9,157.77 2# Factory: 6,624.33 3# Factory: 9,315.37 **Grand Total: 25,857.16** The Property is located at the East of Dechang Road (德昌路), Bacheng Town, Kunshan, Jiangsu Province, the PRC. Developments nearby are mainly industrial development in nature. According to the Company, the Property is mainly for industrial use; there are neither environmental issues and litigation dispute; nor any plan to change the use of the property. The land use rights of the Property have been granted for a land use term due to expire on 9 June 2049 for industrial use.	As at the Valuation Date, the Property is subject to a lease generating an annual rent of approximately 5,337,000, excluding value-added tax ("**VAT**") and rent-free period.	RMB65,000,000 (RENMINBI SIXTY FIVE MILLION) (100% interest attributable to the Group: RMB65,000,000)

Notes:

(1) According to Certificate of Real Estate Ownership No. (2022)3060567, the real estate ownership of the property have been vested to Kunshan Qiyuantong Electronic Technology Co., Ltd.*(昆山啟源通電子科技有限公司), with a total site area of approximately 20,000.00 sq.m. for the land use term due to expire on 9 June 2049 for industrial use. The total gross floor area of the Property is 25,857.16 sq.m..

(2) According to Business Licence No. 91320583MA20X79H6T dated 23 November 2022, Kunshan Qiyuantong Electronic Technology Co., Ltd.*(昆山啟源通電子科技有限公司) has been established as a limited company on 28 February 2020.

(3) We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisor, which contains, inter alia, the following:

a) Kunshan Qiyuantong Electronic Technology Co., Ltd.*(昆山啟源通電子科技有限公司) has legally acquired the abovementioned State-Owned Land Use Rights, and has obtained a valid Certificate of Real Estate Ownership;

b) Kunshan Qiyuantong Electronic Technology Co., Ltd.*(昆山啟源通電子科技有限公司) has the right to possess, use, benefit from and dispose of the aforesaid land, including transfer, lease, mortgage, or other forms of disposal;

c) Kunshan Qiyuantong Electronic Technology Co., Ltd.* (昆山啟源通電子科技有限公司) has legally acquired the abovementioned buildings, and has obtained a valid Certificate of Real Estate Ownership;

(4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company and the opinion of the PRC legal adviser:

Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION REPORT

<table>
<tr><th></th><th>Property</th><th>Description and tenure</th><th>Particulars of occupancy</th><th>Market value in existing state as at 31 January 2026</th></tr>
<tr><td>2.</td><td>Portion of Kunshan Wanyuantong Industrial Park, No. 1288 Zhonghua Road, Shipai, Bacheng Town, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市巴城鎮石牌中華路 1288 號昆山萬源通產業園部份)</td><td>Kunshan Wanyuantong Industrial Park is a manufacturing park for various production activities, which erected on a parcel of land, with a site area of 44,017.00 sq.m..

The Kunshan Wanyuantong Industrial Park was developed in 2000s, 2016, 2017, and 2021 respectively, with a total gross floor area of 39,350.12 sq.m..

The Property comprises portion of the Kunshan Wanyuantong Industrial Park with a total gross floor area of 26,988.34 sq.m.. The breakdown of the gross floor area is listed as below:

<table>
<tr><th>Building No.</th><th>Building</th><th>Total Gross Floor Area</th><th>Gross Floor Area Under Valuation</th><th>Completion Time</th></tr>
<tr><td></td><td></td><td>(sq.m.)</td><td>(sq.m.)</td><td></td></tr>
<tr><td>003</td><td>Factory</td><td>8,180.00</td><td>8,180.00</td><td>2000s</td></tr>
<tr><td>006</td><td>Factory</td><td>3,039.09</td><td>3,039.09</td><td>2000s</td></tr>
<tr><td>007</td><td>Factory</td><td>1,408.59</td><td>1,360.00</td><td>2000s</td></tr>
<tr><td>011</td><td>#3 Factory</td><td>10,757.18</td><td>10,396.00</td><td>2016</td></tr>
<tr><td>012</td><td>#4 Factory</td><td>4,013.25</td><td>4,013.25</td><td>2016</td></tr>
<tr><td></td><td>Grand Total:</td><td>27,398.11</td><td>26,988.34</td><td></td></tr>
</table>

The Property is located at the Zhonghua Road (中華路), Bacheng Town, Kunshan, Jiangsu Province, the PRC. Developments nearby are mainly industrial development in nature.

According to the Company, the Property is for industrial use; there are neither environmental issues and litigation dispute; nor any plan to change the use of the Property.

The land use rights of the Property have been granted for land use term due to expire on 15 September 2048 for industrial use.</td><td>As at the Valuation Date, a portion of the Property with a total gross floor area of 19,936.00 sq.m. are subject to various leases generating a total annual rent of approximately 5,442,000, excluding value-added tax ("VAT").

The rest of the Property remains vacant.</td><td>RMB75,000,000 (RENMINBI SEVENTY FIVE MILLION)

(100% interest attributable to the Group: RMB75,000,000)</td></tr>
</table>

Notes:

(1) According to Certificate of Real Estate Ownership No. (2021)3067208, the real estate ownership of the Kunshan Wanyuantong Industrial Park have been vested to Kunshan Wanyuantong Electronics Technology Co.,Ltd.* (昆山萬源通電子科技股份有限公司), with a total site area of approximately 44,017.00 sq.m. for the land use term due to expire on 15 September 2048 for industrial use. The total gross floor area of the Kunshan Wanyuantong Industrial Park is 39,350.12 sq.m..

As advised by the Group, the Property forms part of the Kunshan Wanyuantong Industrial Park with a total gross floor area of 26,988.34 sq.m..

(2) According to Business Licence No. 91320583576671624T dated 23 January 2025, Kunshan Wanyuantong Electronics Technology Co.,Ltd.* (昆山萬源通電子科技股份有限公司) has been established as a limited company on 7 June 2011.

(3) We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisor, which contains, inter alia, the following:

a) Kunshan Wanyuantong Electronics Technology Co.,Ltd.* (昆山萬源通電子科技股份有限公司) has legally acquired the abovementioned State-Owned Land Use Rights, and has obtained a valid Certificate of Real Estate Ownership;

b) Kunshan Wanyuantong Electronics Technology Co.,Ltd.* (昆山萬源通電子科技股份有限公司) has the right to possess, use, benefit from and dispose of the aforesaid land, including transfer, lease, mortgage, or other forms of disposal;

c) Kunshan Wanyuantong Electronics Technology Co.,Ltd.* (昆山萬源通電子科技股份有限公司) has legally acquired the abovementioned buildings, and has obtained a valid Certificate of Real Estate Ownership;

(4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company and the opinion of the PRC legal adviser:

Certificate of Real Estate Ownership	Yes
Business Licence	Yes

Set forth below is a summary of the principal provisions of the Articles of Association of the Company (hereinafter referred to as the "**Articles**" or "**Articles of Association**") for investors' reference. As this is only a summary, it may not contain all information that might be important to potential investors.

SHARES

Issuance of Shares

The shares of the Company shall be in the form of share certificates, and all such certificates shall be in registered form. Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Subscribers shall pay the same price for each of the shares that it/he/she subscribes for.

The nominal value of par value shares issued by the Company is denominated in RMB. Each share shall have a par value of RMB1.

The shares issued by the Company and listed on the Beijing Stock Exchange are hereinafter referred to as the "A Shares" and the shares issued by the Company and **[REDACTED]** on the Hong Kong Stock Exchange are hereinafter referred to as the "H Shares". The A Shares issued by the Company shall be deposited collectively at the Beijing Branch of the China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company shall be primarily deposited with a custodian company under the Hong Kong Securities Clearing Company Limited, and may also be held by shareholders in their own names in accordance with the laws, the securities regulatory rules and the practice of registration, and deposit of securities in the listing place.

Change in Shares

The Company may increase its capital in line with the needs for operations and development according to laws, administrative regulations after resolutions are passed at a shareholders' general meeting by the following methods:

(i) offering of shares to non-specific targets;

(ii) offering of shares to specific targets;

(iii) distribution of bonus shares to existing shareholders;

(iv) increase in capital by transfers from reserves;

(v) any other methods provided in laws, administrative regulations, the CSRC and the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed.

The Company may reduce its registered capital. The reduction of the registered capital of the Company shall be made in accordance with the Company Law, and other relevant regulations as well as procedures stipulated in these Articles of Association.

Repurchase of Shares

The Company may repurchase its shares under the following circumstances, in accordance with the provisions of laws, administrative regulations, departmental rules and these Articles of Association:

(i) to reduce the registered capital of the Company;

(ii) to merge with other companies that hold shares in the Company;

(iii) to use the shares for employee shareholding schemes or as share incentives;

(iv) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' general meetings on the merger or division of the Company;

(v) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

(vi) to safeguard corporate value and shareholders' equity as the Company deems necessary.

Except for the circumstances mentioned above, the Company shall not engage in the trading of its own shares.

The Company may purchase its shares through public centralized trading or other ways as permitted by the laws, administrative regulations, securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed, and shall comply with the provisions of the applicable laws and regulations and the rules of the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed.

Where the Company purchases its shares under the circumstances prescribed in the aforesaid items (iii), (v) and (vi), such purchase shall be conducted through public centralized trading.

Where the Company purchases its own shares under any of the circumstances specified in the aforesaid items (i) and (ii), it shall require a resolution of the shareholders' general meeting. Where the Company purchases its own shares under any of the circumstances specified in the aforesaid items (iii), (v) and (vi), it shall, provided that they comply with the applicable rules of the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed, require a resolution of a Board meeting attended by two-thirds or more of the directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' general meeting. Purchasing its own shares by the Company shall be subject to the information disclosure obligations under the rules of the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed.

In respect of the Domestic Listed Shares, after the Company purchases its own shares pursuant to the aforesaid provisions, such shares shall be cancelled within 10 days from the date of purchase under the circumstance as described in item (i); such shares shall be either transferred or cancelled within six months under the circumstances as described in items (ii) and (iv). In respect of Overseas Listed Shares, where laws, regulations and the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed stipulate otherwise in respect of the relevant matters involved in share repurchases, such stipulations shall prevail.

Where the Company purchases its own shares under the circumstances as described in the aforesaid items (iii), (v) and (vi), the aggregate number of the shares of the Company held by the Company shall not exceed 10% of the total shares in issue of the Company and such shares shall be transferred or cancelled within three years.

Transfer of Shares

The Shares of the Company are transferrable according to law. All the transfer of H shares shall be transferred by way of a written instrument of transfer in an ordinary or general format, or any other format acceptable to the Board (including the standard transfer format or form of transfer as prescribed from time to time by the Stock Exchange). The written instruments of transfer may be signed by hand or in a machine-printed form/by the Company's seal, if applicable. The instruments of transfer shall be kept at the legal address of the Company or such an address as the Board may specify from time to time. For a private agreement transfer, the relevant parties shall notify the Company and complete the transfer procedures with the registration and depository institution. The Company shall not accept shares of the Company as the subject of any pledge.

Shares of the Company held or controlled by its controlling shareholder, ultimate controller, and their relatives, as well as by shareholders directly holding more than 10% of the shares prior to the listing, or related entities capable of actually exercising the voting rights attached to more than 10% of the shares (even if not directly held), shall not be transferred or entrusted to others for management within 12 months from the date of the public offering and listing.

The directors and senior management members of the Company shall report to the Company the shares of the Company that they hold and the changes in their shareholdings, and shares to be transferred in each year ascertained during his or her term of service shall not exceed 25% of his or her total shareholding of the same class in the Company except for those changes arising from judicial enforcement, inheritance, bequest and partition of property in accordance with laws. He or She may not transfer the shares of the Company he or she holds within one year from the date on which the Company's A shares are listed and begin to trade. Any of them may not transfer the Company's shares he or she holds within 6 months after his or her departure from the Company. If the number of shares held by the aforementioned persons does not exceed 1,000 shares, they may transfer all such shares at once, without being subject to the transfer ratio restrictions mentioned above. Where the securities regulatory rules of the place where the Company's shares are listed have other provisions regarding restrictions on the transfer of the Company's shares, such provisions shall prevail.

If a director or senior officer of the Company or a shareholder of at least 5 percent shares, sells the shares or other securities with an equity nature of the Company that he or she holds within six months after acquiring the same, or buys such shares back within six months after selling the same, the gains obtained therefrom shall belong to the Company and the Board of Directors of the Company shall recover such gains from him or her. This requirement shall not apply where a securities company holds 5% or more of the shares as a result of purchasing the remaining shares after underwriting, or in any other circumstances as prescribed by the CSRC.

The shares or other securities of an equity nature held by directors, supervisors, senior management members and natural person shareholders referred to in the preceding paragraph include the shares or other securities of an equity nature held by their spouses, parents and children, as well as shares or other securities of an equity nature held through the account of others.

If the Board of the Company does not abide by above provisions, shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to do so within the said period, shareholders shall have the right to file a lawsuit directly with the people's court in their own name for the benefit of the Company.

If the Board of the Company does not abide by above provisions, the responsible directors shall be jointly liable according to law.

In addition to the transfer restrictions and requirements as stipulated in the Articles of Association, shareholders or individuals holding the shares or other equity securities of the Company shall also abide by other restrictions and requirements stipulated under the laws and regulations including the Company Law, the Securities Law, the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for the Articles of Association of Listed Companies, the Listing Rules, the Hong Kong Listing Rules, the regulatory rules of the CSRC as well as the securities regulatory rules of the place(s) where the Company's shares are listed.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the share registrar where the Company's shares are listed. The register of shareholders shall be sufficient evidence proving the shareholders' holding of the Company's shares. The original register of H shareholders shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of shareholders in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. In the event that any shareholder whose name is recorded in or any person who requests to have his/her/its name entered in the register of holders of H Shares loses his/her/its share certificate(s), he/she/it may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a holder of overseas-listed foreign shares loses his/her/its share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the register of shareholders of overseas-listed foreign shares is maintained. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her. Shareholders who hold existing shares of the same class shall enjoy equal rights and assume equal obligations.

When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation and participates in other activities which require the verification of the identities of shareholders, the Board or the convener of the shareholders' general meeting shall decide the date of record. The shareholders whose names are registered on the register of shareholders at the close of trading on the date of record shall be entitled to the relevant rights.

Shareholders of the Company shall enjoy the following rights:

(i) the right to receive dividends and other distributions in proportion to the number of shares held;

(ii) the right to request, convene, preside over, attend or appoint proxy(ies) to attend the shareholders' general meeting and to exercise the corresponding right to vote according to law, unless class shareholders or certain shareholders are required to abstain from voting on specific matters according to the provisions of the securities regulatory authority and the rules of the stock exchange of the place where the Company's shares are listed;

(iii) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;

(iv) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations, the securities regulatory authority and the rules of the stock exchange of the place where the Company's shares are listed and the Articles of Association;

(v) the right to inspect and copy the Articles of Association, register of shareholders, minutes of the shareholders' general meetings, resolutions of the Board meetings and financial and accounting reports. Shareholders who meet the prescribed conditions may inspect the accounting books and accounting vouchers of the Company;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(vii) shareholders who object to resolutions of merger or division made by the shareholders' general meeting may request the Company to purchase the shares they hold subject to fulfillment of the required procedures for share repurchase by the Company in accordance with the Articles of Association and the relevant laws and regulations;

(viii) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Shareholders who request to inspect and copy relevant materials of the Company shall comply with the provisions of the Company Law, Securities Law and other applicable laws and administrative regulations, and produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide the requested materials in accordance with the shareholder's reasonable demands and as stipulated by laws after verifying his/her/its identity. Shareholders are obligated to maintain confidentiality regarding the relevant materials of the Company they have accessed or copied.

A resolution of the shareholders' general meeting or the Board may be declared void by the people's court upon application from shareholders if the content contravenes the laws or administrative regulations.

If the convening procedure or voting method of the shareholders' general meetings or the Board meetings contravenes the laws, administrative regulations or the Articles of Association, or if the contents of the resolutions of such meetings contravene the Articles of Association, the shareholders can request the people's court to revoke the resolutions within 60 days since the resolutions were made. However, if the convening procedures or voting methods of the shareholders' general meetings and Board meetings are only slightly flawed and have no substantial impact on the resolutions, this will be an exception.

If any Director or senior management other than members of the audit committee violates the relevant laws and administrative regulations or the provisions of the Articles of Association in performing his/her duties in the Company, causing any loss to the Company, the shareholder(s) individually or collectively holding one percent (1%) or more of the shares of the Company for more than 180 consecutive days shall have the right to request in writing the audit committee to bring an action before the people's court. If the audit committee violates the relevant laws and administrative regulations or the provisions of the Articles of Association in performing its duties in the Company, causing any loss to the Company, the abovementioned shareholder(s) may request in writing the Board to bring an action before the people's court.

If the audit committee or the Board refuses to bring an action after receiving a written request from the relevant shareholder(s) as prescribed in the aforementioned paragraph, or fails to bring such action within thirty (30) days upon receipt of such written request, or if the matter is of great urgency and the failure to bring such action immediately will cause irreparable damages to the Company, the shareholder(s) specified in the preceding paragraph shall have the right to directly bring an action before the people's court in their own name for the benefit of the Company.

If any other person infringes on the legitimate rights and interests of the Company, causing any loss to the Company, the shareholder(s) referred to in the preceding paragraph may bring an action before the people's court pursuant to the provisions of the first two paragraphs of this article.

If any Director or senior management damages the interests of any shareholder in violation of the relevant laws and administrative regulations or the provisions of the Articles of Association, the relevant shareholder may bring an action before the people's court.

The shareholders of the Company shall assume the following obligations:

(i) to comply with laws, administrative regulations and the Articles of Association;

(ii) to pay the capital contribution based on the shares subscribed for by them and the method of acquiring such shares;

(iii) not to withdraw its share capital unless prescribed otherwise in laws, regulations and the provisions of the securities regulatory authority and stock exchange of the place where the Company's shares are listed;

(iv) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity and the limited liability of shareholders to harm the interests of the Company's creditors;

(v) other obligations as stipulated by laws, administrative regulations and the Article of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with laws.

Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and cause severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

General Requirements of Shareholders' General Meeting

The shareholders' general meeting is the body of power of the Company which exercises the following functions and powers according to law:

(i) to elect and replace the directors who are not employee representatives and to decide on the matters relating to the remuneration of directors;

(ii) to consider and approve the reports of the Board of Directors;

(iii) to consider and approve the Company's profit distribution plan and plan for recovery of losses;

(iv) to resolve on the increase or reduction of the Company's registered capital;

(v) to resolve on issuance of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation or changing the form of the Company;

(vii) to amend the Articles of Association;

(viii) to adopt a resolution on the engagement and dismissal of the accounting firm undertaking the Company's audit services and the determination of the remuneration for such accounting firm;

(ix) to consider and approve the guarantees under Article 43 of the Articles of Association;

(x) to consider and approve the transaction matters stipulated under Article 45 of the Articles of Association;

(xi) to consider and approve the connected transaction matters stipulated under Article 49 of the Articles of Association;

(xii) to consider the matter of the Company purchasing or selling material assets exceeding 30% of the Company's most recently audited total assets within one year;

(xiii) to consider and approve changes in the use of proceeds;

(xiv) to consider the equity incentive plans and employee shareholding schemes;

(xv) to consider other matters on which decisions shall be made by the shareholders' general meeting as required by laws, administrative regulations, departmental rules, and the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed or the Articles of Association.

The general meeting may authorize Board meeting to make resolutions on the issuance of corporate bonds. The Company may issue shares and corporate bonds convertible into shares pursuant to a resolution adopted by the shareholders' general meeting, or a resolution adopted by the board of directors as authorized by the Articles of Association or the shareholders' general meeting. The implementation thereof shall comply with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, and the securities regulatory authorities and stock exchanges where the Company's shares are listed.

Unless otherwise provided by laws, administrative regulations, the provisions of the China Securities Regulatory Commission, or the rules of the securities regulatory authorities and stock exchanges where the Company's shares are listed, the aforesaid powers and functions of the shareholders' general meeting shall not be delegated to the board of directors or other authorities or individuals for exercise.

The following external guarantees provided by the Company shall be considered and approved by the shareholders' general meeting:

(i) a guarantee with a single amount exceeding 10% of the Company's most recently audited net assets;

(ii) any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the Company's most recently audited net assets;

(iii) a guarantee provided to a guarantee obligor whose asset-liability ratio exceeds 70%;

(iv) a guarantee provided by the Company to any other person within one year (calculated on an accumulative basis over 12 consecutive months) with an amount exceeding 30% of the Company's most recently audited total assets;

(v) any guarantee provided after the total amount of external guarantees of the Company exceeds 30% of its most recently audited total assets;

(vi) guarantees provided to shareholders, actual controllers and their connected parties;

(vii) other guarantees stipulated by the China Securities Regulatory Commission, the securities regulatory authorities and stock exchanges where the Company's shares are listed, or the Articles of Association.

The board of directors may examine and approve other external guarantees as authorized by the shareholders' general meeting. Any external guarantee subject to examination and approval by the shareholders' general meeting must first be examined and adopted by the board of directors before being submitted to the shareholders' general meeting for examination and approval.

The examination of guarantee matters by the board of directors must be approved by more than two-thirds of the directors present at the board meeting. The examination of the guarantee matters set forth in (iv) above by the shareholders' general meeting must be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' general meeting examines a proposal on providing a guarantee to a shareholder, actual controller and their connected parties, such shareholder or the shareholders controlled by such actual controller shall not participate in the voting on such matter, and the voting shall be adopted by more than half of the voting rights held by other shareholders present at the shareholders' general meeting.

The shareholders' general meeting is divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be convened once a year and shall be held within six months after the end of the previous fiscal year.

In any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date upon which the circumstance occurs:

(i) when the number of directors falls short of the number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(ii) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;

(iii) when shareholders individually or collectively holding more than 10% of the Company's shares (excluding treasury shares) request;

(iv) when the Board of Directors deems necessary;

(v) when proposed by the Audit Committee;

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, rules of the securities regulatory authority and the stock exchange where the Company's shares are listed or the Articles of Association.

The number of shares held as stipulated in (iii) above shall be calculated as of the date on which such shareholder submits a written request.

If an extraordinary general meeting is convened in accordance with the rules of the securities regulatory authority and the stock exchange of the place where the Company's shares are listed, the actual convening date of the extraordinary general meeting may be adjusted pursuant to the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed.

Convening of Shareholders' General Meeting

Unless otherwise provided by laws, administrative regulations, departmental rules, the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed, or the Articles of Association, the Board shall convene a general meeting in a timely manner within the prescribed period.

With the consent of more than half of all independent directors, independent directors shall be entitled to submit a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of the shareholders' general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given, and an announcement shall be made.

The Audit Committee shall be entitled to submit a proposal in writing to the Board of Directors on holding an extraordinary general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of shareholders' general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to approval from the Audit Committee.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a shareholders' general meeting. In such a case, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or together hold 10% or more of the shares of the Company (excluding treasury shares) shall have the right to request the Board of Directors to convene an extraordinary general meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within 10 days upon receipt of the request in accordance with laws, administrative regulations, the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall issue a notice of the shareholders' general meeting within 5 days after the resolution is made. Any change to the original request in the notice shall be subject to approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the request, shareholders who individually or together hold 10% or more of the shares of the Company (excluding treasury shares) shall have the right to submit a proposal to the Audit Committee on holding an extraordinary general meeting and such request shall be made in writing. Where the Audit Committee agrees to hold an extraordinary general meeting, it shall issue a notice of Shareholders' general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

Where the Audit Committee fails to give the notice of the shareholders' general meeting within the specified time limit, it shall be deemed that the Audit Committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company (excluding treasury shares) for 90 or more consecutive days may convene and preside over the meeting on their own.

If there are any provisions otherwise as stipulated by laws, administrative regulations, and the relevant rules of the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed, such provisions shall prevail.

The expenses necessary for the shareholders' general meeting convened by the Audit Committee or the shareholders themselves shall be borne by the Company.

Proposals and Notices of Shareholders' General Meeting

The contents of a proposal of the shareholders' general meeting shall be within the scope of the duties and powers of the shareholders' general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the relevant requirements set forth in the Articles of Association.

When the Company convenes a shareholders' general meeting, the Board of Directors, the audit committee and shareholders who individually or together hold 1% or more of the shares of the Company (excluding treasury shares) are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 1% or more of the shares of the Company (excluding treasury shares) can put forward a temporary proposal 10 days before the shareholders' general meeting is held and submit the proposal to the convener of the meeting in writing. The convener shall issue a supplemental notice within 2 days upon receiving such proposal and notify the content of such ad hoc proposal and submit such ad hoc proposal to the general meeting for consideration. Where there are special provisions in the rules of the securities regulatory authority and stock exchange where the company's shares are listed, such provisions shall prevail, except where the ad hoc proposal violates the provisions of laws, administrative regulations, rules of the securities regulatory authorities and the stock exchange where the company's shares are listed, or the Articles of Association of the Company, or is not within the scope of the shareholders' general meeting's authority. If the shareholders' general meeting is required to be postponed due to the publication of a supplementary notice of the shareholders' general meeting in accordance with the rules of the securities regulatory authorities and the stock exchange where the Company's shares are listed, the convening of the shareholders' general meeting shall be postponed in accordance with the provisions of the securities regulatory authorities and the stock exchange where the Company's shares are listed.

Except for circumstances provided in the above paragraph, the convener, after issuing the announcement regarding the notice of the shareholders' general meeting, shall neither modify the proposals stated in the notice of shareholders' general meeting nor add new proposals.

The shareholders' general meeting shall not vote for or pass a resolution on any proposal not stated in the notice of the shareholders' general meeting or not complying with Article 63 of the Articles of Association.

The convener shall notify each shareholder 21 days prior to an annual shareholders' general meeting and shall notify each shareholder 15 days prior to an extraordinary general meeting. For the purpose of calculating the commencing date, the day on which the meeting is held shall be excluded but the date on which the notice is given shall be included.

Notice of shareholders' general meeting shall include the following contents:

(i) the date, venue and duration of the meeting;

(ii) matters and proposals to be considered at the meeting;

(iii) an express statement that the entire shareholders are entitled to attend the shareholders' general meeting, and to appoint proxy(ies) to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;

(iv) the record date on which the shareholders are entitled to attend the shareholders' general meeting;

(v) the name and telephone number of permanent contact persons for the affairs of the meeting;

(vi) the voting time and procedure via internet or through other means.

If the election of any Director(s) will be discussed at a shareholders' general meeting, the notice of the Shareholders' general meeting shall specify the particulars of each Director candidate, which shall at least include:

(i) educational background, work experience, concurrent posts and other personal information;

(ii) whether the candidates have any related relationship with the Company or its controlling shareholders and de facto controllers;

(iii) the number of shares held in the Company;

(iv) whether such a candidate has been subject to any penalty imposed by the securities regulatory authorities where the Company's shares are listed and other relevant authorities or any punishment or disciplinary action imposed by the stock exchanges where the Company's shares are listed.

(v) Information required to be disclosed by the securities regulatory authorities and rules of the stock exchange of the place where the Company's shares are listed.

Except where the Director will be elected through the cumulative voting system, each Director candidate shall be nominated by a separate proposal.

After the notice of a shareholders' general meeting has been issued, the shareholders' general meeting shall not be adjourned or canceled without justifiable reason, and no proposal set forth in the notice of the shareholders' general meeting shall be canceled. If the meetings have to be postponed or canceled, the Company shall make an announcement at least 2 business days before the original date for convening the shareholders' general meeting, and explain the reasons of postponement and delay in detail. If the meeting is adjourned, the announcement shall indicate the date of the postponed meeting. If there are special provisions under the rules of securities regulatory authority and the stock exchange of the place where the shares of the Company are listed regarding the procedures for postponing or canceling shareholders' general meeting, such provisions shall prevail provided that they do not contravene domestic regulatory requirements.

Convening of Shareholders' General Meeting

All shareholders or their proxies registered on the record date for equity registration shall be entitled to attend the shareholders' general meeting. They shall exercise voting rights at the meeting in accordance with relevant laws, regulations, and the company's Articles of Association (unless class shareholders or individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the company's stock is listed).

The shareholders may attend shareholders' general meetings in person, and may appoint one or more proxy(ies) (the person need not be a shareholder) attend and exercise voting rights. Shareholders shall appoint their proxies by written instruments, which shall be made under the hand of the appointer or his/her proxy who is authorized in writing. Where the appointer is a legal person, the instrument shall be made under the seal of a legal person or under the hand of its director or duly authorized proxy. Where a shareholder is a recognized clearing house (or its nominee) as defined by the relevant provisions in Hong Kong that come into effect from time to time, it may authorize its corporate representative(s) or one or more persons as it deems fit to act as its proxy(ies) or representative(s) at any general meeting.

In case the shareholders' general meeting convened by the Company casts votes via internet, a safe, economical and convenient online voting system for the shareholders' general meeting shall be provided to shareholders in accordance to the requirements of laws, administrative regulations, the CSRC, the securities regulatory authorities of the place where the Company's shares are listed, and the stock exchange. Investors who have passed the identity verification of the internet voting system of the shareholders' general meeting are confirmed of their duly valid identities as shareholders and possession of duly valid voting rights. In case the shareholders' general meeting convened by the Company casts votes via other means acknowledged or required by securities regulatory authorities, identity of shareholders shall be confirmed in accordance with relevant rules of proceedings.

A natural person shareholder attending the meeting in person shall produce his/her identity card or other valid certificate or proof of his/her identification. In the case of attendance by a proxy, the proxy shall produce his/her valid identity document and power of attorney issued by the shareholder.

A legal person shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identity card and valid certificates evidencing his/her capacity as the legal representative. Where a proxy attends the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative of the legal person shareholder according to law. Except for a shareholder that is recognized clearing house and its proxy(ies) or representative(s).

If the shareholder is a recognized clearing house (or its nominee), such shareholder shall be entitled to authorize one or more persons it thinks fit to act as its proxy at any shareholders' general meeting and creditors' meeting. However, if more than one person is appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The power of attorney shall be signed by the person authorized by the recognized clearing house. The proxies so appointed may represent the recognized clearing house (or its nominee) in attending the meeting (without being required to present share certificate, certified power of attorney and/or further evidence to prove due authorization) and exercising rights as if that proxy is an individual shareholder of the Company.

The shareholders of a partnership should be represented at the meeting by the executive partner or by a proxy appointed by the executive partner. If an executive partner attends the meeting, he/she should present his/her identity card and a valid certificate proving his/her qualification as an executive partner; if he/she appoints a proxy to attend the meeting, he/she should present his/her identity card and the written power of attorney issued by the executive partner.

Voting at and Resolutions of Shareholders' General Meeting

The resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' general meeting shall be adopted by more than half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

A special resolution of the shareholders' general meeting shall be adopted by two-thirds or more of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

The following matters shall be approved by the shareholders' general meeting through ordinary resolutions:

(i) work report of the Board of Directors;

(ii) the profit distribution plans and loss recovery plans drafted by the Board of Directors;

(iii) appointment or dismissal of the members of the Board of Directors, and their payment and payment methods;

(iv) the appointment, dismissal and remuneration of the accounting firm;

(v) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, the rules of the securities regulatory authority and the stock exchange of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' general meeting:

(i) the increase or reduction of the registered capital of the Company;

(ii) the division, spin-off, merger, dissolution and liquidation;

(iii) other amendments to the Articles of Association;

(iv) the purchases or sales of material assets by the Company within a year or the guaranteed amount provided to others exceeding 30% of the latest audited total assets of the Company;

(v) the share incentive scheme;

(vi) other matters stipulated by laws, administrative regulations, or the Articles of Association, as well as other matters that the shareholders' general meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

If the shares of the Company are divided into different classes of shares at any time, and the Company proposes to alter or abolish the rights of the class shareholders, it shall be subject to a special resolution of the affected class shareholders passed at a separate meeting of the shareholders convened for that purpose.

Shareholders (including proxies) exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote, unless class shareholders or certain shareholders are required to abstain from voting on specific matters according to the rules of the securities regulatory authority and the stock exchange of the place where the Company's shares are listed. On a poll taken at a meeting, H shareholder (including proxy) entitled to two or above votes need not cast all his/her votes for, against or abstention in the same way.

Where the following material issues affecting the interests of minority shareholders are considered at the Shareholders' general meeting, the votes of minority shareholders shall be counted separately and disclosed:

(i) appointment and removal of directors;

(ii) formulation and amendment of profit distribution policy or consideration of equity distribution matters;

(iii) related party transactions, provision of guarantees (excluding guarantees for holding subsidiaries), provision of financial assistance, change the use of proceeds, etc.;

(iv) major asset restructuring, share incentive and employee stock ownership plan;

(v) public offering of shares, application for transfer of shares to other domestic stock exchanges or application for listing of shares on other foreign stock exchanges;

(vi) other matters stipulated by laws and regulations, the rules of the securities regulatory authority and the stock exchange of the place where the Company's shares are listed, and the Articles of Association.

The shares of the Company which are held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' general meeting.

The Company's holding subsidiary shall not acquire the shares issued by the Company. If the shares are held for special reasons, the situation shall be eliminated in accordance with the law within 1 year. Before the aforesaid situation is eliminated, the relevant subsidiary shall not exercise the voting rights corresponding to the shares held, and such shares shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of under the first paragraph and second paragraph of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders' general meeting for 36 months after the purchase.

If any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for (or only against) any resolution under applicable laws and regulations and the rules of the securities regulatory authority and the stock exchange of the place where the Company's shares are listed, any vote cast by such shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

The Board of the Company, independent directors, shareholders holding more than 1% of the shares with voting rights, or investor protection agencies established in accordance with laws, administrative regulations or the regulations of the China Securities Regulatory Commission may publicly solicit voting rights from shareholders. The solicitation of voting rights from shareholders shall fully disclose to the solicited parties the information such as the specific voting intentions. Provision of compensation or in a disguised form of compensation is prohibited in soliciting shareholders' voting rights. Except for statutory conditions, the Company shall not impose any minimum shareholding restrictions on the solicitation of voting rights.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons and shall have the qualification required by the laws, administrative regulations, departmental rules and the rules of the securities regulatory authority and stock exchanges of the place where the Company's shares are listed. The following person shall not serve as a director of the Company:

(i) person without capacity or with limited capacity of civil conduct;

(ii) person who has committed offences relating to corruption, bribery, misappropriation of fund, misappropriation of property or disruption of social economic order and has been sentenced to criminal punishment, or who has been deprived of his/her political rights due to a criminal offense, where less than 5 years has elapsed since the date of restoring his/her political rights, or who has been pronounced to suspended sentence, where less than two years have elapsed since the date of expiration of the probation period;

(iii) person who was a former director, factory manager or manager of a company or enterprise which was declared bankrupt and was liquidated and who was personally liable for the bankruptcy of such a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;

(iv) person who is a former legal person who was a legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to violation of the law and who was personally liable, where less than 3 years has elapsed since the date of the revocation or order to shut down;

(v) person who has a substantial number of debts due and outstanding and listed as a judgment defaulter by the People's Court;

(vi) person who has been banned from access to the securities market or determined to be an unsuitable candidate by the CSRC or its agencies, and the term of prohibition has not expired;

(vii) the person is deemed by the regulatory authority and stock exchanges at the place where the Company's shares are listed or NEEQ Co., Ltd. as unsuitable to serve as a director and senior management of the Company and the term of prohibition has not expired;

(viii) other circumstances specified by the regulatory authority and stock exchanges at the place where the Company's shares are listed;

(ix) other circumstances specified by the laws, administrative regulations or departmental rules.

The election, appointment or engagement of any director in violation of the provisions of this Article shall be invalid and void. If any incumbent director or senior management of the Company is subject to the circumstances specified in this Article, such individual shall proactively report to the Company in a timely manner and resign within one month from the date of occurrence of such circumstances. In the event that the securities regulatory authority and stock exchanges at the place where the Company's shares are listed impose additional or alternative requirements concerning the resignation of independent directors, such requirements shall apply.

Directors are elected or replaced by the shareholders' general meeting or employees' representative congress in accordance with the Articles of Association. A director shall serve a term of three years. Upon expiration of his/her term of office, a director may be re-elected and re-appointed. The consecutive term of office of independent directors shall not exceed six years.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

Senior management officers may serve concurrently as directors, provided that the total number of such directors who are concurrently serving as senior management personnel and the employee representatives shall not exceed half of the total number of the directors of the Company.

The directors shall abide by laws, administrative regulations, rules of the securities regulatory authority and stock exchanges of the place where the Company's shares are listed and the Articles of Association, and bear fiduciary obligations towards the Company, take measures to avoid any conflict of interest with the Company, and shall not accept any undue benefits by taking advantage of their powers and positions.

The directors have the following duties of loyalty to the Company:

(i) shall not encroach upon the properties of the Company and misappropriate corporate funds;

(ii) shall not deposit any of the Company's capital in an account opened in their own names or in others' names;

(iii) shall not abuse their powers to accept bribes or other illegal income;

(iv) shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the general meetings and obtaining the approval of the Board or the general meetings in accordance with the provisions of the Articles of Association;

(v) shall not take the advantages provided by their own positions to pursue business opportunities that belong to the Company, except when such business opportunities are reported to the Board or the general meeting and approved by a resolution of the general meeting, or when the Company is not allowed to take advantage of such business opportunities in accordance with the laws, administrative regulations or the provisions of the Articles of Association;

(vi) shall not engage in the same business as the Company either for their own account or for the account of any other person without reporting to the Board or the general meeting and obtaining approval of resolution from the general meeting;

(vii) shall not accept commissions paid by others for transactions conducted with the Company as their own benefits;

(viii) shall not disclose confidential information of the Company without authorization;

(ix) shall not use their related relationships to damage the Company's interests;

(x) other fiduciary obligations stipulated in laws, administrative regulations, departmental rules, rules of the securities regulatory authority and stock exchanges of the place where the Company's shares are listed, and the Articles of Association.

The income obtained by the director in violation of this article shall belong to the Company; if losses are caused to the Company, it shall be liable for compensation.

Directors shall abide by laws, administrative regulations, provisions of the Articles of Association, diligently perform their obligations to the Company and exercise the reasonable care normally expected of a manager in the best interests of the Company in the performance of their duties.

Directors shall have the following diligent obligations to the Company:

(i) shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(ii) shall treat all shareholders equally;

(iii) timely keeping abreast of the Company's business operation and management situation;

(iv) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(v) shall truthfully provide information and materials to the audit committee and shall not obstruct the audit committee from performing its or their duties;

(vi) other obligations of diligence stipulated in the laws, administrative regulations, departmental rules and the Articles of Association.

If any director fails to attend in person or appoint another director to attend on his/her behalf two consecutive Board meetings, such director shall be deemed to be unable to perform his/her duties and the Board shall propose removal of such director to the shareholders' general meeting.

A director may resign before expiry of his/her term of service. A director shall submit a written resignation notice to the Company when he/she resigns. The resignation shall take effect from the date of receipt by the Company of his/her report of resignation. The Company shall disclose the relevant matter within 2 trading days, or the timeframe required by the securities regulatory authority and stock exchange of the place where the Company's shares are listed.

Unless otherwise stipulated by the securities regulatory authorities and stock exchange of the place where the Company's shares are listed, in the event of any of the following circumstances, the incumbent directors shall continue to perform their duties in accordance with the relevant laws and regulations, the requirements of the securities regulatory authorities and stock exchange of the place where the Company's shares are listed, and the provisions of the Articles of Association, until the newly elected directors assume office:

(i) Where the term of office of directors has expired but new directors have not been duly elected in a timely manner, or where the resignation of directors during their term results in the number of Board members falling below the statutory minimum;

(ii) Where the resignation of members of the Audit Committee results in the number of Audit Committee members falling below the statutory minimum, or where there is a lack of accounting professionals;

(iii) Where the resignation of independent directors results in the proportion of independent directors on the Board of the Company or its special committees failing to comply with applicable laws and regulations or the Articles of Association, or where there is a lack of accounting professionals among the independent directors;

(iv) where the number or composition of the members of the Board of the Company or any of its specialized committees falls below the statutory minimum, or otherwise fails to comply with the requirements of the securities regulatory authorities and stock exchange of the place where the Company's shares are listed.

Where a director tenders his or her resignation, the Company shall complete the election of a replacement director within 60 days to ensure that the composition of the Board and its specialized committees complies with the requirements of laws and regulations and the Articles of Association.

In addition to the provisions set out in the preceding paragraph, an independent director shall, in his or her resignation report, explain any matters related to his or her resignation or any circumstances that he or she considers necessary to bring to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons for the independent director's resignation and the matters of concern.

The Company has established a system for managing the departure of directors, which specifies the safeguards for pursuing and recovering liabilities for unfulfilled public commitments and other outstanding matters. When a director's resignation comes into effect or his/her term of service expires, the director shall complete all handover procedures with the Board. The duty of loyalty owed by the director to the company and shareholders shall not automatically terminate upon expiration of the term but shall remain in effect for a period of three years starting from the effective date of resignation or the expiration of the term. A director shall, after the termination of his or her term of office, continue to bear the obligation of confidentiality to the Company until such confidential information becomes public. The duration of a director's other obligations shall be determined in accordance with the principle of fairness, taking into account the length of time between the occurrence of the relevant event and the director's departure, as well as the circumstances and conditions under which the relationship with the Company has ended. The liability of a director arising from the performance of his/her duties while in office shall not be exempted or extinguished by reason of his ceasing to hold office.

Without the provisions of the Articles of Association or the lawful authorization of the Board, no director shall act in his own name on behalf of the Company or the Board. When a director acts in his/her own name, the director shall declare his/her position and identity in advance if the third party reasonably believes that the director is acting on behalf of the Company or the Board.

Board of Directors

The Board of Directors consists of 7 to 9 directors, including one Chairman and one employee representative director. The Board of Directors must include at least three independent directors, who must constitute at least one-third of the total number of directors.

The Board of Directors exercises the following functions and powers:

(i) to convene shareholders' general meetings and report on their work to the shareholders' general meeting;

(ii) to implement the resolutions of the shareholders' general meetings;

(iii) to decide on the Company's business plans and investment plans;

(iv) to formulate the Company's profit distribution plan and loss recovery plan;

(v) to formulate proposals for the increase or reduction of the Company's registered capital, issuance of bonds or other securities, and listing plans;

(vi) to formulate plans for major acquisitions, purchase of our Company's shares, or merger, division, dissolution and change of form of our Company;

(vii) within the scope authorized by the shareholders' general meeting, to decide on the Company's external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related transactions, and external donations, etc.;

(viii) to decide on the establishment of the Company's internal management structure;

(ix) to appoint or dismiss the Company's general manager, secretary to the Board of Directors, and to determine their remuneration, rewards, and penalties; to appoint or dismiss the executive deputy general manager, deputy general manager, financial officer, and other senior management personnel, and to determine their remuneration and rewards and penalties;

(x) to formulate the Company's basic management system;

(xi) to formulate proposals for any amendment to the Articles of Association;

(xii) to manage the information disclosure matters of the Company;

(xiii) to propose to the shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company;

(xiv) to receive the work report of the Company's general manager and examine the general manager's work;

(xv) provisions of laws, administrative regulations, departmental rules, rules of the securities regulatory authorities and stock exchanges in the jurisdiction where the company's shares are listed, or the Articles of Association, as well as other powers and duties delegated by the shareholders' meeting.

The Board of Directors shall exercise the aforesaid powers by convening Board meetings for deliberation and decision-making, and implementation shall only proceed upon the formation of Board resolutions. Matters exceeding the scope of authorization granted by the general meeting shall be submitted to the general meeting for consideration.

The Board of Directors shall convene at least four regular meetings each year. Such meetings shall be convened and presided over by the Chairman and written notice shall be given to all directors at least 14 days prior to the meeting.

The Board of Directors shall review and approve any single loan exceeding 30% of the latest audited net assets and in an amount exceeding RMB50 million, and any utilization of bank credit facilities after the Company's asset-liability ratio exceeds 75%. Bank credit facilities and bank borrowings not meeting the above thresholds shall be decided by the chairman of the Board of Directors during the adjournment of Board meetings.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary Board meeting. The chairman of the Board of Directors shall convene and preside over such meeting within 10 days upon receipt of such proposal.

The Board of Directors has established the Audit Committee, the Strategy and ESG Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. The special committees are accountable to the Board of Directors and shall perform their duties in accordance with the articles of association and the authorization of the Board of Directors. Their proposals shall be submitted to the Board of Directors for consideration and decision. All members of the special committees shall be Directors. Independent non-executive Directors shall constitute a majority of, and act as convenor of, each of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, unless otherwise provided by the relevant competent authorities of the State Council, the securities regulatory authority of the place where the Company's shares are listed, or the rules of the relevant stock exchange. The Board of Directors shall formulate the terms of reference of the special committees to regulate their operations.

Where a Director has an association with any enterprise or individual involved in a matter to be resolved at a Board meeting, such Director shall promptly report such association to the Board of Directors in writing. The Director concerned shall abstain from voting on the relevant resolution and shall not exercise voting rights in respect of such resolution, nor act as proxy for other Directors to exercise voting rights. The voting rights of such Director shall not be counted in the total number of voting rights.

The allowance for independent non-executive Directors shall be proposed by the Board of Directors, approved by the general meeting, and disclosed in the annual report. Save for such allowances, independent non-executive Directors shall not obtain any other benefits from the Company, its substantial shareholders, its de facto controller, or any entity or person having an interest. The Remuneration and Appraisal Committee shall make recommendations to the Board of Directors on the remuneration of Directors and senior management.

Senior Management

The Company shall have one general manager, one executive deputy general manager, several deputy general managers, one chief financial officer and one secretary to the Board of Directors, all of whom shall be senior management of the Company and shall be appointed or removed by the Board of Directors.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers:

(i) to lead the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;

(ii) to organize the implementation of the Company's annual operation plan and investment proposal;

(iii) to prepare the plan for the establishment of the Company's internal management department;

(iv) to prepare the basic management system of the Company;

(v) to formulate the specific rules and regulations of the Company;

(vi) to propose to the Board of Directors the appointment or removal of the executive deputy general manager, deputy general managers, chief financial officer and other senior management of the Company;

(vii) to decide on the appointment or removal of management personnel other than those whose appointment or removal is required to be determined by the Board of Directors;

(viii) to exercise such other powers as conferred by the Articles of Association or the Board of Directors.

The general manager shall be present at the meetings of the Board.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFIT AND AUDIT

Financial and Accounting System

Within 4 months from the date of the expiration of each fiscal year, an annual report shall be submitted to securities regulatory authorities and the stock exchange where the Company's shares are listed, respectively and disclosed. Within 2 months after the first half of each fiscal year, an interim report shall be submitted to the securities regulatory authorities and the stock exchange where the Company's shares are listed, respectively and disclosed. Within 1 month after the first 3 months and the first 9 months of each fiscal year, a quarterly report shall be submitted to the securities regulatory authorities and the stock exchange where the Company's shares are listed, respectively and disclosed. The disclosure of the first quarterly report shall not be earlier than the annual report of the last year.

The aforesaid financial and accounting reports are prepared in accordance with relevant laws, administrative regulations, China Securities Regulatory Commission and the requirements of the securities regulatory authorities and the stock exchange where the Company's shares are listed.

Where the securities regulatory authorities and the stock exchange of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company's statutory reserve until the fund has reached 50% or more of the Company's registered capital.

When the Company's statutory reserve is not sufficient to make up for the Company's losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision.

After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary reserve.

After the Company covers its losses and makes allocations to its reserve, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

Profits distributed to shareholders by a shareholders' general meeting in violation of the Company Law shall be returned to the Company. If losses are caused to the Company, the shareholders and responsible directors and senior management shall bear liability for compensation.

The Company shall not distribute any profits in respect of the shares held by it.

The Company shall appoint one or more receiving agents in Hong Kong for H Shareholders. The receiving agent shall receive and safekeep the dividends and other amounts payable by the Company in respect of the H shares on behalf of the H shareholders concerned, pending payment to such H shareholders. The receiving agent appointed by the Company shall comply with the requirements of laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

The reserve of the Company shall be applied to making up for the Company's losses, expanding its business operations or increasing its capital.

When using the reserve fund to make up for the loss, the discretionary reserve fund and statutory reserve fund should be used first; if the loss still cannot be made up, the capital reserve fund may be used in accordance with regulations.

Upon the conversion of statutory reserve into capital increase, the balance of the statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

The equity distribution plan of the Company shall be approved at the general meeting, or after the Board formulates a specific plan based on the conditions and upper limits for interim dividends approved at the annual general meeting, the distribution shall be completed within two months. Except where relevant regulations require prior approval from the competent authority for matters related to the equity distribution.

Internal Audit

The Company shall implement an internal audit system, which clearly stipulates the leadership structure, duties and authorization, personnel allocation, finance support, audit results application, accountability and other matters in relation to internal audit. The internal audit system shall be implemented and disclosed to the public upon approval by the Board.

Appointment of Accounting Firm

The Company shall engage an accounting firm which is qualified under the Security Law and rules and requirements of securities regulatory authorities and the stock exchange of the place where the Company's shares are listed, to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is 1 year and can be renewed.

The engagement and dismissal of an accounting firm by the Company and remuneration of the accounting firm shall be determined at the shareholders' general meeting by the way of ordinary resolution, and the Board of Directors shall not engage an accounting firm before any decision is made at the shareholders' general meeting.

The Company shall ensure to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

The audit fee of the accounting firm shall be determined by the shareholders' general meeting.

A 30-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the shareholders' general meeting of the Company conducts a vote on the dismissal of the accounting firm.

Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

NOTICES AND ANNOUNCEMENTS

Notices

The Company's notice shall be given by the following manners:

(i) by hand;

(ii) by mail (including e-mail);

(iii) by announcement;

(iv) other forms provided for in the Articles of Association.

Notice of a shareholders' general meeting of the Company shall be given by announcement on the information disclosure platform designated in accordance with the relevant rules of the securities regulatory authority and the stock exchange where the Company's shares are listed.

If the notice of the Company is served by hand, the recipient shall affix their signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is served by post, the fifth working day after handover to the post office shall be the date of service; if the notice of the Company is sent by e-mail or facsimile, the date of service shall be the date on which the e-mail or facsimile is successfully sent; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service.

The accidental omission to give notice of a meeting to, or the non-receipt of any notice of a meeting by, any person entitled to receive such notice shall not invalidate such meeting or the resolution of such meeting.

Announcements

The Company has designated the media approved by the CSRC, the securities regulatory authority and the stock exchange where the Company's shares are listed, as well as the designated information disclosure media and the Company's website, as the designated media for the publication of the Company's announcements and other information requiring disclosure.

Unless the context otherwise requires, the "announcement(s)" referred to in the Articles of Association, in respect of announcements to be made to H shareholders or required to be made in Hong Kong under the relevant provisions and the Articles of Association, such announcements shall be published on the website of the Company, the HKEXnews website of the Hong Kong Stock Exchange in accordance with the requirements of the relevant Listing Rules of the Stock Exchange and such other websites as may be prescribed under the Listing Rules of the Stock Exchange from time to time. In respect of the manner in which the Company provides and/or distributes the corporate communication to the H shareholders as required by the listing rules of the place of listing of the Company's shares, subject to compliance with the relevant listing rules of the place where the Company's shares are listed, the Company may also send or make available the corporate communication to the H shareholders of the Company either electronically or by publishing information on the website of the Company or on the website of the stock exchange of the place where the Company's shares are listed, in place of sending the corporate communication to the H shareholders personally or by postage-paid mail.

MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase and Reduction of Capital

The merger of the Company may take the form of either merger by absorption or merger by new establishment.

The absorption by one company of another company constitutes a merger by absorption, in which case the absorbed company shall be dissolved. Merger by establishment refers to the establishment of a new company by merging two or more companies, whereby the merging parties shall be dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the Company's designated information disclosure website or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the Company's designated information disclosure website or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. Where there are additional provisions in the rules of the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed, the relevant parties shall comply with such provisions.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the Company's designated information disclosure website or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts. Where there are additional provisions in the rules of the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed, the relevant parties shall comply with such provisions.

When the Company reduces its registered capital, it shall reduce the amount of its contributions or shares in proportion to the contributions or shares held by shareholders, except otherwise provided by law or these Articles of Association.

Where there is a merger or division of the Company, the Company shall, in accordance with the laws, apply for a change in its registration with the company registration authority for any changes of its registered information caused thereby. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

(i) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified in the Articles of Association;

(ii) a resolution on dissolution is passed by the shareholders' general meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders' interests, Shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company.

In the event of occurrence of any cause leading to the dissolution of the Company as stipulated in the preceding paragraph, such dissolution cause shall be published on the National Enterprise Credit Information Publicity System within ten days upon its occurrence.

If the above-mentioned item (i) and (ii) hereof occurs and the property has not yet been distributed to the shareholders, the Company may continue to exist by amending the Articles of Association or resolution of the general meeting.

Amendments to the Articles of Association or resolution of the general meeting pursuant to the preceding paragraph shall be subject to the approval of Shareholders representing two-thirds or above of the voting rights present at the shareholders' general meetings.

Where the Company is dissolved pursuant to above-mentioned sub-paragraph (i), (ii), (iv) or (v) hereof, it shall be liquidated. Directors shall be the persons responsible for liquidation of the Company and shall establish a liquidation committee within 15 days as of the dissolution circumstance arises, and the liquidation shall be performed.

The liquidation committee shall be composed of directors, unless otherwise stipulated in the Company's articles of association or appointed by a resolution of the shareholders' meeting.

If a liquidation committee is not established within the prescribed period or fails to proceed with liquidation after forming a liquidation committee, any stakeholders may apply to the people's court to designate relevant individuals to form a liquidation committee for the liquidation.

The liquidation committee shall perform the following powers and duties during the period of liquidation:

(i) to sort out the Company's assets and to prepare a balance sheet and a property list;

(ii) to inform creditors by notice or announcement;

(iii) to deal with the outstanding businesses of the Company relating to liquidation;

(iv) to pay off outstanding taxes as well as taxes arising in the course of liquidation;

(v) to settle claims and liabilities;

(vi) to allocate the remaining assets of the Company after repayment of debts;

(vii) to represent the Company in civil proceedings.

The liquidation committee shall notify the creditors within 10 days after its establishment and make a public announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days after receiving such notice, or within 45 days of the public announcement if he/she did not receive any such notice. If the securities regulatory authorities and stock exchange rules of the jurisdiction where the Company's shares are listed impose additional requirements, the relevant parties shall also comply with such requirements.

Creditors shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation committee shall record the creditor rights.

The liquidation committee shall not make any debt settlement to creditors during the period of claim.

After checking the assets of the Company and preparing a balance sheet and a property list, the liquidation committee shall draw up a liquidation plan to be submitted to the shareholders' meeting or people's court for confirmation.

The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but cannot carry out any business activities unrelated to liquidation.

The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding paragraph.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and a property list, discovers that the assets of the Company are insufficient to pay off its debts, it shall file an application to the people's court for a declaration of bankruptcy and liquidation in accordance with the laws.

After the People's Court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' general meeting or the people's court for confirmation and submit the report to the company registration authority to apply for the deregistration of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) if the Company Law or relevant laws, administrative regulations, or the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed are amended, and any matter provided for in the Articles of Association conflicts with the provisions of such amended laws, administrative regulations, or rules of the securities regulatory authority and the stock exchange where the Company's shares are listed;

(ii) if certain changes of the Company occur resulting in inconsistency with certain terms specified in the Articles of Association;

(iii) the shareholders' general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the change involved shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolutions of the shareholders' general meeting and the comments of the competent authorities on any amendment hereto.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company under the laws of the PRC on June 7, 2011, and was converted into a joint stock company with limited liability on November 12, 2020. We were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●], and have established a place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. Wong Ka Chi has been appointed as the authorized representative to accept service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association and relevant aspects of PRC law is set out in "Regulatory Overview" and "Summary of Articles of Association" in Appendix IV.

2. Changes in the Capital of Our Company

On November 19, 2024, our Company issued an aggregate of 35,650,000 A Shares in connection with our A Share listing, as further detailed in "History and Corporate Structure – Major Shareholding Changes of Our Company — Listing on the Beijing Stock Exchange."

Save as disclosed above and in "— A. Further Information about Our Group – 4. Resolutions of Our Shareholders," there has been no alteration in the capital of our Company within the two years immediately preceding the date of this document.

3. Changes in the Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I.

The following subsidiaries of our Company were incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of incorporation	Date of incorporation	Initial registered capital/share capital
Singapore Guangqian.	Singapore	April 1, 2025	US$50,000
Wanyuantong Thailand	Thailand	June 12, 2025	THB5,000,000

The following sets out the changes in the capital of our subsidiaries within the two years immediately preceding the date of this document:

- On February 10, 2025, the registered capital of Jiangsu Guangqian increased from RMB100,000,000 to RMB355,703,000.

- On September 22, 2025, the registered capital of Wanyuantong Thailand increased from THB5,000,000 to THB388,000,000.

- On February 13, 2026, the registered capital of Wanyuantong Thailand increased from THB388,000,000 to THB785,090,000.

Save as disclosed above, there has been no alteration in the capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders

On March 29, 2026, resolutions of our Shareholders were passed pursuant to which, among other things:

(a) the Articles was approved and adopted with effect from the **[REDACTED]**;

(b) the **[REDACTED]** (including the **[REDACTED]**, **[REDACTED]** and **[REDACTED]**) and the **[REDACTED]** were approved and our Directors were authorized to allot and issue the **[REDACTED]** pursuant to the **[REDACTED]**; and

(c) the number of H Shares to be issued shall be up to **[REDACTED]**% of the total share capital of our Company upon completion of the **[REDACTED]** and before any exercise of the **[REDACTED]**, and the grant of the **[REDACTED]** in respect of no more than **[REDACTED]**% of the number of H Shares initially issued pursuant to the **[REDACTED]**.

5. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see "Summary of Articles of Association — Repurchase of Shares" in Appendix IV.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

The following contract (not being contract entered into in the ordinary course of the business carried on or intended to be carried on by our Company) was entered into by any member of our Group within the two years preceding the date of this document and is or may be material:

(a) **[REDACTED]**.

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
1.		09	Our Company	PRC	11172840	November 27, 2033

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
1.	Two-ounce PCB printing process (兩盎司PCB 板印刷工藝)	Invention patent	Our Company	PRC	201510158833.5	April 24, 2018
2.	Anti-plagiarism shielded PCB printing process (防抄襲遮蔽型PCB 印刷工藝)	Invention patent	Our Company	PRC	201810707121.8	July 10, 2020
3.	Punching inspection device for PCBs (PCB 板用沖孔檢測裝置)	Utility model	Our Company	PRC	202121883152.2	January 25, 2022
4.	Color-difference-free two-ounce PCB printing process (兩盎司PCB 無色差印刷工藝)	Invention patent	Our Company	PRC	202111241206.X	September 1, 2023
5.	Flexible stamping device for circuit boards (用於電路板的柔性衝壓裝置)	Utility model	Our Company	PRC	202321011665.3	November 28, 2023
6.	Inspection device for rapid detection of circuit board hole positions (用於快速檢測電路板孔位的檢測裝置)	Utility model	Our Company	PRC	202321381373.9	November 14, 2023

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
7.	Surface treatment jig for printed circuit boards (一種印刷電路板的表面處理治具)	Utility model	Our Company	PRC	202421223043.1	February 25, 2025
8.	Auxiliary copper electroplating device (一種電鍍銅陪鍍裝置)	Utility model	Kunshan Guangqian	PRC	201721563908.9	September 7, 2018
9.	Anti-oxidation line for PCB surface treatment (PCB 表面處理抗氧化線)	Utility model	Kunshan Guangqian	PRC	202021330119.2	February 19, 2021
10.	Titanium basket for improving electroplating quality (一種提升電鍍品質的鈦籃)	Utility model	Kunshan Guangqian	PRC	202021330152.5	March 26, 2021
11.	Mother basket with hooks for electroless copper deposition (一種沉銅用帶掛鉤的母籃)	Utility model	Kunshan Guangqian	PRC	202021330211.9	February 19, 2021
12.	Dry film temporary storage device (一種乾膜暫存裝置)	Utility model	Kunshan Guangqian	PRC	202021329997.2	April 23, 2021
13.	Segmented drying equipment for oxidation prevention of PCBs (一種防氧化的PCB板分段烘乾設備)	Utility model	Kunshan Guangqian	PRC	202220950855.0	December 16, 2022
14.	PCB suction device for automatic board feeding machine (一種自動投板機的PCB 板吸附裝置)	Utility model	Kunshan Guangqian	PRC	202220950851.2	August 19, 2022
15.	Drilling tool for short-slot drilling on PCBs (一種PCB板短槽鑽孔用鑽具)	Utility model	Kunshan Guangqian	PRC	202220951401.5	August 30, 2022
16.	Copper ball cleaning device for electroplating vcp line (一種用於電鍍VCP 線的銅球清洗裝置)	Utility model	Kunshan Guangqian	PRC	202320855854.2	July 25, 2023

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
17.	Deburring forming method for U-shaped groove pads and burr-improvement processing technique (一種U 型槽焊盤去毛刺成型方法以及其加工毛刺改善工藝)	Invention patent	Kunshan Guangqian	PRC	202010727289.2	April 26, 2024
18.	Lead-cutting device for PCB circuit boards after component soldering (一種PCB 電路板在元器件焊接後引腳切除裝置)	Invention patent	Jiangsu Guangqian	PRC	202411282041.4	September 12, 2025
19.	Quick stamping device for copper-aluminum composite boards (一種銅鋁複合板快速沖壓裝置)	Invention patent	Jiangsu Guangqian	PRC	202510541705.2	July 22, 2025
20.	Grinding device after blind-hole filling of high-density interconnect printed circuit boards (一種高密度互連印製電路板盲孔填孔後研磨裝置)	Invention patent	Jiangsu Guangqian	PRC	202510607745.2	July 15, 2025
21.	Alignment device for PCB board processing (一種用於PCB 板加工的對位裝置)	Utility model	Jiangsu Guangqian	PRC	202421147390.0	April 8, 2025
22.	Stencil printing machine for PCB ink printing (一種PCB油墨印刷用鋼網印刷機)	Invention patent	Jiangsu Guangqian	PRC	202410741240.0	November 5, 2024
23.	Film-stripping cleaning device for PCB boards (一種PCB 板的退膜清潔裝置)	Invention patent	Jiangsu Guangqian	PRC	202411059678.7	November 5, 2024
24.	Etching processing device for PCB circuit boards (一種PCB 電路板蝕刻加工裝置)	Invention patent	Jiangsu Guangqian	PRC	202410973030.4	December 31, 2024

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
25.	Press-lamination equipment for circuit board manufacturing (一種電路板製造壓合設備)	Invention patent	Jiangsu Guangqian	PRC	202311234863.0	March 29, 2024
26.	Spray etching machine for PCB circuit boards (一種PCB 電路板噴淋刻蝕機)	Invention patent	Jiangsu Guangqian	PRC	202310936183.7	June 11, 2024
27.	Pre-cleaning device for PCB materials in PCB product production (一種PCB 產品生產的板材預清潔裝置)	Utility model	Jiangsu Guangqian	PRC	202321589966.4	March 29, 2024
28.	Tooling for film-lamination processing of PCBs (一種PCB 板加工的覆膜處理用工裝)	Utility model	Jiangsu Guangqian	PRC	202321314645.3	September 26, 2023
29.	Hole-position processing device for PCB material processing and production (一種PCB 板材加工生產的孔位加工裝置)	Utility model	Jiangsu Guangqian	PRC	202321229253.7	September 26, 2023
30.	Exposure equipment for PCB circuit boards (一種PCB 線路板曝光設備)	Invention patent	Jiangsu Guangqian	PRC	202310429514.8	October 31, 2023
31.	Bonding and coating device for multilayer PCB composite boards (一種多層PCB 複合板黏接塗刷裝置)	Utility model	Jiangsu Guangqian	PRC	202320845183.1	July 28, 2023
32.	Screen printing machine for PCB circuit boards (一種PCB 線路板網印機)	Invention patent	Jiangsu Guangqian	PRC	202310378578.X	September 26, 2023
33.	Automated inner-layer dry film laminating device for PCB production (一種PCB 板生產用內層乾膜自動化貼附裝置)	Utility model	Jiangsu Guangqian	PRC	202320631498.6	September 26, 2023

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Registration date
34.	Electrical performance testing device for PCB production (一種PCB 板生產用電性能檢測裝置)	Utility model	Jiangsu Guangqian	PRC	202320482189.7	September 12, 2023
35.	PCB electroplating device (一種PCB 板電鍍裝置)	Utility model	Jiangsu Guangqian	PRC	202320331349.8	July 28, 2023
36.	Panel cutting device for inner-layer circuit processing of PCBs (一種PCB 板內層線路加工用開料裝置)	Utility model	Jiangsu Guangqian	PRC	202320332160.0	September 12, 2023
37.	Pressing device for PCB lamination (一種PCB 板層壓用壓合裝置)	Utility model	Jiangsu Guangqian	PRC	202320330714.3	October 31, 2023
38.	Circuit board inspection device for PCB manufacturing (一種PCB 板製作用電路板檢測裝置)	Invention patent	Jiangsu Guangqian; Yancheng Institute of Technology	PRC	202211577438.7	September 27, 2024
39.	Lamination device for inner-layer circuit processing of PCBs (一種PCB 板內層線路處理用壓膜裝置)	Invention patent	Jiangsu Guangqian	PRC	202211522955.4	September 26, 2023
40.	Dust-extraction circuit board drilling device (可吸塵式電路板鑽孔裝置)	Utility model	Jiangsu Guangqian	PRC	202123176511.3	June 23, 2023
41.	Auxiliary grinding device for circuit boards (線路板打磨用輔助裝置)	Utility model	Jiangsu Guangqian	PRC	202122881689.1	January 12, 2022
42.	Multi-functional flexible circuit board winding device (一種多功能柔性線路板卷繞裝置)	Invention patent	Jiangsu Guangqian	PRC	202010385616.0	December 28, 2021

(c) Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be material in relation to our business:

No.	Domain name	Registrant	Expiry date
1.	wyt-pcb.com	Our Company	October 22, 2029
2.	gq-pcb.com	Jiangsu Guangqian	July 8, 2032

(d) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material in relation to our business:

No.	Copyright	Copyright type	Registrant	Place of registration	Registration number	Registration date
1.	Guangqian PCB cleaning equipment control software V1.0 (廣謙線路板清洗設備控制軟體V1.0)	Software copyright	Jiangsu Guangqian	PRC	2021SR1939928	November 30, 2021
2.	Guangqian PCB drilling control software V1.0 (廣謙線路板打孔控制軟體V1.0)	Software copyright	Jiangsu Guangqian	PRC	2021SR1863316	November 24, 2021
3.	Guangqian PCB gold-plating and etching equipment control software V1.0 (廣謙線路板鍍金蝕刻設備控制軟體V1.0)	Software copyright	Jiangsu Guangqian	PRC	2021SR1838081	November 23, 2021
4.	Guangqian modular multilayer PCB cutting control software V1.0 (廣謙拼接式多層線路板切割控制軟體V1.0)	Software copyright	Jiangsu Guangqian	PRC	2021SR1939945	November 30, 2021

No.	Copyright	Copyright type	Registrant	Place of registration	Registration number	Registration date
5.	Guangqian multilayer PCB laminate positioning monitoring software V1.0 (廣謙多層PCB的疊合定位監控控制軟體V1.0)	Software copyright	Jiangsu Guangqian	PRC	2021SR1838083	November 23, 2021
6.	Guangqian PCB inner-outer Panel cutting device control software V1.0 (廣謙PCB陰陽板開料裝置控制軟體V1.0)	Software copyright	Jiangsu Guangqian	PRC	2021SR1828333	November 22, 2021

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual or industrial property rights which we consider to be material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of our Directors and chief executive

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the interests or short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once our H Shares are **[REDACTED]**, are set out below:

(i) Interest in our Company

Name of Director or chief executive	Nature of interest[1]	Number and description of Shares or underlying Shares held	% in total A Shares upon completion of the [REDACTED][2]	% in total issued share capital upon completion of the [REDACTED][2]
Mr. Wang Xuegen (王雪根)[3]	Beneficial owner	53,118,690 A Shares	34.94%	**[REDACTED]**%
	Interest in controlled corporation	5,328,709 A Shares	3.50%	**[REDACTED]**%
Mr. Wang Liguo (汪立國)	Beneficial owner	22,765,053 A Shares	14.97%	**[REDACTED]**%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(3) See "Substantial Shareholders" for further details.

(ii) Interest in our associated corporations

So far as our Directors are aware, immediately following the completion of the **[REDACTED]**, no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

(b) Interests of our substantial Shareholders

Save as disclosed in "Substantial Shareholders" and "— C. Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of Interests — (a) Interests of Our Directors and chief executive — (ii) Interest in our associated corporations," our Directors and chief executive are not aware of any person (other than a Director or chief executive of our Company) who will have an interest or a short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group any other member of our Group.

2. Directors' Service Contracts and Letters of Appointment

We [have] entered into a service contract or letter of appointment with each of our Directors. The principal particulars of these service contracts and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors have entered, or have proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

The aggregate remuneration paid and benefits in kind granted to our Directors by our Group in respect of the last completed financial year, being year ended December 31, 2025, was RMB2.4 million. For details of our Directors' emoluments during the Track Record Period, see Note 10 to the Accountants' Report in Appendix I.

Under the arrangements in force at the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors and proposed Director by our Group in respect of the year ending December 31, 2026 to be approximately RMB3.5 million.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

2. Litigation

Save as disclosed in this document and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for the **[REDACTED]** of, and permission to deal in, the H Shares to be issued pursuant to the **[REDACTED]** (including any additional H Shares which may be issued pursuant to the exercise of the **[REDACTED]**).

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of HK$2 million for acting as a sponsor for the **[REDACTED]**.

4. No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

5. Qualification and Consent of Experts

This document contains statements made by the following experts:

Name	Qualification
China Industrial Securities International Capital Limited	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
AllBright Law Offices	Qualified PRC lawyers
Rongcheng (Hong Kong) CPA Limited	Certified public accountants and registered public interest entity auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Cushman & Wakefield Limited	Property valuer

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

The experts named above have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and references to their names included in the form and context in which they are respectively included.

6. Promoter

The promoters of our Company are Wang Xuegen (王雪根), Wang Liguo (汪立國), Wang Lei (王磊), Liu Lizhi (劉立志), Dongtai Suiding, Sun Jiezhong (孫結忠), Guangtongyuan, Zhou Changzhi (周長智), Yang Huaizhi (楊懷志), Sun Fangyi (孫方怡), Zhang Xiaomei (張曉梅), Zhou Alin (周阿林), Mo Yajun (莫亞軍), Zhu Alin (朱阿林), Li Linwei (李林煒).

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit have been paid, allotted or given nor proposed to be paid, allotted or given to the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

7. Preliminary Expenses

We have not incurred any material preliminary expenses.

8. Binding Effect

This document shall have the effect, where an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Miscellaneous

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, proposed Director, promoters or experts named in "— D. Other Information — 5. Qualification and Consent of Experts" have received any such payment or benefit;

(ii) no capital of any member of our Group has been issued or is agreed or proposed to be issued for cash or issued as fully or partly paid up otherwise than in cash;

(iii) none of our Directors or the experts named in "— D. Other Information — 5. Qualification and Consent of Experts" have any interest, direct or indirect, in the promotion of, or in any assets which have been, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and

(iv) no commissions (but not including commissions to sub-**[REDACTED]**) have been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or debentures of our Company.

(b) Save as disclosed in this document:

(i) there is no arrangement under which future dividends are waived or agreed to be waived;

(ii) our Company has no outstanding convertible debt securities or debentures;

(iii) there are no founder, management or deferred shares in our Company or any of our subsidiaries;

(iv) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;

(v) there has not been any interruption in the business of our Group which may have or have had a significant effect on our financial position in the 12 months immediately preceding the date of this document; and

(vi) none of our Directors are materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix V; and

(b) the written consents referred to in "Statutory and General Information – D. Other Information — 5. Qualification and Consent of Experts" in Appendix V.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.wyt-pcb.com** for a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the audited consolidated financial statements of our Group for the Track Record Period;

(c) the Accountants' Report for the Track Record Period issued by Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix I;

(d) the report on the unaudited pro forma financial information of our Group issued by Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix II;

(e) the valuation report prepared by Cushman & Wakefield Limited, the text of which is set out in Appendix III;

(f) the legal opinions issued by AllBright Law Offices, our PRC Legal Advisor, in respect of certain aspects and the property interests of the Group in the PRC;

(g) the industry report issued by Frost & Sullivan;

(h) each of the material contracts referred to in "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract" in Appendix V;

(i) the service contracts and letters of appointment referred to in "Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Directors' Service Contracts and Letters of Appointment" in Appendix V;

(j) the written consents referred to in "Statutory and General Information — D. Other Information — 5. Qualification and Consent of Experts" in Appendix V; and

(k) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.