
BUSINESS

OVERVIEW

Who We Are

We are a globally leading precision intelligent manufacturing enterprise with operations across multiple frontier sectors and an extensive worldwide delivery network. According to Frost & Sullivan, in 2025, we are the fifth largest global manufacturer of precision components for smart devices and electronic products by revenue, the second largest global manufacturer of precision components for new energy batteries by revenue, and the fourth largest global manufacturer of precision components for humanoid robots by product value. We endeavor to enable next-generation products through precision and intelligent manufacturing. We provide end-to-end mass production solutions from ultra-high-precision components and functional modules to system-level assemblies for established customers around the globe through continual innovation of processes and cross-sector transferability. Since our establishment, we have captured market opportunities from the innovation and transformation in the global technology industry. Leveraging our precision manufacturing expertise, we have built a manufacturing platform anchored on four core capabilities: precision tooling, multi-material processing, flexible manufacturing and digitalized quality control. Centered around this platform, we have established three mutually reinforcing and synergistic business lines in (i) precision components for smart devices and electronic products, (ii) key mechanical components and connectivity components for new energy and (iii) hardware for embodied intelligence and emerging technologies:

Precision components for smart devices and electronic products, including precision mechanical components, product enclosures, functional modules and electronic connectors for diversified consumer electronics. Our customers include established smartphone, personal computer and smart wearable brands around the globe. Our precision components are used in their flagship products on a long-term basis. We have been involved in the joint design and mass production of precision components for innovative products such as foldable smartphones, smart watches and AI glasses.

Key mechanical components and connectivity components for new energy, focusing on precision casings, enclosures, vent lids and high-voltage electrical connectivity products that are critical to the safety and reliability of new energy batteries. Our products have been acknowledged by and mass-delivered to established power battery manufacturers around the globe. We have extended the precision manufacturing and quality control capabilities accumulated in the power battery sector into the energy storage battery sector, delivering key mechanical components and connectivity components to leading energy storage system integrators and battery companies in China and overseas. The end application in energy storage has become a meaningful growth driver for our business.

Hardware for embodied intelligence and emerging technologies, including precision components and assembly services for humanoid robots, hardware for AI data center infrastructure (such as high-speed cables, connectors, optical transceiver housing and liquid cooling core components) as well as precision mechanical components for frontier sectors such as commercial satellite communication. We have provided core components to established humanoid robot manufacturers around the globe and are rapidly expanding our customer base in the AI data center infrastructure and commercial satellite communication sectors.

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The following table sets forth our revenue breakdown by business line, in absolute amounts and as a percentage of our total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Precision components for smart devices and electronic products	9,502,671	69.2	11,059,294	65.3	11,051,503	58.7
Key mechanical components and connectivity components for new energy	3,539,809	25.8	5,213,786	30.8	6,862,113	36.5
Hardware for embodied intelligence and emerging technologies	66,972	0.5	30,287	0.2	183,801	1.0
Others ⁽¹⁾	613,003	4.5	630,786	3.7	721,277	3.8
Total	13,722,455	100.0	16,934,153	100.0	18,818,694	100.0

Note:

(1) Others primarily included revenue from tooling development and lease income.

Precision mechanical components and connectivity components are the core hardware foundation of smart devices and electronic products, new energy, embodied intelligence as well as emerging technologies. Small manufacturing deviations at the mass production stage can cause functional failures or safety incidents, making high-precision, high-consistency mass production a primary supplier-selection criterion for established brands around the globe. We have established the cross-category manufacturing capability to provide over 100 SKUs of precision components for a single product model of a globally established NEV and humanoid robot enterprise. We have cumulatively provided over 400 SKUs to this customer, covering core component categories including metal mechanical components, specialty engineering plastic components and precision gears and bearings.

We have established a China-centered R&D and manufacturing network with global reach. As of December 31, 2025, we had 12 major manufacturing bases and nine R&D centers worldwide, with a total workforce of over 34,000 employees, serving customers across over 20 countries and regions globally.

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The following table sets forth our business highlights:

 Global Industry Leadership 5th largest – precision components for smart devices and electronic products by revenue⁽¹⁾ 2nd largest – precision components for new energy batteries by revenue⁽¹⁾ 4th largest – precision components for humanoid robots by product value⁽¹⁾	 Technological Moats 20+ core precision manufacturing processes Cross-sector application experience Automotive – and aerospace-grade precision manufacturing Meet customers’ requirement for ppb-level quality control in end applications	 Cross-sector Customer Reach Serving 60+ established customers around the globe Customers in smart devices and electronic products, new energy batteries, embodied intelligence, satellite communication, among others
 Robust Financial Performance Revenue CAGR of 27.8% from 2010 to 2025, achieving a revenue of RMB18.8 billion in 2025	 R&D and Innovation R&D investment 7.4% of revenue⁽²⁾; ~11,000 R&D and engineering personnel, ~1,300 with over 10 years of relevant experience⁽³⁾ 2,014 registered patents globally⁽³⁾ Prototyping cycle for hardware for humanoid robots as short as 2 weeks	 Global Footprint 12 manufacturing bases and 9 R&D centers worldwide, with 1,660 overseas employees⁽³⁾ Close ties with key customers and industry clusters in GBA⁽⁴⁾, Silicon Valley⁽⁵⁾, and other regions
 Rapid Growth in New Energy Battery Sector Accounts for 36.5% of revenue⁽²⁾, increasing from 25.8% in 2023 Growth in global electricity demand has made energy storage battery end application a key growth opportunity	 First-Mover Leadership in Embodied Intelligence Delivered 689k humanoid robot components in 2025 Provide core components to multiple established humanoid robot companies in North America and the PRC	 Expansion in AI and Emerging Technologies Mass production and delivery of hardware for AI data center infrastructure⁽⁶⁾ and precision mechanical components for commercial satellite communications

Notes:

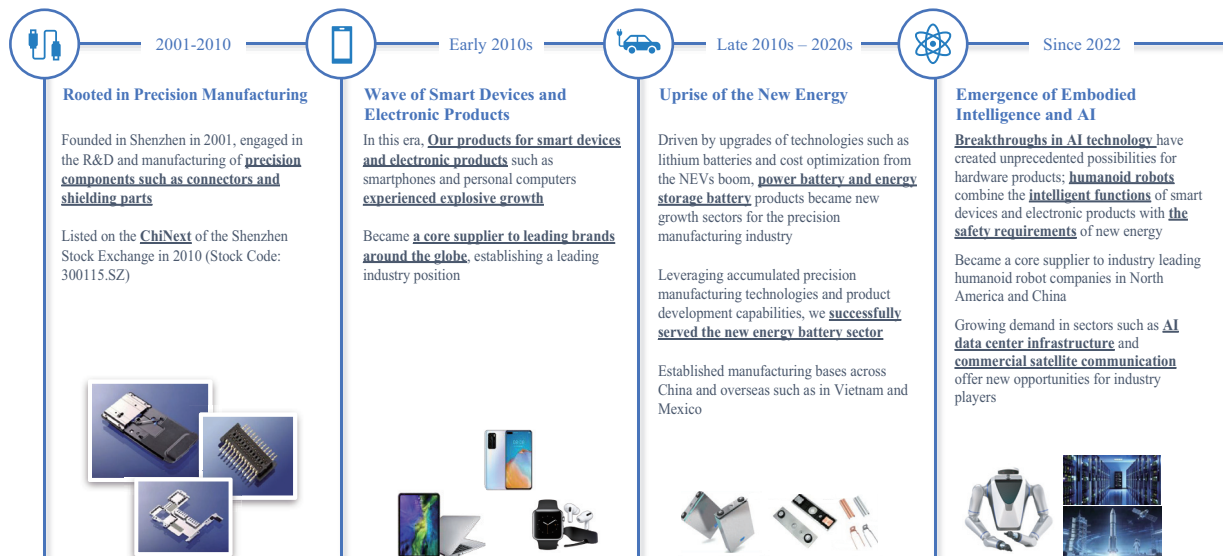
- (1) Among global manufacturers in 2025. (2) In 2025. (3) As of December 31, 2025. (4) Guangdong–Hong Kong–Macao Greater Bay Area, a megalopolis consisting of nine cities and two special administrative regions in South China. It has a rich ecosystem of startups, incubators and accelerators in the fields of agile tech, biotech, medical tech and innovation. (5) Located in California, the United States. It is the world’s leading hub for high technology and innovation (6) Primarily including high-speed interconnect modules, connectors, optical transceiver housings and core liquid cooling components.

Our Journey

Since our establishment, we have continuously captured innovation and transformation opportunities in the global technology sector. We have evolved from a manufacturer of consumer electronics mechanical components only, into a cross-sector precision intelligent manufacturer spanning our three business lines, and have built a robust manufacturing platform.

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Our key development milestones are as follows:



Our Business

Our business principally consists of three business lines: (i) precision components for smart devices and electronic products; (ii) key mechanical components and connectivity components for new energy; and (iii) hardware for embodied intelligence and emerging technologies. The following diagram illustrates the layout of our representative products by end application:



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Precision Components for Smart Devices and Electronic Products

Precision components for smart devices and electronic products form the cornerstone of our business and serve as the core technology platform for continuously advancing our precision manufacturing capabilities and expanding into new sectors. We offer precision mechanical components, enclosures, functional modules and electronic connectors made with a wide variety of materials, including copper, aluminum/magnesium alloy, stainless steel, titanium alloy, polyether ether ketone (PEEK), polyoxymethylene (POM) among others, for diversified consumer electronics such as smartphones, personal computers and smart wearables. These products share commonalities in underlying processes such as precision tooling, high-speed stamping and surface treatment, generating significant technology and cost synergies.

Key Mechanical Components and Connectivity Components for New Energy

We have applied the ultra-thin processing, precision tooling and high-speed stamping capabilities to automotive-grade products, establishing our business of precision mechanical components and high-voltage electrical connectivity components for new energy. We also sold precision components for NEV to LiDAR manufacturers and a prominent NEV company.

Products in this sector are safety-critical. Power battery mechanical components provide sealing, explosion-proof and mechanical protection, with defect tolerance required by the end application products as low as the parts-per-billion (ppb) level. High-voltage electrical connectivity components transmit high-voltage current and signals, with stability directly affecting vehicle safety. Energy storage batteries, which involve large-scale cell integration and long-term continuous operation, place even higher requirements on sealing, corrosion resistance and thermal management, with safety standards in certain dimensions more stringent than those for power batteries. We have extended our rigorous quality control system from power batteries to energy storage battery mechanical components, serving leading energy storage system integrators and battery companies in China and overseas. Our business in energy storage battery sector has been rapidly growing. These quality requirements constitute material technology barriers: once a manufacturer has been certified and starts mass production, the customers' switching costs are prohibitive.

Hardware for Embodied Intelligence and Emerging Technologies

We regard hardware for embodied intelligence and emerging technologies as an important strategic growth direction for our future. Building on our foundational manufacturing processes and engineering capabilities, we are systematically extending these capabilities to rapidly growing emerging technology sectors, including the businesses detailed below.

Precision Components and Assembly Services for Humanoid Robots

Hardware for humanoid robots is characterized by a large variety of component categories, complex materials and a high degree of non-standardization. As an enterprise with a powerful cross-sector precision manufacturing platform, we serve established brands around the globe, providing them with customized precision hardware solutions. Our product positioning extends progressively along the product value chain from the manufacturing of components to the provision of assembly services. We have the cross-category manufacturing capability to provide over 100 SKUs of precision components for a single product model of an industry-leading humanoid robot customer, and have cumulatively provided over 400 SKUs to this customer. In 2025, we delivered 689 thousand precision components for humanoid robots.

Our intelligent robot industrial park in Shenzhen commenced production in December 2025, establishing advanced assembly and complete machine assembly capacity for humanoid robots. It is designed to undertake the expected large-scale demand for manufacturing and assembly services in the future. In addition, we have established embodied intelligence testing and validation capabilities. Through the operational insights and condition feedback collected from the assembly and testing processes, we effectively optimize our component design and improve the manufacturing process, creating a positive feedback loop from components to assemblies and back to components.

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Hardware for Emerging Technologies

Beyond embodied intelligence, we are also extending our precision manufacturing capabilities to emerging technology sectors, including AI data center infrastructure and commercial satellite communication. Each of these sectors is maintaining rapid growth momentum. In 2025, we expanded the coverage of our products into the AI server high-speed copper interconnect module sector, with products targeting established connectivity component enterprises and AI data center infrastructure customers around the globe. Under this business line, we provide customers with (i) connectivity components and mechanical components for AI data centers, such as high-speed cables, connectors, optical transceiver housing and liquid cooling core components and (ii) liquid cooling core components for AI data centers, such as manifolds and quick connectors. In addition, we developed precision mechanical components for commercial satellite communication, such as ground-based array antennas and satellite antenna precision mechanical components. Our products are used in satellite communication systems.

Our Product Development Capabilities and Intelligent Manufacturing Platform

Precision mechanical components and connectivity components are the foundation for mechanical performance, signal transmission, electromagnetic compatibility, thermal management and product reliability across technology hardware devices. Our product development capabilities and intelligent manufacturing platform have been refined over more than 20 years and cover precision tooling, multi-material processing, automated mass production and quality assurance.

Efficient new product introduction (NPI) centered on precision tooling. Precision tooling is the foundation for achieving mass production of complex geometric shapes, ultra-thin structures and micro-components in manufacturing, and also serves as our key technology base spanning all business lines. For example, our mechanical manufacturing processes can reach a machining precision of $\pm 2\mu\text{m}$. This level of precision enables us to keep an efficient development during the phase of NPI, ensuring a smooth transition from prototype to mass production.

As of December 31, 2025, we had more than 1,000 units of precision tooling machining equipment and had the annual capacity to develop over 10,000 new tooling sets and over one million new fixture sets. We employed over 1,000 tooling engineers with more than ten years of experience as of the same date. This capability enables us to rapidly develop tooling and deliver products across end applications. We are able to participate in joint development at the customers’ new product definition stage, significantly shortening the customers’ time to market through rapid tooling development and process feasibility verification.

Multi-material processing and process/material development capabilities. We have an R&D and engineering team of approximately 11,000 personnel (approximately 1,300 have more than ten years of manufacturing experience), with comprehensive process capabilities covering both metallic and non-metallic materials. In terms of metallic processes, we have achieved mass production and processing capabilities of metallic materials, including copper, aluminum/magnesium alloy, stainless steel and titanium alloy. Among these, titanium alloy has long been recognized as an industry-wide technical challenge due to its high hardness and machining difficulty. We have effectively resolved the issues of machining efficiency and tool wear in 2023 through proprietary processes, achieving large-scale delivery of titanium alloy mechanical components. In addition, we have developed proprietary composite injection molding technologies for specialty non-metallic materials, including PEEK, POM, polymer silicone and carbon fiber, meeting the requirements for lightweight and demanding robotic mechanical applications.

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Automation and flexible mass production system. We have independently developed and integrated a large number of specialized automated machining equipment and high-precision fixtures, reducing reliance on external standard equipment. Additionally, we jointly customize and develop specialized equipment with qualified equipment suppliers and independently develop certain core manufacturing equipment, effectively enhancing manufacturing efficiency and process precision. This approach serves our own manufacturing needs and also enables the potential for external sales in the future. Our production lines possess highly modular scheduling capabilities, enabling rapid switching between product types and batch sizes while maintaining high overall equipment effectiveness and supporting production ramp-ups.

Digitalized and AI-empowered quality management system. Leveraging real-time data acquisition through the manufacturing execution system (MES) and the industrial IoT, we achieve lean management and online defect interception throughout the manufacturing process, meeting the supply chain audit standards of established customers around the globe. Our proprietary AI visual inspection system integrates multispectral imaging and deep learning algorithms, consolidating factory inspection and customer acceptance inspection into an integrated intelligent inspection process. This system has received formal approval from a globally established power battery customer and has been promoted and adopted by other companies along this customer’s supply chain system. This reflects our AI-enabled manufacturing capabilities and the process raw data and know-how we have accumulated.

Our Market Opportunities

The precision manufacturing industry in which we operate is benefiting from structural growth across downstream sectors. The accelerated adoption of on-device AI technology, the sustained expansion of the NEV and energy storage sectors, and the emergence of the embodied intelligence industry are collectively creating significant growth opportunities for enterprises with cross-sector precision manufacturing capabilities. Our business growth benefits from the following market drivers:

Smart Devices and Electronic Products: AI-Driven Hardware Innovation and Precision Manufacturing Upgrades

AI is fundamentally reshaping the hardware requirements of smart devices and electronic products across product form, material selection, precision and value add, setting higher requirements for precision mechanical components and electronic connectors:

Growth in demand for smart devices and electronic products. The proliferation of on-device AI functionalities is driving a new round of product iteration cycles. According to Frost & Sullivan, global AI smartphone shipments are expected to grow from approximately 0.4 billion units in 2025 to approximately 1.0 billion units in 2030. The AI personal computer market is also rapidly expanding, with global AI personal computer shipments expected to grow from approximately 80 million units in 2025 to approximately 180 million units in 2030. The smart wearables market is also rapidly expanding, with global smart wearables shipments expected to grow from approximately 610 million units in 2025 to approximately 700 million units in 2030.

Product form evolution driving increased value add. The embedding of AI functionalities imposes higher requirements on smart devices and electronic products in terms of weight, thickness, thermal dissipation performance and user experience. This trend drives mechanical components to evolve from having purely mechanical load-bearing functions toward achieving multifunctional integration of thermal dissipation, antenna and sensing capabilities, significantly increasing their value add per device. In addition, new product forms, such as foldable smartphone hinge assemblies, ultra-lightweight mechanical components for AI glasses and optical module brackets for AI glasses, are emerging. Such product designs create new requirements for miniaturization, lightweight construction and the ability to form complex shapes.

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Demands for extreme precision and new material processing. The stringent requirements of AI functionalities for electromagnetic compatibility, signal integrity and thermal dissipation efficiency lead the precision of precision mechanical components and electronic connectors further toward micron and even submicron levels. Meanwhile, the penetration rate of high-performance materials such as titanium alloy, magnesium alloy, liquid metal and carbon fiber in premium devices continues to increase. These materials present significant machining difficulty and narrow process windows, creating higher barriers and favoring leading manufacturers with advanced processing techniques.

New Energy: Power Batteries and Energy Storage Serve as Core Growth Drivers

As global NEV penetration rises, power battery systems are imposing higher standards on the safety and dimensional consistency of core mechanical components. The shift to high-voltage, fast-charging architectures is, at the same time, driving demand for highly reliable electrical connectivity components. In addition, the rapid development of the global energy storage market is opening up an important growth opportunity for us.

High-voltage, fast-charging architectures (800V and above). As high-voltage, fast-charging architectures gain wider adoption among NEV OEMs, the demand for precision electrical connectivity components continues to escalate. The operating voltage and instantaneous current within battery systems have both increased significantly. This imposes far more stringent requirements on the current-carrying capacity, insulation performance and vibration resistance reliability of electrical connectivity components such as high-voltage busbars and flexible connectors than those applicable to traditional automotive electronics. Precision electrical connectivity components are becoming the bottleneck components in NEV electrical architectures. According to Frost & Sullivan, China’s sales of 800V NEVs reached approximately 1.4 million units in 2025, with penetration rate of total NEV sales volume reaching over 8% in 2025 and expected to further increase to over 35% by 2030. Leading OEMs have adopted 800V platforms, which can achieve charging from 10% to 80% in under 15 minutes. This shift drives sustained demand for high-voltage busbars, high-current connectors and other precision electrical connectivity components that meet more stringent insulation, current-carrying and reliability standards.

Energy storage. The rapid growth of the energy storage market has opened up an important growth opportunity for us. According to Frost & Sullivan, global energy storage battery shipments are expected to increase from 651.5 GWh in 2025 to 1,881.1 GWh in 2030. As the proportion of global renewable energy generation continues to increase, energy storage systems, as critical infrastructure for smoothing the intermittent fluctuations of renewable energy, are experiencing rapid market demand growth. In the long term, the development of AI will further drive demand for electricity and related infrastructure. The rapid expansion of global AI data center infrastructure is boosting the demand for power consumption. Coupled with the intermittent nature of renewable energy generation, the power supply-demand gap is becoming increasingly apparent. Energy storage systems, as rigid infrastructure for grid peak regulation and stable power supply, are experiencing persistent growth, thereby accelerating the expansion of the energy storage sector. Energy storage and power battery mechanical components share similar manufacturing processes and quality requirements, while energy storage applications, involving large-scale cell integration and prolonged operation, impose more stringent safety standards on mechanical components. Manufacturers with established power battery quality systems that can meet customers' requirement for ppb-level quality control in end applications are well-positioned to extend into this market.

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Embodied Intelligence and Emerging Technologies: A Historic Opportunity from Prototypes to Mass Production

The global humanoid robot industry is at a critical stage of rapid transition from prototype development to commercial mass production. Global investment in AI data center infrastructure continues to surge, with demand for high-speed interconnect hardware and advanced cooling equipment growing rapidly. In the commercial satellite communication sector, satellite constellation deployment and launch frequency of launch vehicles continue to increase. The implications for the precision manufacturing industry are as follows:

Vast untapped market with diversified end applications. According to Frost & Sullivan, core hardware such as precision mechanical components, reducers, sensors and motors accounts for approximately 55% of the per-unit cost of humanoid robots. Therefore, the rapid development of the humanoid robot industry will directly drive the concurrent growth of the core hardware industry. The global humanoid robot market is expected to grow from RMB6.7 billion in 2025 to RMB72.4 billion in 2030, representing a CAGR of 61.2%. End applications of humanoid robots are also extending from industrial manufacturing to commercial services and home assistance, while broader embodied intelligence products such as quadruped robots and industrial collaborative robots are also accelerating commercialization.

Mass production capability becoming a core competitive moat. Hardware for humanoid robots is characterized by a large variety of component categories, complex materials and a high degree of non-standardization, making mass production capability a core industry barrier. As volumes scale from prototype to mass production, demand for advanced assembly and complete machine assembly is also expected to grow rapidly.

Continued expansion of AI data center infrastructure and commercial satellite communication. Increased investments in global AI data center is driving strong demand for high-speed connectors and server precision mechanical components. According to Frost & Sullivan, the global AI server market is expected to grow from RMB2,392.9 billion in 2025 to RMB6,526.5 billion in 2030. As the computing power demand for large-model training and inference continues to grow, the market for key components such as high-speed copper interconnect modules and AI data center efficient liquid-cooling core components is expected to further expand. The commercial satellite communication equipment market is expected to grow from RMB339.7 billion in 2025 to RMB747.1 billion in 2030, at a CAGR of 17.3% from 2026 to 2030, driven primarily by satellite manufacturing and launch vehicle services. The large-scale deployment of low-Earth orbit satellite constellations is driving rapid growth in demand for satellite antenna and communication mechanical components, while the maturation of reusable launch vehicle technology is continuously reducing launch costs and significantly increasing launch frequency, driving concurrent expansion in demand for ground equipment (such as array antenna systems) precision mechanical components.

OUR COMPETITIVE STRENGTHS

We attribute our market position to the competitive strengths set out below. These strengths support our position in precision manufacturing for smart devices and electronic products as well as in new energy, and have enabled us to serve emerging sectors such as embodied intelligence and emerging technologies at an early stage.

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Cross-Sector Transferability of Foundational Processes, Continuously Opening New Growth Frontiers

We have refined the core processes while serving the smart devices and electronic products sector, including micron-level tooling precision, ultra-thin deep drawing, high-speed precision stamping and multi-color injection molding. We subsequently applied these core processes to mechanical components for power batteries, precision components for humanoid robots, hardware for AI data center infrastructure and precision mechanical components for commercial satellite communication. This cross-sector transferability allows a single R&D investment to serve end applications, supporting our continued entry into new sectors. We have established a comprehensive manufacturing platform covering precision tooling, multi-material processing, flexible manufacturing and digitalized quality control, which shortens lead time and reduces trial-and-error costs for developing new customized products.

Precision tooling as technological foundation. Precision tooling is the foundation for achieving mass production of complex geometric shapes, ultra-thin structures and micro-components. For example, our mechanical manufacturing processes can reach a machining precision of $\pm 2\ \mu\text{m}$. This level of precision enables us to keep an efficient development during the phase of NPI across end applications.

Comprehensive coverage of multi-material processing capabilities. We have achieved mass production and processing capabilities for metallic materials including copper, aluminum/magnesium alloy, stainless steel and titanium alloy, as well as non-metallic materials including PEEK, POM, polymer silicone and carbon fiber. Among these, titanium alloy has long been recognized as an industry-wide technical challenge due to its high hardness and machining difficulty. We have effectively resolved the issues of machining efficiency and tool wear through proprietary processes, achieving mass production and delivery of titanium alloy mechanical components.

Intelligent flexible mass production capabilities. We have independently developed and integrated a large number of specialized automated machining equipment and high-precision fixtures. Our production lines possess highly modular scheduling capabilities that support rapid switching between product varieties and batch sizes while maintaining high overall equipment effectiveness as well as supporting production ramp-ups. This capability is particularly critical for serving the emerging sectors such as humanoid robots, where product categories are numerous and batch sizes rapidly evolve from small to large.

Application of digitalization and AI technology. We broadly apply AI technology to manufacturing inspection, process optimization and quality control, and achieve data acquisition and intelligent decision-making across our product design and manufacturing process through MES and the industrial IoT, continuously improving manufacturing efficiency and product yield.

Stringent Quality Assurance and Global R&D and Manufacturing Network

Our quality assurance capability is a core competitive edge across our business lines. Our unified high-standard quality control system covers the requirements of each sector, including surface precision and signal shielding for smart devices and electronic products, safety-critical sealing, explosion-proof and mechanical protection for new energy batteries, and multi-material dimensional consistency for precision components for humanoid robots. We have received various qualifications and certifications including GB/T19001-2016/ISO9001:2015, GB/T24001-2016/ISO14001:2015 and GB/T45001-2020/ISO45001:2018.

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Smart devices and electronic products sector. Our quality control meets the stringent standards of established consumer electronics brands around the globe, such as micron-level surface precision for titanium alloy mid-frames, persistent fit for foldable hinges, and tight weight and optical-alignment tolerances for AI glasses mechanical components. Our online visual inspection system and full-process statistical process control sustain consistency in mass production.

New energy battery sector. We have systematically applied ultra-thin drawing and micron-level tolerance control capabilities accumulated from developing precision components for smart devices and electronic products to the development of battery mechanical components, delivering high-consistency output. Our products meet customers' requirement for ppb-level quality control in end applications. Our product quality has been recognized by established new energy battery manufacturers and OEMs in Chinese mainland and overseas. Our products meet the IATF16969:2016 standard for the automobile industry. The strict standards lead to high switching costs for our customers and stable recurring orders for us. Our high-voltage electrical connectivity product matrix and mass production capabilities cover 800V and above fast-charging architectures, delivering competitive performance on current-carrying capacity, insulation, contact-resistance stability and vibration-resistance reliability.

Embodied intelligence sector. Materials used for precision components for humanoid robots include metals, engineering plastics and specialty composites across hundreds of categories per model, requiring high dimensional precision and material consistency. Our rapid precision tooling iteration and multi-material processing quality control support cross-category interchangeability and reliability from prototype validation to mass production.

Digitalized and AI-empowered quality management. Our proprietary AI visual inspection system integrates factory inspection and customer acceptance into a single intelligent process, and has been adopted by established customers around the globe. Our digitalized management system covers tooling design, manufacturing scheduling, work-in-progress tracking and delivery, using integrated MES and ERP systems for real-time data capture and multi-site coordination.

Furthermore, we have established a China-centered R&D and manufacturing network with global reach, providing global customers with proximate supporting capabilities and efficient R&D coordination. Each overseas manufacturing base has obtained international certifications, including IATF 16949 and ISO 14001. This multi-regional manufacturing network enables us to flexibly allocate production capacity and maintain supply chain resilience. As of December 31, 2025, we had 12 manufacturing bases and nine R&D centers worldwide in key regions close to our key customers, with a total workforce of over 34,000 employees, serving customers across over 20 countries and regions globally. In addition, we have approximately 11,000 R&D and engineering personnel and 2,014 registered patents globally as of the same date.

Long-Term Collaborative Relationships with Established Customers Around the Globe, with High Customer Loyalty and Enhanced Integration

We have established long-term, stable, strategic cooperative relationships with established customers in the global technology, new energy battery and embodied intelligence sectors, with strong customer loyalty. The certification cycle for established customers typically spans one to two years, covering multi-dimensional audits including quality, processes, capacity flexibility and ESG compliance. Our ability to obtain and maintain core supplier status constitutes a significant competitive barrier. Specifically:

Coverage of the high-quality global customer base. Our customers include established smartphone and consumer electronics brands around the globe, power battery and NEV enterprises as well as humanoid robot manufacturers. As of December 31, 2025, we served over 60 established customers around the globe. As a core supplier to leading brands, we possess strong counter-cyclical resilience across the respective business cycles of different brands.

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Participation in customers’ early vendor involvement, embedded in customers’ product development cycles. We participate in joint R&D at the customer’s new product definition stage. Drawing on our industry understanding and process experience, we assist customers in design optimization, functionality realization and feasibility validation before the functional pathway and product plan are finalized, providing one-stop solutions from product concept to mass production. This collaboration model significantly enhances customer loyalty and switching costs, constituting a natural competitive barrier.

Continuous expansion from core single products to multi-category, platformized supply. We typically enter a customer’s supply chain through a core product and subsequently leverage our comprehensive manufacturing platform and product portfolio to gradually expand to more product categories and higher-value products. For example, in the smart devices and electronic products sector, we have progressively extended from precision mechanical components to functional modules and electronic connectors, achieving continuous increases in value per customer.

Comprehensive and rigorous supplier certification systems constitute natural barriers. Established players in downstream sectors typically maintain comprehensive and rigorous supplier audit procedures covering product quality, manufacturing processes and capacity, ESG compliance and information security. Once a supplier is certified and has commenced mass delivery, customers’ switching costs are high, supporting stable, repeat business for incumbent core suppliers like ourselves.

Early Entrant to Mass Production of Precision Components for Humanoid Robots, with Well-Rounded Positioning Across the Embodied Intelligence Sector

The global humanoid robot industry is transitioning from prototype development to commercial mass production. We are among the first globally to mass-produce precision components for humanoid robots. Our multi-material, multi-process precision manufacturing platform enabled the rapid transition from sample validation to mass production in the first year of industry commercialization, giving us several first-mover advantages. Specifically:

Breadth and Depth of Cross-Category Product Range. We have established cross-category product capabilities covering core humanoid robot component categories including metal mechanical components, specialty engineering plastic components and precision gears and bearings. In 2025, we delivered 689 thousand precision components. Such volume is at a leading level in the global hardware for humanoid robots supply chain, according to Frost & Sullivan.

Extension Along the Value Chain to Assemblies. Building upon our status as a cross-category provider for core components, our intelligent robot industrial park in Shenzhen commenced operation in December 2025, establishing advanced assembly and complete machine assembly capacity for humanoid robots, designed to undertake future demand for mass production.

Well-Positioned to Capture Industry Opportunities Across Multiple Technology Routes. Currently, the humanoid robot industry is evolving with multiple technology routes and product forms in parallel, with the industry landscape not yet finalized. Our multi-material, multi-process precision manufacturing and efficient tooling development system capabilities make us well prepared to provide the required precision hardware solutions to customers under any technology route. Regardless of which route the industry ultimately goes down, our core manufacturing capabilities create value for customers.

Extensive and Diversified Customer Base. In the embodied intelligence sector, our customers include many of the established humanoid robot manufacturers around the globe, forming a diversified customer base that mitigates concentration risk from dependence on any single customer.

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Strategic Expansion into AI Data Center Infrastructure and Commercial Satellite Communication Sectors, with AI-empowered Manufacturing Upgrades Across Our Manufacturing Bases

Beyond our first-mover advantages in the embodied intelligence sector, we have also established substantive business and customer bases in emerging technology sectors including AI data center infrastructure and commercial satellite communication, and have applied AI technology to our own intelligent manufacturing systems, forming unique competitive advantages:

Connectivity Components and Mechanical Components for AI Data Centers. In 2025, we expanded our business footprint into AI server high-speed copper interconnect modules, with core processes highly homogeneous with those of our electronic connectors. Our products target established AI data center infrastructure customers around the globe. We serve the AI high-speed interconnect hardware sector by applying the high-frequency, high-speed signal transmission and precision manufacturing capabilities accumulated in our electronic connector business, and have grown sales through existing relationships with established connectivity component customers around the globe. We also provide AI data center mechanical products such as server rack enclosures and optical transceiver housing. Our connectivity component and mechanical components for AI data centers started to generate revenue in 2025.

Liquid Cooling Core Components for AI Data Centers. We started to serve the AI data center liquid cooling equipment sector, providing core liquid cooling equipment components (such as manifolds and quick disconnectors) to industry-leading thermal management system enterprises. Our products are ultimately used in the data centers of established AI enterprises around the globe. Liquid cooling components impose high requirements on sealing performance, pressure resistance and precision processing accuracy of fluid conduits. These requirements are highly compatible with the sealing and precision processing capabilities we accumulated in manufacturing key mechanical components and connectivity components for new energy, forming significant technology synergy advantages that enable us to rapidly establish competitive positions in this high-growth market. Our liquid cooling core components for AI data centers started to generate revenue in 2026.

Precision Mechanical Components for Commercial Satellite Communication. We have provided specialized precision mechanical components to globally established commercial satellite communication enterprises. Precision mechanical components for commercial satellite communication impose demanding requirements on material properties, dimensional precision and reliability. Building on the stringent quality control capabilities we have accumulated over time in automotive-grade and consumer electronics-grade precision manufacturing, we have passed certifications from established satellite communication enterprises around the globe, establishing customer trust and first-mover advantages in this sector.

AI Upgrades Empowering Our Own Manufacturing. We are adopting AI technologies for manufacturing inspection, manufacturing process optimization and quality control. Our proprietary AI visual inspection system has been utilized across our manufacturing lines for key mechanical components and connectivity components for new energy, significantly enhancing inspection efficiency. Our real-time data acquisition system based on MES and the industrial IoT achieves data-driven intelligent decision-making from product development to manufacturing, continuously improving manufacturing efficiency and product yield. This positions us both as a manufacturer of hardware for AI data center infrastructure and as an in-house user of AI in manufacturing. The algorithm models and process know-how developed through continuous optimization of our AI inspection system, using data accumulated from our manufacturing lines, support our quality control efficiency and cost performance relative to traditional competitors. A number of established customers have adopted this system across their supply chains.

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Dedicated Founder, Experienced Management Team and Entrepreneurial Corporate Culture

Our success was underpinned by the founder’s industry insight and strategic execution capabilities. Mr. Chen Qixing has been involved in our operations and management for approximately 20 years and possesses a profound understanding of, and forward-looking strategic judgment for, the precision manufacturing industry. Under Mr. Chen’s leadership, we have grown from a startup focused on consumer electronics precision components into a precision intelligent manufacturing enterprise operating across three major technology sectors, with an established manufacturing platform and a global delivery network. At each turning point in the industry, from the smartphone metallization wave and the NEV boom to the emergence of embodied intelligence, Mr. Chen has positioned our strategic development early, transferring our precision manufacturing capabilities into emerging growth sectors.

Our core management team has an average tenure of over ten years with our Company, possessing extensive industry experience and a global perspective. The long-term stability of the management team ensures the continuity and execution of our strategies. We uphold the entrepreneurial spirit of diligence and pragmatism combined with the craftsmanship ethos of precision manufacturing enterprises, continuously driving technology breakthroughs and organizational evolution. Our flat organizational structure enables management teams at all levels to respond flexibly to market changes and achieve rapid cross-team coordination and execution.

We implement multi-tier employee incentive plans, including equity incentives for core technical personnel and management backbone, sharing the value of our business success with employees and ensuring the stability and motivation of core talent.

OUR STRATEGIES

We aim to provide established customers around the globe with comprehensive, integrated mechanical component solutions across end applications, progressively upgrading from precision manufacturing toward precision and intelligent manufacturing. We focus on technological innovation, track demand across our end applications and, alongside reinforcing our existing strengths and customer service, extend our process know-how to emerging technology sectors, building a leading enterprise in Global's precision manufacturing industry. We focus on the following strategies:

Consolidate Our Dual-Pillar Advantage in Smart Devices and Electronic Products as well as New Energy, Maintaining Our Industry Leadership

We will apply the capabilities accumulated in the smart devices and electronic products sector to position early in emerging application scenarios and strengthen our precision manufacturing capabilities. Going forward, we will focus on highly customized, high value-added products and deepen the development of new products in end applications including smart wearables, smart home devices, foldable smartphones and AI new hardware.

Our key mechanical parts and connectivity components for new energy are growing rapidly with broad market space and have become an important growth opportunity. Going forward, we will sustain the safety, product yield and stability of our products for power battery and energy storage and improve operational efficiency through highly automated manufacturing lines. We will also consolidate our positions in precision mechanical components and high-voltage electrical connectivity components for new energy power batteries and energy storage batteries, while expanding into hydrogen storage, other energy storage-related and NEV end applications.

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Focus on Cultivating Emerging Downstream Applications, with Key Positioning in Hardware for Embodied Intelligence and Emerging Technologies

We will follow industry trends and customer demand, focus on emerging sectors with growth potential and leverage our precision manufacturing platform, full-stack technologies, process know-how and talent pool to accelerate entry into new application sectors. Building on our successful expansion from coverage of smart devices and electronic products into new energy, we are positioning in emerging downstream application sectors, with key focus on embodied intelligence and emerging technologies. Our current offerings concentrate on precision components and assembly services for humanoid robots, hardware for AI data center infrastructure and precision mechanical components for commercial satellite communication. Going forward, we will accelerate production capacity for precision components and assembly services for humanoid robots, extend our established technologies as well as technologies we are currently developing to end applications in emerging sectors. We will also strategically identify and cultivate new growth frontiers, thereby enhancing the resilience of our business growth.

Continuous Technological Innovation, Leading Solution Upgrades Centered on Market Demand

We will optimize product design and processes based on market demand and industry trends, driving solution upgrades through technology innovation. For foundational technologies, we will focus on innovating equipment, materials and processes to enhance R&D and engineering capabilities. For materials, we will proactively develop skin-friendly polymer non-metallic materials represented by silicone and rubber, high-hardness engineering plastic for humanoid robots, functional ceramics for packaging and high-strength composite materials for wearables. For processes, we will deepen our technical experience advantages in full-stack precision tooling manufacturing and develop processing techniques for new composite metal materials. For equipment, we will enhance automation integration, develop customized equipment for innovative product designs and irregular-shaped products, strengthen manufacturing capabilities for technically challenging products and broaden our product range. On the other hand, we will continuously drive solution upgrades around evolving market demand. In well-established sectors, we will proactively identify and gain insights into customer demand, strengthening rapid response and collaborative development. In emerging sectors such as AI and embodied intelligence, we will track evolvement in customers’ cutting-edge technology, jointly develop new solutions and rapidly iterate process and manufacturing flows to support the coverage of new end applications and our business expansion.

Continuously Enhance Intelligent Manufacturing Capabilities, Deepen AI Empowerment and Improve Manufacturing and Operational Efficiency

We will further refine management of manufacturing lines, implement equipment upgrades toward automation, expand automated scenarios including logistics, machine setup and visual inspection and implement comprehensive intelligent manufacturing solutions. We expect to improve automation rates, product yield and efficiency of our manufacturing processes, and optimize cost structure and operational efficiency. Meanwhile, we are adopting AI technology innovation. Currently, we have applied AI technologies to inspection, process optimization and quality control. Going forward, we will continue to explore the application of AI models, AI agents and other technologies across our R&D design and management processes, using IoT devices and big data management to achieve new breakthroughs in our productivity and management capabilities.

BUSINESS

Adhere to the Key Customer Strategy and Focus on Building an Ecosystem of Established Customers Around the Globe

Anchoring relationships with established customers around the globe and responding precisely to their requirements are the basis for our symbiotic growth with our customers. Given the concentrated market landscape of smart devices and electronic products as well as the new energy battery sectors, we have consistently adhered to our key customer strategy. We will continue building customer relationships through early vendor involvement, joint R&D, localized R&D, dedicated production capacity, and integrated mechanical component solutions. We plan to further provide customized support at critical junctures such as customers’ technology upgrades and capacity expansion, continuously enhancing the loyalty of leading customers. Drawing on our multi-product, multi-sector coverage, we plan to further provide one-stop solutions across categories to increase per-customer value.

Furthermore, we will deepen relationships with industry-leading customers and expand our emerging customer base. We have provided core components to industry-leading humanoid robot manufacturers globally. Building on this position, we take on customers’ cutting-edge product requirements, solidifying and strengthening our first-mover advantage. Going forward, we will deepen joint R&D and rapid iteration with established customers around the globe in product design and technology iteration, converting customer feedback into product innovation and jointly driving technology breakthroughs with customers to build a broad and loyal customer base.

Steadily Enhance Global Layout, Build a Multi-Dimensional Coordinated Operating System and Advance Industry Consolidation

We are advancing our globalization strategy in four directions, namely (i) localized R&D, (ii) global manufacturing, (iii) customer-proximate sales, and (iv) systematic talent development. On localized R&D, we are increasing localized investment, strengthening product design and adaptation for overseas markets, and establishing offshore R&D centers close to global customers to deliver rapid, around-the-clock R&D service. On global manufacturing, we are building our global delivery network and manufacturing resilience, steadily advancing the construction and capacity ramp-up of our production bases in Vietnam, Mexico and Hungary, and using existing and planned overseas bases to support supply chain localization and cross-border coordination. On sales, we stay close to customers, respond to local requirements and strengthen our global brand presence. On talent development, we continue to refine our talent development programs, enhancing the global perspective, cross-cultural communication capabilities and strategic thinking of our management team to support our global operations.

In addition, we will selectively pursue strategic investments and acquisitions that support vertical extension along the industry chain and horizontal expansion into new application sectors, pursuing M&A prudently to enhance our global competitive position.

OUR PRODUCTS

We are a globally leading precision intelligent manufacturing enterprise with operations across multiple frontier sectors and an extensive worldwide delivery network. We engage in the development, manufacturing and sales of (i) precision components for smart devices and electronic products, (ii) key mechanical components and connectivity components for new energy, and (iii) hardware for embodied intelligence and emerging technologies. Our manufacturing is efficient and thus is able to swiftly produce components of varying specifications. As such, our products are high-precision, high-performance and high value-added, and many of our products are specifically designed and produced based on customizations and needs of our customers.

BUSINESS

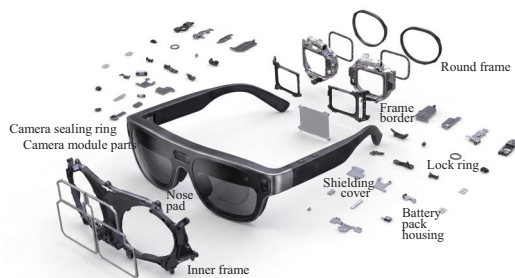
Precision Components for Smart Devices and Electronic Products

Our foundational strength lies in our long-standing operations in precision components for smart devices and electronic products. Since 2001, we began manufacturing precision components and achieved rapid growth by capitalizing on the evolution of the consumer electronics industry. Our initial product portfolio focused on metal stamping parts and connectors for phones and personal computers, which subsequently expanded with a diverse range that covers components for end applications in wearable technology, such as AI glasses and smart watches.

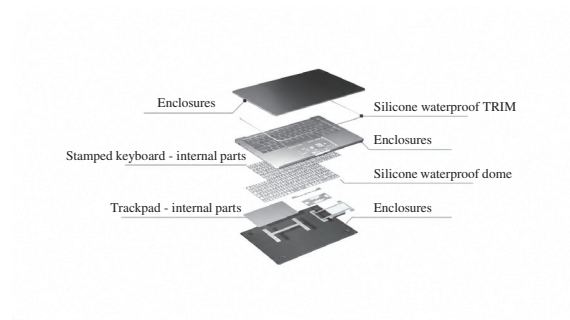
Our product development philosophy shifts alongside industry trends toward more streamlined designs, enhanced integration of functions and context-aware intelligence by manufacturing ultra-compact, highly reliable precision components and functional modules. This reflects our ability to swiftly respond to market changes, innovation capabilities, forward-looking approach to evolving opportunities and proven track record of mass delivering consistent, high-quality products. We are the fifth largest global manufacturer of precision components for smart devices and electronic products by revenue in 2025, holding a market share of 2.0%.

We provide a wide range of precision components for smart devices and electronic products designed to address design challenges and performance requirements of the smart devices and electronic products carrying our components. We sold over 9,876.6 million units, 10,421.4 million units and 10,730.7 million units of precision components for smart devices and electronic products in 2023, 2024 and 2025, respectively.

The following diagrams illustrate our precision components for smart devices and electronic products:



AI Glasses



Personal Computer

BUSINESS

The following table sets forth the details of our major precision components for smart devices and electronic products:

Main Products	Major Specifications & Functions	Features & Competitive Advantages	Price Range
			<i>RMB per unit or set</i>
Precision mechanical components and modules			
Smartphone mid-frames	Specs: Available in various lengths, widths and thicknesses, straight and curved contours, and multi-tone anodized finishes, fitting mainstream smartphones and tailored to the aesthetics of end products. Functions: Positioned at the center of a smartphone, providing central structural support for securing the mainboard and battery in place.	Ingres protection (IP)-rated water resistance. Incorporate structural optimization for 5G antenna signal performance. Constructed to deliver both high structural strength and lightweight performance simultaneously.	50-650
Personal computer enclosures	Specs: Compatible with 13” to 16” display sizes, covering mainstream personal computers. Functions: Form the outer shell of the personal computer and provides structural support for the device.	Ultra-thin, unified construction with high structural rigidity. Efficient heat dissipation through the use of high-conductivity materials and optimized structural design. Vertically integrated process spanning tooling, precision machining and surface finishing, enabling tight cost control throughout the manufacturing process.	400-1,000
Smartwatch cases. . . .	Specs: Available in diameters from 40 to 50 mm, covering the size range of mainstream smartwatches. Functions: Form the outer shell of smartwatches, serving as the exterior enclosure and the primary load-bearing structure.	Sleek design and protective durability, meeting IP68 water-resistance requirements. Consistent color coating with resistance to wear and fingerprinting through established anodizing and physical vapor deposition (PVD) coating processes.	50-200

BUSINESS

Main Products	Major Specifications & Functions	Features & Competitive Advantages	Price Range
<i>RMB per unit or set</i>			
Electronic connectors and precision small components			
USB Type-C connectors	Specs: Available in 16-pin and 24-pin configurations covering one of the smallest and most comprehensive size ranges. Functions: Serve as the interface for data transmission and power delivery when a cable is plugged in.	Many carry IPX8/IPX9 waterproof ratings and support high-current charging. Many hold IEC 62680 (EU) certification. Select models have obtained Intel Thunderbolt 4 certification, supporting 40 Gbps data transfer.	3-10
RF coaxial cables & RF switches	Specs: A full range of RF solutions covering connectors and cables, with overall heights ranging from 0.85 mm to 2.9 mm. Functions: Provide RF interconnection for antenna modules, carrying RF signals between the antenna and other internal components.	Accommodate the tight internal clearances of different devices.	0.2-2
Board-to-board (BTB) connectors	Specs: Pitch of 0.35 mm (the spacing between each pin) and a height of 0.6 mm. Available in a comprehensive series of 8, 10, 24, 30 and 40 pin configurations. Functions: Physically and electrically connect circuit boards inside a device, linking modules such as cameras and batteries to the mainboard.	One of the most compact BTB connectors in the world. Support high-current loads of 10 A and above for power-intensive applications.	0.1-2
Smartphone electromagnetic interference (EMI) shielding parts	Functions: Enclose internal components, circuits, assemblies, and cables to suppress EMI and prevent it from radiating outside the device.	High dimensional precision. Ultra-thin structural design.	1-5

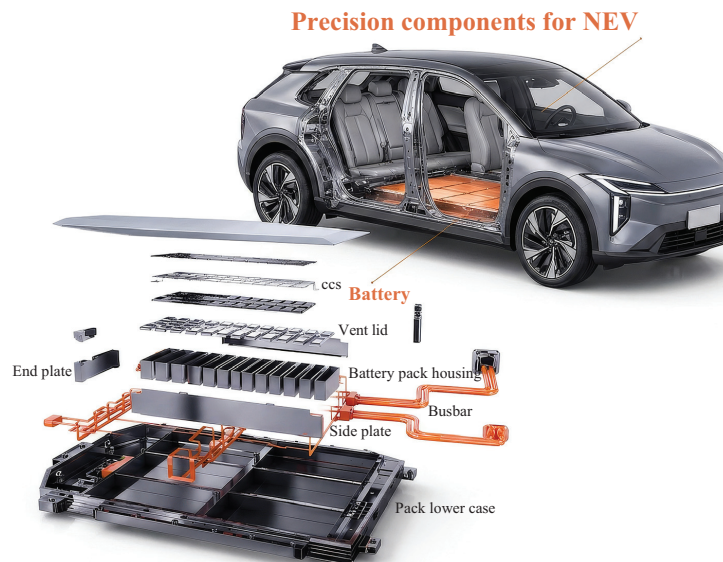
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Key Mechanical Components and Connectivity Components for New Energy

Building upon our proven expertise in precision components for smart devices and electronic products, we strategically expanded into the manufacturing of precision components for the new energy battery sector in 2016. Since then, we have continually broadened our product portfolio to encompass applications in NEV batteries, modules and transmission systems. As the new energy battery sector continues to evolve and battery technologies advance, we are proactively investing in the development of new products and exploring emerging market opportunities. Our product portfolio for the new energy battery sector is comprehensive and designed to meet the varied needs of prominent NEV brands and leading battery manufacturers. We are the second-largest global manufacturer of precision components for new energy batteries by revenue in 2025, holding a market share of 9.7%.

We provide a range of mechanical components and connectivity components for applications in the new energy battery sector that include (i) battery mechanical components such as vent lids and battery pack housing; (ii) power distribution system connectivity components such as busbars; and (iii) metal bipolar plates for hydrogen fuel cells. We sold over 579.9 million units, 756.2 million units and 1,050.6 million units of key mechanical components and connectivity components for new energy in 2023, 2024 and 2025, respectively.

The following diagram illustrates our key mechanical components and connectivity components used in new energy end applications:



NEV

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The following table sets forth the details of our major key mechanical components and connectivity components for new energy:

Main Products	Major Specifications & Functions	Features / Competitive Advantages	Price Range
			<i>RMB per unit or set</i>
Battery mechanical components			
Vent lids	Specs: Available in multiple cell size formats. Support a comprehensive range of terminal specifications. Available in copper, magnesium-aluminum alloy, stainless steel and titanium alloy. Functions: Enclose and secure the bare cell, provide hermetic sealing, facilitate electrical current conduction, and incorporate a pressure relief vent to safely release internal pressure in the event of abnormal conditions.	Customizable in structural configurations, including oval/racetrack-shaped terminal and spin-riveted terminal, for electrical conduction and cell assembly. Balancing lightweight construction, high structural strength, corrosion resistance, and safety to suit diverse application scenarios and demanding operating conditions. Explosion proof.	3-25
Battery pack housing. .	Specs: Available in dimensions such as 2,235 mm x 1,540 mm x 116 mm, with custom sizing available to fit specific vehicle platforms. Functions: Serve as the structural carrier for the NEV battery system, supporting the weight of battery modules and providing a safe operating environment with impact resistance.	Meet IP68 ratings through the application of cold metal transfer welding and friction stir welding technologies. Use lightweight framework made by aluminum alloy extrusion, enhancing the vehicle’s crash resistance and protecting the integrity of the battery in case of a collision. Designed to preserve a large area for cell installation, maximizing the energy capacity of the battery pack.	1,500-4,000
Power distribution system connectivity components			
Busbars	Specs: Available in materials such as copper and aluminum and come in customized sizes. Functions: Support current transmission and distribution as well as electrical interconnection within the battery system.	Low inductance of under 20 nH. Compatible with multiple voltage levels to suit different battery system architectures. Low temperature rise during operation, ensuring high stability and safety. Designed for easy assembly and occupies minimal space.	2-400

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Main Products	Major Specifications & Functions	Features / Competitive Advantages	Price Range
			RMB per unit or set
Metal bipolar plate for hydrogen fuel cells			
Metal bipolar plates . .	Specs: Available in dimensions such as 440 mm x 131 mm. Functions: Conduct electrical current between adjacent cells, distribute reactant gases uniformly across the active cell area, and manage the removal of product water and heat generated during the electrochemical reaction.	High dimensional accuracy, achieving manufacturing tolerances of ± 0.01 mm. Excellent flatness, with a maximum warpage of no more than 2 mm across the full plate surface. Strong electrochemical performance, with interfacial contact resistance of no more than $5\text{ m}\Omega\cdot\text{cm}^2$ (a figure to measure the efficiency of power components) and corrosion current density not exceeding $0.8\text{ }\mu\text{A}/\text{cm}^2$ (a figure to measure corrosion rates, electroplating or membrane current density.)	50-200

Hardware for Embodied Intelligence and Emerging Technologies

Our hardware for embodied intelligence and emerging technologies primarily includes (i) precision components and assembly services for humanoid robots, (ii) hardware for AI data center infrastructure and (iii) precision mechanical components for commercial satellite communication and other cutting-edge sectors.

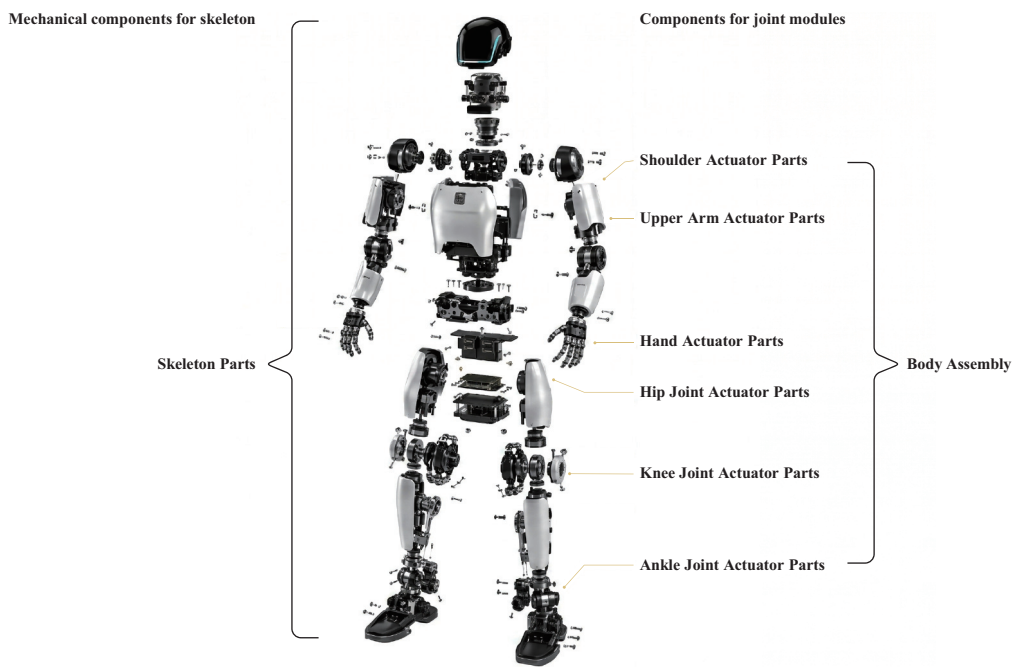
Precision Components and Assembly Services for Humanoid Robots

In recent years, AI has driven significant advancements in embodied intelligence, enabling applications of humanoid robots in sectors such as manufacturing, tourism, education and healthcare. In 2024, we delivered our first humanoid robot components, marking a pivotal milestone, and have since been supplying key components to domestic and overseas customers. In 2025, we delivered 689 thousand precision components for humanoid robots. Our precision components for humanoid robots primarily included mechanical components and components for joint modules during the Track Record Period, and we continue to invest in new product development. We are the fourth largest global humanoid robot precision components manufacturer by product value in 2025, holding a market share of 3.3%.

We manufacture precision components for humanoid robots through metal 3D printing, high-pressure and semi-solid metal casting, five-axis CNC machining, forging, stamping, aluminum extrusion, plastic and liquid silicone rubber (LSR) molding and surface treatments such as anodizing, non-conductive vacuum metallization (NCVM) coating, carbon fiber processing, and final quality inspection. All such processes are completed at our manufacturing bases. This vertical integration, combined with expertise in precision manufacturing for smart devices and consumer electronics as well as new energy battery sectors, enables us to deliver enhanced quality, shorter lead times, greater cost efficiency and seamless support from initial design and prototyping to mass production for leading embodied intelligence companies worldwide.

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The following diagram illustrates the major components used in and the assembly services we manufacture for humanoid robots:



The following table sets forth the details of the major precision components for humanoid robots:

Main Products	Major Specifications & Functions	Features / Competitive Advantages	Price Range
			RMB per unit or set
Lead screws, gears, bearings, die-casting parts, plastic parts, turned parts, CNC-machined parts and other mechanical body components . . .	Specs: Cover all major body segments of a humanoid robot, including arms, waist and hip assemblies, torso, motor housings, chest cavity, legs, head, chassis and dexterous hands. Functions: Provide the mechanical framework and motion transmission pathways that allow a robot to hold its shape, bear loads and transfer movement across its body.	Adopt various materials using different processing techniques based on customers' demands. Efficient prototyping cycle as short as two weeks, reducing the cost for us and our customers.	10,000-50,000

Since December 2025, we began the humanoid robot assembly services at our intelligent robots industrial park in Shenzhen, with a gross floor area of approximately 60,000 square meters dedicated to intelligent robot manufacturing. As we manufacture precision components for humanoid robots, we achieve vertical integration from parts to full assembly and have an end-to-end manufacturing advantage. Our team includes engineers and specialists spanning assembly, hardware and software R&D of humanoid robots, with prior R&D experience from leading robot companies across the globe. In addition to hardware, we have developed proprietary motion control algorithms, offering comprehensive

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system-level solutions covering both locomotion intelligence and the physical platform. We also offer embodied intelligence testing, validation and a closed-loop data feedback system to continuously optimize component design and manufacturing processes, enabling us to meet future mass production demands.

Hardware for AI Data Center Infrastructure

In addition to precision components for humanoid robots, we are developing and have started to offer hardware for AI data center infrastructure. We developed high-speed transmission cables and server busbars. Furthermore, leveraging our advanced machining capabilities, we are establishing the liquid cooling product line for AI data center infrastructure, for which we have entered into agreements with manufacturers in the Taiwan region of China and have started mass production in 2026. These strategic initiatives mark our commitment to supporting the next generation of AI data center infrastructure with innovative component solutions. We began to generate revenue from this business line in 2025.

The following table sets forth the details of the major hardware for AI data center infrastructure:

Main Products	Major Specifications & Functions	Features / Competitive Advantages	Price Range
			<i>RMB per unit or set</i>
High-speed server cables			
Mini cool edge IO (MCIO), front I/O, direct attach card electromechanical (DA CEM), Gen-Z, open compute project, riser card and other high-speed cables . . .	Specs: Available in a wide range of pin configurations including 38-pin, 56-pin, 74-pin, 84-pin, 124-pin, 140-pin, 148-pin, 164-pin and 168-pin. Includes left and right server ear bracket cables. Functions: Serve as the internal wiring that enables high-speed data transmission between servers and network switches.	Direct pass-through rate of over 96%, so that the vast majority of signals travel through without degradation, ensuring consistent data transmission quality.	50-250
High-speed backplane connectors			
High-speed backplane connectors and MCIO connectors	Specs: Available in 56G (data transmission capacity of 800 gigabits per second) high-speed backplane connectors and 74-pin 8X MCIO connectors. Functions: Provide the physical electrical connections between circuit boards inside a server, allowing data to flow reliably at high speeds between the main processing board and expansion boards.	Backplane connectors are designed to be upgradable to 112G as bandwidth requirements increase. MCIO connectors meet the signal integrity requirements of peripheral component interconnect express (PCIe, a high-speed serial computer expansion bus standard used to connect components to a motherboard) 6.0, the leading industry-standard high-speed interface used in mass-produced connect processors, storage and networking components inside servers.	30-300

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Main Products	Major Specifications & Functions	Features / Competitive Advantages	Price Range
			<i>RMB per unit or set</i>
Server mechanical components			
Optical transceiver housing.	Specs: 169mm x 23mm x 9mm, designed for 800G, optical transceiver modules. Functions: Provide physical protection and mechanical support for the optical transceiver module; facilitate efficient heat dissipation; and shield EMI to minimize interference with surrounding equipment and potential effects on personnel.	Available in stamped and die-cast process variants to suit different manufacturing and performance requirements.	30-100

Precision Mechanical Components for Commercial Satellite Communication and Other Cutting-Edge Sectors

We supply specialized precision mechanical components to leading commercial satellite communication enterprises around the globe. As of December 31, 2025, we primarily offered stamping parts, die-casting parts and plastic parts for satellite signal receivers, such as ground-based array antennas, in various versions, including lightweight, household and enterprise-grade versions. These products provide mechanical support to ensure the satellite receiver maintains high stability in harsh environments such as wind, rain and wilderness. We began to generate revenue from this business line in 2025.

Others

In addition to the above products and services, at customers’ requests, we provide industrial automation equipment, including covering workstations, assembly lines, inspection lines and packaging lines, backed by system integration and technical assistance. We also offer industrial internet solutions that connect manufacturing equipment to collect and analyze real-time operational data, generating visual reports to help factory managers identify process gaps and improve workflow efficiency. In addition, in 2023 and early 2024, we also sold precision components for industrial robot applications through Guangdong Tianji Intelligent Systems Co., Ltd. We sold part of our equity interests in this entity in 2024. See Note 40 of the Accountants’ Report in Appendix I to this document. Revenue from these offerings was immaterial during the Track Record Period.

OUR RESEARCH AND DEVELOPMENT

We continually invest in R&D and translate these efforts into tangible product capabilities and commercial outcomes. We have achieved numerous R&D breakthroughs since our inception. In 2007, we developed the mechanical components of mobile phone slide rails. In 2012, we entered the field of metallic enclosures for smart wearable devices and developed nano-surface treatment processes for metallic surfaces. In 2016, we developed aluminum alloy enclosures for personal computers utilizing turn-mill compound machining processes. In 2017, we developed aluminum alloy mid-frames for smartphones featuring mortise and tenon mechanical designs. In 2022, we developed vent lids for power batteries with spin-riveting minimalist structures. In 2023, we successfully developed a variety of components for robotic joints, establishing our presence in the embodied intelligence sector. In 2024, we developed steel shell mechanical components for battery cells. In 2025, we developed aluminum alloy enclosures for personal computers produced through stamping and forging processes.

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Our R&D breakthroughs were recognized by the market and government authorities. We were recognized as a national-level High and New Technology Enterprise as early as 2008. In 2023, we were awarded China Patent Excellence Awards by the China National Intellectual Property Administration for three of our inventions, namely (i) a method for cutting metal tubes, (ii) waterproof reversible USB socket and (iii) board-to-board radio frequency plug, socket and connector assembly. In the same year, we were also awarded as the Shenzhen Intellectual Property Advantage Enterprise.

We have established an R&D collaboration framework featuring centralized coordination and localized execution across our manufacturing bases, enabling technological consistency and efficient allocation of resources. Our R&D team at headquarters serves as the central decision-making hub, responsible for receiving customer requirements, formulating unified R&D strategies and technical roadmaps, allocating R&D resources and overseeing key R&D milestones. In addition, as of December 31, 2025, we had nine R&D centers located in China, South Korea and the United States and some are CNAS-accredited. Our domestic R&D centers are embedded within manufacturing bases and are differentiated based on their respective expertise in materials, processing methods and manufacturing workflows. They are responsible for in-depth manufacturing process development, optimization and validation for specific manufacturing stages. Throughout the product development lifecycle, cross-center collaboration is achieved through coordinated sequencing of upstream and downstream manufacturing processes, early-stage integration between our materials team and tooling team, and close coupling of product R&D with our automation and quality control teams to ensure efficiency and standardization.

In addition, we have a unified technical knowledge database and hold regular technical review meetings across manufacturing bases and R&D centers to facilitate technology sharing. To ensure effective translation of R&D outcomes into manufacturing, we implement a closed-loop feedback mechanism whereby our manufacturing bases may initiate secondary R&D or process improvement requests, supported by rapid on-site validation. Each R&D project is managed by a cross-functional team comprising project management, process engineering, manufacturing and automation specialists, ensuring full alignment from design through prototype to mass production.

We regularly engage in offline communications to present our latest R&D achievements directly to key customers. During these events, we showcase new technologies, including innovations that drive cost reduction and yield improvement throughout our manufacturing process, and provide product samples to facilitate in-depth technical exchanges. This approach effectively bridges the information gap with our customers and fosters closer collaboration. We often receive new product development requests from our customers during these events, which our sales team further explores and develops in follow-up engagements.

In 2023, 2024 and 2025, our research and development expenses amounted to RMB1,238.5 million, RMB1,224.3 million and RMB1,393.7 million, respectively, representing 9.0%, 7.2% and 7.4% of our total revenue for the same years. With a substantial amount of research and development expenses, we have yielded industry-leading technologies and intellectual property that propel our continual business development. See “– Intellectual Property.”

Our Product Development Capabilities and Intelligent Manufacturing Platform

Our R&D efforts encompass innovation across precision tooling, multi-material processing and process/material development as well as automation and flexible mass production.

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Efficient NPI System Centered on Precision Tooling

Our precision machining capabilities of tooling ensure that our products maintain long-term dimensional stability and meet the rigorous manufacturing requirements of high-end core components. For example, our mechanical manufacturing processes can reach a machining precision of $\pm 2\mu\text{m}$. This level of precision enables us to keep an efficient development during the phase of NPI, ensuring a smooth transition from prototype to mass production. As of December 31, 2025, we had more than 1,000 units of precision tooling machining equipment and had the annual capacity to develop over 10,000 new tooling sets and over one million new fixture sets. We employed over 1,000 tooling engineers with more than ten years of experience as of the same date. This capability enables us to rapidly develop toolings and deliver products across end applications. We are able to participate in joint development at the customer's new product definition stage, significantly shortening the customer's time to market through rapid tooling development and process feasibility verification.

Multi-Material Processing and Process/Material Development Capabilities

We have achieved mass production and processing capabilities of metallic materials, including copper and aluminum/magnesium alloy, stainless steel and titanium alloy. Among these, titanium alloy has long been recognized as an industry-wide technical challenge due to its high hardness and machining difficulty. We have effectively resolved the issues of machining efficiency and tool wear through proprietary processes, achieving scaled delivery of titanium alloy mid-frames as early as 2023. We adopt a multi-stage machining approach comprising roughing, semi-finishing and finishing, combined with a high-pressure internal coolant solution. Processing a single titanium part typically takes three to four times longer than an aluminum counterpart. To overcome this hurdle, we have developed our own high-speed, low-stress cutting technology. By optimizing tool paths and cutting parameters, we are able to reduce the machining cycle for a single part to one-third of the original time required.

In non-metallic processes, we engage extensively in the R&D of silicone rubber formulations, which enables us to efficiently validate physical properties and performance of materials during the customer development phase, supporting smoother internal coordination and faster response times with customers. In addition, we continuously optimize material formulations to help reduce overall material costs, while maintaining control over product quality and manufacturing schedules. Over years of R&D, we have developed experience with PEEK, POM, various forms of silicone and rubber materials and carbon fiber, such as fluorocarbon-based fluoroelastomer (FKM), hydrogenated nitrile butadiene rubber (HNBR), ethylene propylene diene monomer rubber (EPDM), polyurethane (PU) and silicone. We have achieved mass production of FKM-based smartwatch bands. Due to global regulations on per- and polyfluoroalkyl substances (PFAS), including restrictions in the EU and US, we created an alternative to FKM that provides similar performance and is scheduled for mass production in 2026 after completing trial manufacturing and validation with several customers. We are also working on other advanced materials in the precision manufacturing industry, such as foamed silicone and low-temperature-cure rubber, to expand our product offerings and maintain our leading status in the industry.

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Automation and Flexible Mass Production System

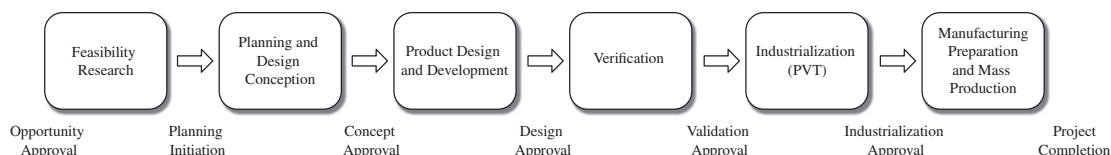
We have built an automated manufacturing infrastructure to support high-volume and flexible manufacturing. We have independently developed and integrated a large number of specialized automated machining equipment and high-precision fixtures, reducing reliance on external standard equipment. In addition, we jointly customize and develop specialized equipment with qualified equipment suppliers and independently develop certain core manufacturing equipment, effectively enhancing manufacturing efficiency and process precision. Our production lines possess highly modular scheduling capabilities, enabling rapid switching between product types and batch sizes while maintaining high overall equipment effectiveness and supporting production ramp-ups. Our manufacturing bases operated more than 4,500 automated manufacturing lines and are equipped with more than 5,000 robotic arms as of December 31, 2025, which is at an industry-leading scale, according to Frost & Sullivan. We also apply AI technology to manufacturing inspection, process optimization and quality control, and achieve data acquisition and intelligent decision-making across our product design and manufacturing process through MES and the industrial IoT, continuously improving manufacturing efficiency and product yield. See “ – Our Manufacturing” and “ – Quality Control.” This high level of automation allows us to maintain a highly flexible manufacturing system that can quickly adapt to shifting market demands, while consistently delivering stable quality and scalable output.

Our R&D and Engineering Team

Our R&D and engineering team consists of dedicated talent with profound industry expertise, focusing on developing and commercializing our products. As of December 31, 2025, our R&D and engineering team consisted of 10,973 personnel, representing 32.0% of our total workforce. As of December 31, 2025, our R&D and engineering team members had an average of over five years of experience in precision manufacturing, with strong academic and engineering backgrounds and extensive domestic or overseas work experience in reputable technology companies.

Our R&D Process

We primarily adopt an in-house R&D approach with industry-standard R&D practices. Our R&D process generally covers the lifecycle from early-stage research to product commercialization. The following diagram illustrates the key R&D stages:



- **Feasibility research:** We conduct in-depth research of the market to define strategic directions. During this initial stage, we evaluate the demand in the market and formulate a comprehensive feasibility plan that includes predictions of return on investment and proactive assessments of risk. Our R&D project is subject to approval by the management team.
- **Planning and design conception:** We prioritize the formulation of a clear roadmap and the development of detailed blueprints for the R&D project. We refine the product specifications and engineering prototypes to ensure technical alignment.
- **Product design and development:** We execute the detailed product design to translate conceptual ideas into technical specifications.

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- **Verification:** We perform rigorous engineering verification testing and design verification testing, with comprehensive evaluations of functionality and durability to ensure the reliability of the product before we receive formal approval for manufacturing.
- **Industrialization, manufacturing preparation and mass production:** We conduct manufacturing validation testing to refine the manufacturing processes and ensure the consistency and manufacturability of the product through targeted manufacturing trials. This leads to the transition from NPI to stable manufacturing.

R&D Collaborations

In addition to our internal R&D efforts, we collaborate with academic institutions to support targeted technology development. We have established cooperation and joint development projects with universities and research institutions, focusing on areas such as materials and processing techniques. In these collaborative projects, the responsibilities of each party, cost-sharing arrangements and ownership of intellectual property rights are outlined in the partnership agreements. In most cases, (i) universities and research institutes generally contribute their technological expertise, while we provide the R&D laboratories, equipment and materials; (ii) we pay the universities and research institutes for costs and expenses they incur as well as compensation for their R&D activities; and (iii) the intellectual property rights to the results of the collaborative R&D are either owned by us or mutually owned by both parties.

We also undertake customer-commissioned R&D projects in certain cases under specific project initiatives. In these collaborative projects, the responsibilities of each party, cost-sharing arrangements and ownership of intellectual property rights are outlined in the partnership agreements. In most cases, (i) customers typically provide development requirements and specifications, while we carry out the R&D and development work; (ii) customers own the intellectual property rights to the results of the collaborative R&D, while we own the pre-existing intellectual property rights and the rights to any subsequent intellectual property we develop or that is based on the results of the collaborative R&D but outside of the collaborative R&D; and (iii) customers typically pay us the development costs and expenses we incur as well as compensation for our R&D activities.

For example, we worked with customers X and Y, both globally established smart device manufacturers, to replace FKM materials with advanced high-polymer materials, specifically the formulations of silicone rubber and HNBR, to address upcoming global regulations on PFAS. See “ – Our Product Development and Intelligent Manufacturing Platform – Multi-Material Processing and Process/Material Development Capabilities.” Through these collaborations, we developed a mature silicone rubber formulation with physical properties comparable to FKM, enabling us to offer solutions ahead of our competitors. These collaborations underscore our expertise in material development and strengthens our position as a reliable manufacturer of high-end components capable of meeting the evolving design needs of our customers. During the collaborations, the customers were responsible for proposing material development requirements, which were continuously iterated and progressively refined to specify relevant physical and performance indicators. In response to the customers’ evolving requirements at each stage, we conducted formulation development and material route selection across multiple options and carried out ongoing R&D and customized design of silicone rubber material formulations. Through close collaborations and joint technical efforts, we have established a mature and stable formulation system, resulting in an integrated, innovative and competitive solutions. These collaborations demonstrate our capabilities to respond efficiently to customer requirements and to support diversified and continuously evolving product design needs.

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R&D Projects

We have continuously invested in R&D projects since our inception to strengthen our technological capabilities and support sustainable growth. Our R&D projects primarily focus on advanced manufacturing processes, materials engineering and high-precision mechanical systems, with an emphasis on lightweight design, improved functionality, durability and production efficiency. As of the Latest Practicable Date, we carried out a number of ongoing R&D projects aimed at addressing evolving end application requirements in the sectors we serve. The following summary sets forth the details of our key R&D projects:

Lightweight metal appearance parts processing techniques. This R&D project is dedicated to the development of advanced processing techniques for lightweight metal appearance parts, utilizing aluminum alloy, magnesium-aluminum alloy and magnesium-lithium alloy processing technologies. These processing techniques are expected to be widely applied in smart wearable devices, with the aim of significantly reducing the weight of such devices. These techniques not only improve the aesthetics of metal appearance parts, but also greatly enhance the product’s resistance to sweat, salt spray, seawater and cosmetic erosion. Compared to traditional consumer electronic products, it offers greater durability and provides solid support for the next generation of smart devices.

A manufacturing process for large-capacity energy storage battery pack housing. This manufacturing process uses a combination of hot extrusion (when aluminum is heated and pushed through a tooling to create a shape) and cold drawing (pulling aluminum at room temperature to make it stronger and more precise). It is designed to produce battery pack housing with walls of different thicknesses, rather than the same thickness throughout. We have completed the R&D of the 6-series (aluminum-manganese alloy) battery shells and are currently developing the 7-series (aluminum-magnesium-silicon alloy) battery shells. The latter is expected to demonstrate higher strength, stiffness, superior impact resistance and dent resistance, after processing and age-hardening, compared with the former. With this manufacturing process, the thickness of the walls can range from 0.5 mm to 1.5 mm, and their length can vary from 300 mm to 1,500 mm. This flexibility allows the battery pack housing to meet the diverse needs for sizes of blade-shaped battery cells. This battery pack housing provides reliable structural support for the next generation of high-energy, large-capacity battery systems.

Conductive silicone materials used in the sensing layer of electronic skin. Our research focuses on engineering high-performance, electrically conductive materials specifically designed for robotic electronic skin – a thin, flexible layer that simulates human skin and enables robots to perceive touch, pressure and temperature. The material is synthesized using a composite of silicone and carbon black, resulting in highly consistent resistance values that ensure reliable signal transmission. This consistency is essential for the accurate detection and communication of sensory information by the electronic skin. Our approach effectively addresses a key industry challenge, achieving uniform dispersion of conductive particles within the material and maintaining reproducibility in the manufacturing process. At present, the project has successfully reached the stage of small-scale trial manufacturing, with all major technical indicators consistently meeting required standards.

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The planetary roller screw mechanism. A planetary roller screw mechanism is a mechanical device that efficiently and accurately converts rotary motion into linear motion. It is widely employed in applications requiring precise positioning and smooth operation. Our research targets advanced sectors such as robots, aerospace, CNC machine tools, NEVs and medical devices. We have developed comprehensive products with various configurations, including reverse, standard and differential types, each designed to optimize motion and load handling. Key technical advancements include precise thread grinding for smooth and efficient operation, dynamic component matching for optimal integration, meticulous assembly and intelligent quality inspection. We have completed trial manufacturing of several prototypes, confirming efficient transmission of performance. The devices achieve micrometer-level positioning accuracy, offer an increase in load capacity over conventional designs and extend product lifespan. Our planetary roller screw mechanism operates with minimal noise and rapid response, making it ideal for applications demanding high load capacity, precision and durability.

OUR MANUFACTURING

We primarily operate on a made-to-order basis, with a limited number of stocks of standardized products prepared based on demand forecasts. The overall manufacturing cycle is typically approximately 15 to 30 days, depending on the complexity of product configuration. We continuously review and optimize our manufacturing processes in light of manufacturing progress and delivery requirements to support product quality and timely delivery.

Our manufacturing management approach centers on timely planning, close collaboration across sales, procurement and manufacturing teams, as well as comprehensive multi-tiered quality control processes. Our sales team consolidates market information and customer requirements and follows up with customers to finalize sales orders. Once a sales order is confirmed, our sales, procurement and manufacturing teams coordinate to plan and approve manufacturing. The manufacturing team then schedules manufacturing, issues material requisitions per the bill of materials and carries out manufacturing and assembly following our standard operating procedures. Where appropriate, and subject to safeguards for the protection of our core technologies, we may outsource certain non-core manufacturing procedures to qualified third parties. See “– Outsourced Manufacturing.”

We continue to advance toward an intelligent manufacturing model by integrating automation, data-driven decision-making and digital monitoring systems across the manufacturing lifecycle, enabling higher consistency, better traceability and more efficient resource utilization. Our digitalized management system spans the entire manufacturing process from tooling design, production scheduling and work-in-progress tracking to finished product delivery, achieving real-time manufacturing data acquisition and intelligent decision-making through the deep integration of MES and ERP systems, effectively improving multi-site coordination efficiency and capacity utilization. At the same time, we proactively utilize advanced technologies such as AI to reduce costs and improve efficiency.

Manufacturing Process

The following diagram sets forth the key steps of our manufacturing process:

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graph LR; A[Raw Materials] --> B[Components]; B --> C[Modules (if applicable)]; C --> D[Testing]; D --> E[Packaging]; E --> F[Delivery];
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Raw Materials → Components → Modules (if applicable) → Testing → Packaging → Delivery

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Raw Materials. We source high-quality raw materials, including specialized metals and plastics from qualified suppliers that meet our stringent specifications for purity, consistency and performance. Incoming materials undergo initial inspection and verification against technical standards before being released for production.

Components. Raw materials are transformed into piece part components through precision manufacturing techniques including stamping, die-casting, CNC machining and surface treatment, among others.

Modules (if applicable). Piece part components are assembled into functional modules. This stage involves automated and semi-automated assembly lines where parts are integrated with adhesives, fasteners or soldering processes. We ensure modular consistency and performance before proceeding to the next stage.

Testing. All components and modules undergo comprehensive quality inspection and testing to verify performance, reliability and safety. This includes visual testing for cracks, distortions or surface imperfections, and functional testing for hardness, thickness, durability, electrical performance and environmental resilience, among others. See “ – Quality Control.”

Packaging. Passed products are carefully packaged in protective materials designed to safeguard against damage during transit.

Delivery. Finished and packaged products are transferred to our logistics partners for distribution to customers or warehouses. See “ – Our Supply Chain – Warehouses and Logistics.”

We continue to refine our manufacturing process and advance the development of techniques that fast-track the manufacturing process, enhance product quality and reduce manufacturing cost.

Manufacturing Bases

As of December 31, 2025, we operated a network of 12 manufacturing bases around the world, which included nine in China and three in overseas markets including Vietnam, Mexico and Hungary. The aggregate gross floor area of our manufacturing facilities amounted to approximately 1.7 million sq. m. as of the Latest Practicable Date.

Our manufacturing bases in China leverage the comprehensive local industrial chain and a pool of high-caliber talent, establishing a hub for precision manufacturing. In the rest of Asia, our operations in Vietnam benefit from both competitive labor costs and supportive government policies, enabling us to achieve cost-effective manufacturing while upholding strict quality standards. In addition, our manufacturing bases in Mexico and Hungary strengthen our regional manufacturing network across the Americas and Europe, respectively. Their proximity to key markets allows for swift customer responses, shorter delivery timelines and enhanced agility to adapt to evolving market demands.

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The following table sets forth certain information regarding our major manufacturing bases by geographical region as of the Latest Practicable Date:

Manufacturing Base	Year Constructed	Primary Products	Total Gross Floor Area
			<i>sq.m.</i>
In China			
Shenzhen Manufacturing Base	2001	Precision components for smart devices and electronic products, hardware for embodied intelligence and emerging technologies	232,412.2
Dongguan Manufacturing Base	2010	Precision components for smart devices and electronic products	601,855.5
Kunshan Manufacturing Base	2006	Precision components for smart devices and electronic products	66,709.0
Changzhou Manufacturing Base	2021	Key mechanical components and connectivity components for new energy	92,053.0
Yibin Manufacturing Base	2021	Key mechanical components and connectivity components for new energy	218,508.9
Zigong Manufacturing Base	2021	Key mechanical components and connectivity components for new energy	128,233.4
Ningde Manufacturing Base	2020	Key mechanical components and connectivity components for new energy	82,755.6
Suzhou Manufacturing Base	2012	Key connectivity components and connectivity components for new energy	79,584.9
Yancheng Manufacturing Base	2025	Precision components for smart devices and electronic products	90,193.0
Overseas			
Vietnam Manufacturing Base	2021	Precision components for smart devices and electronic products, key mechanical components and connectivity components for new energy	147,297.0
Mexico Manufacturing Base	2025	Key mechanical components and connectivity components for new energy	5,455.7
Hungary Manufacturing Base	2026	Precision components for smart devices and electronic products	4,900.0

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The following table sets forth the details of our manufacturing capabilities by product category for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Production volume	Utilization rate ⁽¹⁾⁽²⁾	Production volume	Utilization rate ⁽¹⁾⁽²⁾	Production volume	Utilization rate ⁽¹⁾⁽²⁾
	<i>thousand units, %</i>					
Precision components for smart devices and electronic products	9,923,859	82	10,784,308	81	11,086,815	81
Key mechanical components and connectivity components for new energy	590,106	83	768,393	83	1,067,679	91
Precision components for embodied intelligence	–	–	55	83	860	81

Notes:

- (1) Our production capacity utilization rate for each year is calculated based on (i) the actual operating hours of our manufacturing lines of the respective business lines; and (ii) the designed maximum operating hours of these manufacturing lines. The designed maximum operating hours are calculated with reference to working days, working hours per day and pace of production, after taking into account time required for maintenance and replacement of machinery and equipment.
- (2) The decreases in production capacity utilization rate of precision components for smart devices and electronic products throughout the Track Record Period and precision components for embodied intelligence from 2024 to 2025 were primarily due to the expansion in production capacity outpacing the growth in production volume of the respective business lines.

Manufacturing Equipment

Our manufacturing bases are equipped with advanced machinery and equipment, promoting intelligent manufacturing, such as CNC machining centers, dual five-axis machines, gear hobbing machines, automated turn-milling lathes and 3D printing. We generally purchase the equipment from suppliers. We work with and require our suppliers to provide equipment that meets our requirements and quality standards. We adopt a joint development model for certain equipment, such as laser CNC machining centers, with our suppliers. We believe this model effectively integrates the supplier’s equipment manufacturing capabilities with our research expertise and process know-how, thereby reducing the risk of design-related technical issues and supporting the stable, efficient and reliable operation of the equipment. We conduct testing using our internal facilities or, where appropriate, engage independent third parties to verify the accuracy and process reliability of the procured equipment.

In order to ensure product precision and enhance manufacturing efficiency, we have a dedicated automation equipment unit specializing in the design and development of automated manufacturing equipment. Some of the self-developed equipment is also sold to customers as industrial automation equipment. We regularly inspect and maintain the key equipment and machinery used in our manufacturing processes and replace worn consumable parts and components. Our major manufacturing equipment and machinery has an estimated average useful life of approximately 15 years.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material disruptions to our manufacturing activities.

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Manufacturing Expansion Plan

We plan to expand our production capacity to capture the widening application of precision components, the increasing growth of the sectors of new energy batteries, humanoid robots, AI data center infrastructure and commercial satellite communication, and to meet increasing customer demand for our products. See “Industry Overview – Overview of Precision Manufacturing Industry – Market Drivers of Precision Manufacturing Industry.” As of the Latest Practicable Date, we were in the process of constructing three new manufacturing bases in China and overseas with a planned gross floor area of over 460,000 sq.m. We plan to fund our manufacturing expansion plans primarily with our future operating cashflows, cash resources and banking facilities available to us.

The following table sets forth the details of our major manufacturing expansion plans as of the Latest Practicable Date:

Manufacturing Base	Product Category	Total Gross Floor Area	Expected Annual Production Volume	Estimated Year of Completion	Estimated Investment	Status of the Latest Practicable Date
		<i>square meters</i>				
Dongguan manufacturing base phase V	Precision components for smart devices and electronic products	261,804.3	50 million units	2028	RMB0.6 billion	Under construction
Suzhou Current Electronic manufacturing base phase II	Key mechanical components and connectivity components for new energy	48,754.9	120 million units	2026	RMB0.3 billion	Under construction
Vietnam manufacturing base phase III	Precision components for smart devices and electronic products, key mechanical components and connectivity components for new energy	155,999.2	140 million units	2026	RMB0.3 billion	Under construction

Outsourced Manufacturing

We generally complete core manufacturing processes in-house, including key tooling manufacturing, module assembly, commissioning, functional testing and final inspection, to ensure our products comply with relevant technical specifications and quality standards. Meanwhile, to optimize capacity and enhance efficiency while safeguarding our core technologies, we selectively entrust certain non-core manufacturing procedures to qualified third party contract manufacturers. Outsourcing is mainly driven by manufacturing scheduling needs, temporary capacity constraints or considerations for improving efficiency. When outsourcing is adopted, these third party contract manufacturers carry out manufacturing or assembly according to our requirements and deliver the finished or assembled components to us for commissioning, testing and final inspection. Products that pass inspection are sent to our warehouse as finished goods inventory.

When selecting contract manufacturers, we consider factors such as technical capability, production capacity, product quality, delivery performance, cost competitiveness and cooperation track record. We implement contract manufacturer management measures, including qualification reviews and periodic performance assessments, and provide relevant process documentation and technical guidance to ensure compliance with our specifications and quality standards.

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The salient terms of the agreements between us and our contract manufacturers are set out below:

- ***Duration and termination.*** Generally remain in effect until terminated. Either party has the right to terminate the agreement if the other party is in material breach. Individual purchase orders, once signed/confirmed, are generally non-cancellable except by mutual agreement.
- ***Rights and obligations of parties involved.*** We provide technical specifications, quality standards and designs (and in some cases specific components or materials). Contract manufacturers manufacture and supply products strictly in accordance with our purchase orders and specifications.
- ***Raw material procurement.*** We provide detailed technical specifications, designs and intellectual property necessary for manufacturing, and contract manufacturers are responsible for purchasing raw materials and ancillary materials based on our quality and technical requirements. We, in certain cases, supply specific components, raw materials or auxiliary materials for the contract manufacturers to use in manufacturing the products we procure.
- ***Pricing.*** Determined by mutual agreement for each purchase order. Contract manufacturers are required to offer us competitive market prices.
- ***Payment and delivery.*** Contract manufacturers are responsible for delivering conforming products to our designated locations on the agreed delivery dates, with packaging and labeling meeting our requirements (including use of our labels and logos). We are responsible for payment after acceptance of qualifying products and receipt of valid VAT invoices (or commercial invoices for overseas suppliers). Specific payment terms are set out in each purchase order.
- ***Subcontracting.*** Contract manufacturers are not permitted to subcontract or assign any part of the work without our prior written consent. Even if subcontracting is approved, the contract manufacturer remains fully liable for performance.
- ***Product return/exchange and warranty.*** Products must conform to the quality inspection standards and specifications agreed between the parties as well as national, local, and industry standards, where applicable. Warranty terms are governed by separate supplier quality agreements. Contract manufacturers are responsible for repairing or replacing defective products free of charge. They are also liable for any losses we suffer as a result of quality issues. This liability applies even for defects discovered after the products are incorporated into our finished goods or sold to end users, and for batch quality issues (typically defined as defective products exceeding 1% of the total supplied quantity).

During the Track Record Period, we engaged over 480 contract manufacturers. The outsourced manufacturing fees amounted to RMB1,224.0 million, RMB1,550.2 million and RMB1,779.7 million in 2023, 2024 and 2025, respectively, representing 10.9%, 11.1% and 11.5% of our cost of sales in the same years. To the best of our knowledge, all such contract manufacturers are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our contract manufacturers.

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SALES AND MARKETING

Sales

We have developed a comprehensive sales network and adopt a direct sales model, enabling us to reach a wide range of customers, enhance our brand reputation and strengthen our competitive position in the market.

We place a strong emphasis on collaborative R&D with customers who possess advanced technical expertise and significant global influence. Our R&D team holds regular discussions with these customers to anticipate future product trends and identify necessary adjustments to our equipment. This proactive approach ensures that our solutions remain compatible with evolving customer standards, allowing us to sustain our competitive advantage. See “ – Our Research and Development.” As a result, we foster deep, long-term partnerships with our customers that extend well beyond simple transactional interactions.

Our sales team is organized by a unified sales center, with multiple specialized sales units each serving specific key customers. As of December 31, 2025, our sales team consisted of 494 personnel, with dedicated units of key account services, sales engineering as well as order management and fulfillment. Most of our sales personnel have over 10 years of experience in the precision manufacturing industry and possess strong technical knowledge of our product applications and the ability to independently address basic technical queries.

Our overseas markets are critical to our business development. We have had overseas offices since 2012 to serve our overseas customers. As of December 31, 2025, we had sold our products to the Americas, Europe and Asia, spanning over 20 countries and regions worldwide. We have a sales force in Hong Kong, Korea and the United States, dedicated to providing quality end-to-end service to our global customer base. Our overseas manufacturing enables us to produce and deliver globally and enjoy the growth opportunities of such overseas markets. We also plan to build more overseas manufacturing bases and manufacturing lines. In 2023, 2024 and 2025, our revenue from overseas markets amounted to RMB6,451.6 million, RMB8,309.9 million and RMB7,983.4 million, respectively, accounting for 47.0%, 49.1% and 42.4% of our total revenue for the same years.

Marketing

Our marketing strategy is driven by a clear strategic direction, which identifies high-potential market sectors and assigns targeted potential customers to the sales team for focused new customer development. To maintain a forward-looking edge, we actively monitor emerging sectors and prospective customers, ensuring we anticipate and align with evolving industry trends. Building on this foundation, our strong track record of existing customer relationships and recognized industry expertise prompts many new customers in existing and emerging sectors to approach us proactively for business collaborations.

We enhance brand awareness and professional market positioning through targeted industry engagement and communications. We participate in major industry exhibitions and technical seminars, such as the China International Supply Chain Expo (CISCE), World Power Battery Conference and International Consumer Electronics Expo, to showcase our products and technological capabilities and to engage with potential customers.

Pricing

Our product pricing is based on various factors, primarily including (i) product cost, including materials, labor and manufacturing costs; (ii) technology value add, affected by the product specifications, complexity of product design and the processing techniques involved; (iii) market factors, such as the competitive landscape and market conditions; and (iv) the purchase volume of our customers. According to Frost & Sullivan, the pricing for our products is in line with the market norm.

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After-Sales and Warranty

We consider the availability of high-quality after-sales services to be an important factor for customers in selecting precision component suppliers, given the critical importance of product stability and timely delivery. Our warranty cost was immaterial during the Track Record Period.

Our after-sales services generally include warranty services such as free product return and exchange and customer satisfaction surveys. We charge additional fees for product repairs arising from customer-caused returns or exchanges. Warranty terms vary depending on product type and customer arrangements and generally range from one to 10 years.

We have established internal procedures for handling customer complaints and quality issues, with escalation mechanisms for major issues involving product safety or potential batch-level impact. We maintain documented policies and procedures for return, repair and exchange management. In practice, our products are generally handled through return-to-factory repair and re-delivery rather than product returns or canceling orders.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product return, recall, complaints, litigation or dispute relating to product quality or safety that had a material adverse effect on our business, financial condition or results of operations.

OUR SUPPLY CHAIN

Raw Materials and Procurement

The main raw materials we procure include copper, aluminum and plastic. We mainly source raw materials from China and, to a lesser extent, from overseas jurisdictions including Vietnam and Mexico. Procurement planning is formulated based on sales forecasts, inventory levels, supply lead time and manufacturing schedules, and execution is carried out in accordance with approved procurement requests. We carefully select the most suitable raw-material suppliers from our supplier list according to the procurement plans.

Our raw material prices fluctuate due to a variety of factors, such as supply and demand dynamics and our ability to negotiate prices with suppliers. To mitigate the impact of raw material price volatility and supply fluctuations, we have implemented various measures, including: (i) building long-term relationships with our suppliers; (ii) conducting R&D on new materials and expanding our qualified supplier base to reduce single-supply reliance; and (iii) maintaining close communication with customers for cost-sharing arrangements with customers in the event of significant industry-wide cost increases. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material supply shortages, delivery delays or price volatility that materially affected our operations.

Supplier Management

We have established rigorous processes for supplier selection, evaluation and management to ensure suppliers meet our quality and performance standards. Before admitting a new supplier to our supplier list, we evaluate the supplier's financial condition, business performance, industry reputation, ESG commitment and certifications. We also regularly evaluate the performance of our suppliers, focusing on criteria that include raw material quality, delivery, cost and, where applicable, the technical specifications of the products supplied by them. For details of our major suppliers, see “– Our Suppliers.”

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We maintain a comprehensive supplier and procurement management system, with the finance director having final authority for procurement approvals. Our ERP system enforces strict controls, ensuring orders cannot be placed with non-qualified suppliers. Internal policies require full compliance with supplier and procurement management procedures, including mandatory on-site audits conducted by special units joined by our procurement team, SQEs (supplier quality engineers) and R&D personnel. We adhere to a zero-tolerance policy for commercial ethics violations and HSF (hazardous substance-free) compliance.

To complement our supplier selection, evaluation and management, we have implemented targeted empowerment initiatives to drive supplier capability advancement and operational excellence. These initiatives are designed to enable our suppliers to transition from passive remediation to proactive optimization, thereby supporting continuous improvement in operational efficiency, compliance and the overall resilience of our supply chain network.

The following is a summary of the salient terms of our agreements with suppliers during the Track Record Period:

- ***Duration and termination.*** The agreement is generally effective for one year or upon full performance by both parties, as applicable. The supplier is entitled to terminate the agreement in the event of any delay by us in payment, collection or acceptance of goods for more than seven days. We are entitled to terminate the agreement and claim damages if the supplier fails to deliver the goods within the time stipulated under the agreement.
- ***Payment and credit terms.*** We make payments to our suppliers based on an agreed credit period upon receipt of invoices or make partial prepayments upon the execution of the agreement, as applicable.
- ***Delivery.*** Our suppliers are responsible for delivering the raw materials or equipment to our warehouses or designated locations.
- ***Product return/exchange.*** Exchange or return of raw materials or equipment that do not meet our quality standards is allowed.
- ***Warranty/liability.*** Equipment is generally covered by a one-year quality warranty period commencing from the date of acceptance. Our suppliers are liable for any non-conforming products and must compensate us for related losses.

Warehouses and Logistics

Our products are usually stored in our warehouses located near our manufacturing bases before they are delivered to customers. As of December 31, 2025, we owned 184 warehouses in China and six warehouses in overseas jurisdictions including Vietnam, Mexico and Hungary. In addition, we collaborated with 31 third party warehouses in China. Such warehouses are strategically located near our customers to enhance service delivery and better meet their needs. We set strict standards for the storage of our products at third party warehouses, and we evaluate the third party warehousing service providers periodically on their performance and compliance with our requirements. We usually enter into agreements with third party warehouses on an annual or biennial basis. Our logistics service providers bear the risks associated with the storage of our products.

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We primarily use third party logistics service providers for the delivery of finished goods from our warehouses to locations specified by customers. We set strict standards for the transportation of our products that these third party logistics service providers are required to follow, and we evaluate the third party logistics service providers periodically on their performance and compliance with our requirements to ensure smooth delivery of products to customers. We usually enter into agreements with our logistics service providers on a biennial basis. Our logistics service providers bear the risks associated with the transportation of our products.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption or loss due to late delivery or mishandling by warehousing and logistics service providers.

Inventory Management

Our inventories primarily comprise (i) raw materials, (ii) work in progress, (iii) finished goods, (iv) goods in transit, (v) materials for consigned processing, (vi) packaging materials and (vii) contract fulfillment costs. We generally maintain a level of three to four weeks of raw materials inventory to prevent raw materials shortage for planned manufacturing activities. We also conduct inventory aging analysis periodically to reduce the risk of inventory obsolescence and employ our warehousing system to track and manage our inventory aging status. In 2023, 2024 and 2025, our inventory turnover days were 121.0 days, 99.1 days and 104.8 days, respectively.

OUR CUSTOMERS

Our customers primarily comprise (i) global manufacturers and brands in the smart devices and electronic products, new energy battery and humanoid robots sectors, as well as (ii) final assembly, testing and packaging vendors that integrate our products as part of the assembly process of the end products. We maintain key account relationships with global manufacturers and brands. Many end customers of our products engage the services of final assembly, testing and packaging vendors. Accordingly, we have engaged in contracts with these final assembly, testing and packaging vendors. Revenue from our five largest customers in each year during the Track Record Period amounted to RMB7,989.0 million, RMB10,531.2 million and RMB12,157.0 million, respectively, accounting for 58.2%, 62.2% and 64.6% of our total revenue for the same years. Revenue from our largest customer in each year during the Track Record Period amounted to RMB2,301.0 million, RMB3,154.6 million and RMB4,470.2 million, respectively, accounting for 16.8%, 18.6% and 23.8% of our total revenue for the same years. The increasing trend in both the revenue from our five largest customers during the Track Record Period primarily reflects the organic growth in our delivery to some of these customers, especially Customer B, driven by their product launch and sales as well as our deepening long-term collaboration with them. While we view our long-standing relationships with our major customers as a source of revenue stability, we recognize that customer concentration creates revenue concentration risks. See “Risk Factors – Risks Relating to our Business and Industry – We rely on a limited number of customers for a substantial portion of our revenue.” See “– Our Strategies – Adhere to the Key Customer Strategy and Focus on Building an Ecosystem of Established Customers Around the Globe,” including accelerating production capacity for precision components and assembly services for humanoid robots, extending our existing know-how to emerging end applications, cultivating new growth frontiers and enhancing our customer support capabilities in overseas markets to expand our emerging customer base.

In 2025, the trade receivable turnover days for our five largest customers ranged from approximately 56.7 days to approximately 111.0 days, with an average of approximately 73.5 days. During the Track Record Period and up to the Latest Practicable Date, we did not experience any payment default of more than 30 days from any of our five largest customers, and we did not write off any trade receivable from any of our five largest customers as bad debts.

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The following table sets out the details of our five largest customers for each year during the Track Record Period:

Customers	Products sold	Revenue attributable to the customer <i>RMB'000</i>	% of our total revenue	Year of commencement of business relationship with us
Year ended December 31, 2023				
Customer A	Precision components for smart devices and electronic products.	2,301,023	16.8	2012
Customer B	Key mechanical components and connectivity components for new energy.	1,865,387	13.6	2018
Customer C	Precision components for smart devices and electronic products.	1,647,255	12.0	2009
Customer D	Precision components for smart devices and electronic products and key mechanical components and connectivity components for new energy.	1,156,507	8.4	2019
Customer E	Precision components for smart devices and electronic products.	1,018,874	7.4	2009
Total		7,989,046	58.2	
Year ended December 31, 2024				
Customer B	Key mechanical components and connectivity components for new energy.	3,154,586	18.6	2018
Customer C	Precision components for smart devices and electronic products.	2,596,138	15.3	2009
Customer A	Precision components for smart devices and electronic products.	1,967,579	11.6	2012
Customer D	Precision components for smart devices and electronic products and key mechanical components and connectivity components for new energy.	1,497,234	8.8	2019
Customer E	Precision components for smart devices and electronic products.	1,315,666	7.9	2009
Total		10,531,203	62.2	

BUSINESS

Year ended December 31, 2025

Customer B	Key mechanical components and connectivity components for new energy.	4,470,199	23.8	2018
Customer A	Precision components for smart devices and electronic products.	2,777,997	14.8	2012
Customer C	Precision components for smart devices and electronic products.	2,419,511	12.9	2009
Customer E	Precision components for smart devices and electronic products.	1,787,634	9.5	2009
Customer D	Precision components for smart devices and electronic products and key mechanical components and connectivity components for new energy.	701,652	3.6	2019
Total		<u>12,156,993</u>	<u>64.6</u>	

Notes:

- (1) Customer A: A public company listed on the Taiwan Stock Exchange and a global technology manufacturing and service provider headquartered in Taiwan, China.
- (2) Customer B: A public company listed on the Shenzhen Stock Exchange and Hong Kong Stock Exchange, primarily engaged in the R&D, manufacturing and sale of battery products, headquartered in Fujian, China.
- (3) Customer C: A public company listed on the Korea Stock Exchange and a global electronics and information technology company headquartered in South Korea.
- (4) Customer D: A public company listed on the Taiwan Stock Exchange, primarily engaged in design, manufacturing and sale of electronic products, headquartered in Taiwan, China.
- (5) Customer E: A limited liability company headquartered in Guangdong, China, primarily engaged in the R&D, manufacturing and sale of mobile smart devices and related electronic products.

As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

We generally enter into framework agreements with our key customers that cover the design, manufacturing and sales of products. The majority of our products are customarily developed solely for the relevant customers. The following is a summary of the salient terms of our agreements with customers during the Track Record Period:

- ***Duration and termination.*** Typically long-term and remain in effect until terminated. We are required to provide at least six months’ prior written notice if we intend to cease supplying any product. Customers may terminate the agreement immediately upon the seller’s material breach.
- ***Product and volume specifications.*** Governed by separate work statements or purchase orders. No minimum purchase quantity or value is required.
- ***Pricing.*** Generally specified in purchase orders.

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- **Payment terms.** Typically between 30 to 270 days after delivery and acceptance into the customer’s warehouse, calculated monthly. We are typically paid by our customers by bank transfer or bills.
- **Delivery.** We are generally responsible for delivering products to locations specified by our customers.
- **Transfer of risks.** Generally transfer to the customer upon delivery to the location specified by the customer.
- **Product return/exchange and warranty.** Customers typically inspect products upon delivery and may reject any non-conforming or defective goods. We remain liable for quality defects discovered at any time during the warranty period (typically one year or longer). We must provide repair services or replacement. Returns or exchanges are not limited to initial inspection.
- **Confidentiality.** These framework agreements usually have strict confidentiality provisions that restrict us from disclosing confidential information of our customers.

During the Track Record Period and up to the Latest Practicable Date, there was no material breach or early termination of, or deviation from our contractual arrangements with our customers.

OUR SUPPLIERS

Our suppliers primarily consist of suppliers of raw materials such as copper, aluminum and plastic, equipment providers, contract manufacturers and suppliers of auxiliary materials and packaging materials. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB1,093.5 million, RMB1,914.4 million and RMB2,199.0 million, respectively, accounting for 10.4%, 14.3% and 12.9% of our total purchases for the same years. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB353.8 million, RMB517.3 million and RMB706.4 million, respectively, accounting for 3.4%, 3.9% and 4.1% of our total purchases for the same years.

As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

Overlapping of Customers and Suppliers

During the Track Record Period, certain of our five largest suppliers were also our customers. Our purchase amounts attributable to these customer-suppliers accounted for 5.0%, 8.1% and 8.9% of our total purchase amount in 2023, 2024 and 2025. Our sales amount attributable to these customer-suppliers accounted for 0.5%, 0.5% and 0.5% of our total revenue in 2023, 2024 and 2025.

BUSINESS

One of our five largest suppliers in 2023, 2024 and 2025, was also our customer in 2023, 2024 and 2025. This arrangement arose because we supplied certain auxiliary materials to this supplier, which were utilized in the products they manufactured for us. As we procure a large volume of raw materials as a group and are able to negotiate for favorable pricing and quality assurance, we also procure auxiliary materials from other suppliers and sell such materials to this customer-supplier to manufacture products. This approach enabled us to maintain comprehensive oversight of the procurement process and exercise greater control over the cost and quality of the raw materials we sourced. Our sales to and purchases from this supplier were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis. According to Frost & Sullivan, it is in line with industry practice for a company to have both purchases from and sales to the same customer-supplier.

One of our five largest suppliers in 2024 and 2025 was also our customer in 2023, 2024 and 2025. This is because this supplier's business includes the procurement and supply of various metal commodities and has diverse trading needs. We mainly purchased aluminum ingots from this supplier. Separately, we also sold aluminum scrap from our manufacturing activities to this supplier. Our sales to and purchases from this supplier were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis. Our sales to this customer-supplier were not related to or conditional upon our purchases from it.

One of our five largest suppliers in 2023, 2024 and 2025 was also our customer in 2023. This is because this supplier's business includes the procurement and supply of copper and has diverse trading needs for copper. We mainly purchased copper from this supplier. Separately, we also sold processed copper scraps from our manufacturing activities to this supplier. Our sales to and purchases from this customer-supplier were conducted in the ordinary course of business and on commercial terms negotiated on an arm's-length basis. Our sales to this customer-supplier were not related to or conditional upon our purchases from it.

According to Frost & Sullivan, it is in line with industry practice for a company engaged in the commodity trading business to conduct commodity sales and also purchase scrap materials from the same entity.

Negotiations of the terms of our sales to and purchases from these overlapping customer-suppliers were conducted on an individual basis, and the sales and purchases were not inter-conditional with each other. During the Track Record Period, there was no bundled or back-to-back trading arrangement where a batch of products was divided into smaller batches and re-sold to the same overlapping customer-suppliers. For each of the overlapping customer-suppliers, the key terms of our purchases of products from such suppliers and sales of products to such customers are generally similar to those of our other suppliers/customers. Our Directors are of the view that these arrangements were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis. The terms with these customer-suppliers were generally comparable to those with other customers and suppliers.

QUALITY CONTROL

We have a comprehensive quality management system to ensure consistent product quality and reliability across the full product life cycle, including R&D, supply chain, manufacturing process and customer service. We have received various qualifications and certifications including IATF 16969:2016, GB/T 19001-2016/ISO 9001:2015, GB/T 24001-2016/ISO 14001:2015 and GB/T 45001-2020/ISO 45001:2018.

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We implement a quality assurance system guided by our quality manual and managed through quantifiable data. Using our manufacturing execution system and real-time data collection from the industrial IoT, we achieve lean, end-to-end manufacturing management and identify any defects on the production line. The quality control team has authority to halt production activities of any production line where product defects exceed prescribed thresholds without further supervisory approval. Our quality control team is also responsible for leading reliability verification of new products. We follow a multi-layer inspection system and require immediate line stops and root-cause investigation if any anomalies are detected. Every process, from material demand planning to full-lifecycle traceability, is handled through the ERP system and APQP (advanced product quality planning) control plans, ensuring we respond to customer feedback within three days using a closed-loop process. We also continually upgrade our technologies in order to optimize our quality control capabilities. For example, our self-developed AI vision inspection system combines multispectral imaging with deep-learning algorithms, effectively locating, measuring, detecting and recognizing common product defects or key metrics. It integrates output quality inspection and customer source inspection, meeting customers’ requirement for ppb-level quality control in end applications.

We have a quality control team dedicated to implementing quality control measures throughout the entire manufacturing cycle, including raw material inspection, in-process quality control and final product inspection. As of December 31, 2025, we had a quality control workforce of more than 700 personnel.

During the Track Record Period and up to the Latest Practicable Date: (i) we had not been subject to any material administrative or other penalties imposed by competent authorities in relation to product quality; (ii) we had not conducted any material product recalls of defective solutions; and (iii) we had not experienced any material disputes with customers concerning product quality.

INTELLECTUAL PROPERTY

As of December 31, 2025, we held 2,014 registered patents globally, including 757 invention patents, 1,187 utility model patents and 39 design patents in the PRC, and 31 patents in overseas jurisdictions. We also held 36 software copyrights and 118 registered trademarks in the PRC and 24 registered trademarks in overseas jurisdictions as of December 31, 2025. For details, see “Appendix VI Statutory and General Information – 2. Further Information about Our Business – B. Our Material Intellectual Property Rights.” See “Risk Factors – Risks Relating to Our Business and Industry – We may be involved in intellectual property disputes and claims, may not be able to protect our trademarks and other intellectual property rights, which our business depends on, and our ability to compete effectively may be harmed if our trademarks and other intellectual property rights are infringed by third parties.”

We rely on our proprietary technologies, engineering capabilities and manufacturing know-how to maintain our competitive position. We create and accumulate intellectual property through continuous R&D activities. Our general policy is to pursue intellectual property protection for patentable developments with commercial significance on an ongoing basis, primarily in China and, where appropriate, in overseas jurisdictions. We also adopt a layered-protection approach, combining patents, trademarks, software copyrights and trade secret protection, to safeguard our innovations, product designs and manufacturing processes.

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any material intellectual property infringement, invalidation or freedom-to-operate proceedings, and we are not aware of any threatened proceedings in relation to our intellectual property rights.

BUSINESS

COMPETITION

The precision manufacturing industry is highly competitive. The value chain of the precision manufacturing industry includes upstream, such as basic materials and processing equipment, midstream, such as precision components, functional modules and integrated assembly, as well as downstream applications. Market drivers include, among other things, (i) technical upgrade and industrial intelligence; (ii) explosive growth in emerging sectors including embodied intelligence and AI data center infrastructure; (iii) continuous product iteration in the smart devices and electronic product as well as new energy battery sectors; and (iv) policy support and supply chain reconfiguration.

Companies in this industry compete intensely around various aspects such as equipment accuracy, tooling precision and process stability, talent acquisition and retention, customer certification and supply chain capabilities, R&D investment and technology upgrades as well as global market presence. See “Industry Overview.”

If we fail to effectively compete with, or are outcompeted by, the other leading players, we may experience a material and adverse impact on our results of operations, financial condition and business prospects. See “Risk Factors – Risks Relating to Our Business and Industry – The industries in which we operate are highly competitive. If we fail to compete effectively and successfully, our business, results of operations and financial condition may be materially and adversely affected.”

TRANSFER PRICING

We operate through subsidiaries in various countries and regions, including Chinese mainland, Hong Kong, Vietnam, Hungary, Mexico and the United States. These subsidiaries are mainly engaged in manufacturing, product sales and providing customer services. We conduct intra-group transactions among our subsidiaries. Transfer pricing arrangements for such intra-group transactions should be on an arm’s-length basis according to the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (the “**OECD Transfer Pricing Guidelines**”) promulgated by the Organisation for Economic Cooperation and Development (the “**OECD**”), an international organization of international cooperation. In this regard, we have engaged a professional tax consultancy firm in the PRC (the “**Transfer Pricing Adviser**”) to review, analyze and evaluate potential risks in accordance with the OECD Transfer Pricing Guidelines and relevant laws and regulations. After assessing our cross-border transfer pricing arrangements during the Track Record Period, and based on discussions with our Transfer Pricing Adviser, these transfer pricing arrangements were, in all material respects, broadly consistent with the arm’s-length principle under both the OECD Transfer Pricing Guidelines and the relevant transfer pricing laws and regulations. Accordingly, the risk that our Group will be required to make formal transfer pricing adjustment or pay additional taxes in significant amounts is considered to be relatively low.

During the Track Record Period and up to the Latest Practicable Date, we had not been made aware of any inquiries, audits, investigations or challenges by the relevant tax authorities in the jurisdictions in which we operate with respect to our intra-group transactions.

DATA SECURITY AND PRIVACY

During our ordinary course of business, we may collect and process certain types of operational data necessary for our business activities, such as information on customers and suppliers, order data and manufacturing data.

BUSINESS

To reinforce our data security and protection measures, we have established a robust information security governance regime unified on the Group level and covering the varying technologies adopted by our different business lines. This governance regime is overseen by the information security committee, which reports directly to the general manager. We adopt a standardized multi-step risk management process covering asset identification, vulnerability assessment and regular risk evaluations to ensure effective life cycle management of information security risks. On the technical front, we have implemented next-generation firewalls at network boundaries, behavior management systems to control external connections and domain-based policies to strictly regulate the use of removable media, software installation rights and password complexity requirements. In addition, we mandate encryption for sensitive terminals and maintain a centralized anti-virus system with regular scanning to strengthen the protection of our core data infrastructure. Furthermore, we have institutionalized a closed-loop incident-handling protocol that integrates impact-based escalation, forensic evidence preservation by designated teams and the mandatory adoption of multi-factor authentication. This ensures that all system vulnerabilities remain traceable and promptly rectifiable. We have obtained the ISO/IEC 27001 information security management system certification.

During the Track Record Period, we are not classified as a network platform operator processing personal information of over one million users or an operator of critical information infrastructure under the Cybersecurity Review Measures. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with applicable data security laws and regulations in all relevant jurisdictions. However, with the increasing global focus on data privacy and cybersecurity and potential new laws and regulations introduced by the PRC legislature, our data management practices may face heightened scrutiny. See “Risk Factors – Risks Relating to Our Business and Industry – Data protection and information security regulations continue to evolve, and any changes to such requirements, as well as failures of our IT systems or digital platforms, network disruptions or cybersecurity incidents, could adversely affect our business and results of operations.”

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We closely follow global development trends and deeply understand the impacts of environmental and climate change. We proactively fulfill our environmental, social and governance (“**ESG**”) responsibilities and contribute to the sustainable development of the economy, society and the environment through corporate practices.

ESG Governance

We established a comprehensive three-tier ESG governance structure comprising the Board of Directors (the “**Board**”), ESG Management Committee, and ESG Working Group to ensure effective ESG management and compliance.

The Board serves as the highest decision-making body for the Group’s ESG matters, including climate-related risks and opportunities. The main responsibilities of the Board include approving ESG and climate-related strategies, targets and major decisions, reviewing ESG-related reports and disclosure documents, and supervising the overall progress of ESG work.

The ESG Management Committee is a Board committee, responsible for ESG supervision and consultation. The main responsibilities of the ESG Management Committee include conducting research on our ESG targets and relevant decisions to put forward suggestions, reviewing and supervising the setting and implementation of ESG-related work targets, identifying and assessing ESG-related risks and opportunities and providing corresponding recommendations, reviewing publicly disclosed ESG reports and offering advice, as well as undertaking other ESG-related matters authorized by the Board.

BUSINESS

As the daily administrative body of the ESG Management Committee, the ESG Working Group coordinates various executive departments to carry out relevant work. The main responsibilities of the ESG Working Group include assisting the ESG Management Committee with specific work execution, coordinating and overseeing the progress of ESG initiatives across all business departments, collecting and organizing ESG data and cases, and drafting ESG reports.

We have established a closed-loop management model of “Identification – Assessment – Response – Monitoring – Improvement”, regularly promoting related work and incorporating ESG and climate-related risks into our daily risk control scope.

Materiality Assessment

We maintain regular communication with stakeholders and adopt dual materiality assessment to clarify the potential impact of each issue. The assessment process includes background review, topic determination, significance assessment and ranking determination. It conducts in-depth analysis from the perspectives of impact significance and financial significance, and determines the priority of the issues in combination with the opinions of the ESG Management Committee.

We have identified 26 materiality topics, covering environmental, social and governance areas. Based on the identification results of materiality topics, topics such as *Product and Service Safety and Quality*, *Supply Chain Security*, *Occupational Health and Safe Production*, *Climate Change Response*, *Innovation-driven Development*, and *Environmental Compliance Management* have both impact significance and financial significance. We will continue to carry out relevant work to ensure that materiality topics are followed up and to promote the fulfillment of responsibilities for sustainable development of enterprises.

Environmental

Our operations adhere to a range of environmental protection laws and regulations concerning air, water and waste pollution, issued by the governments of the PRC. See “Regulatory Overview.” We have established a complete management system, taking environmental responsibility as the behavioral code and decision-making basis for employees, and promoting the green operation of the value chain. In addition, we have established and operated a management process for environmental risks and opportunities in accordance with the ISO14001 environmental management system standard. During the Track Record Period and up to the Latest Practicable Date, we complied with all applicable environmental laws and regulations and had not received any fines or penalties associated with a breach of any environmental laws or regulations.

BUSINESS

Greenhouse Gas (GHG) Emissions

Our GHG emissions primarily originate from Scope 1 direct GHG emissions (“**Scope 1 emissions**”) generated from production activities and company-owned vehicles, Scope 2 indirect GHG emissions (“**Scope 2 emissions**”) associated with the consumption of purchased electricity used in production and operation facilities, and Scope 3 other indirect GHG emissions (“**Scope 3 emissions**”) generated by the value chain. Our company and our subsidiaries Guandong Everwin Precision Technology Co., Ltd., Changzhou Everwin Precision Technology Co., Ltd. and Yibin Everwin Precision Technology Co., Ltd. have conducted carbon audits for 2025. GHG emissions data during the Track Record Period are as follows:

GHG Emissions	Unit	For the year ended December 31		
		2023	2024	2025
Scope 1 emissions	tonnes-CO ₂ e	20,164.91	19,644.88	22,866.49
Scope 2 emissions	tonnes-CO ₂ e	141,723.69	261,654.60	279,991.49
GHG emissions (Scope 1&2)	tonnes-CO ₂ e	161,888.60	281,299.48	302,857.98
GHG emissions intensity ⁽¹⁾ (Scope 1&2)	tonnes-CO ₂ e/ million RMB	11.80	16.61	16.09
Scope 3 emissions ⁽²⁾	tonnes-CO ₂ e	3,094.49	4,790.19	5,911.89

Notes:

(1) The intensity is calculated based on per RMB million in revenue.

(2) Scope 3 emissions cover Category 5 waste disposal.

Energy Consumption

We proactively engage in energy conservation initiatives as part of our commitment to contributing to societal environmental preservation efforts. We have passed the ISO 50001 Energy Management System Certification and launched energy-saving projects such as heating, ventilation, air conditioning systems, air compression systems, and clean energy composite hot water systems, continuously improving the energy structure. Electricity consumption data during the Track Record Period is as follows:

Energy Consumption	Unit	For the year ended December 31		
		2023	2024	2025
Direct energy consumption	tce	12,335.74	12,008.33	13,979.18
Indirect energy consumption	tce	29,755.20	57,252.28	64,818.63
Total energy consumption	tce	42,090.94	69,260.60	78,797.81
Total energy consumption intensity ⁽¹⁾	tce/million RMB	3.07	4.09	4.19

Note:

(1) The intensity is calculated based on per RMB million in revenue.

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Hazardous and Non-Hazardous Waste

To standardize the collection, classification, transportation and temporary storage of solid waste, the Group has formulated the waste disposal management procedure to ensure compliance with relevant laws and requirements to reduce environmental risks. Our operations produce both non-hazardous and hazardous waste. Non-hazardous waste mainly consists of general refuse, while hazardous waste mainly comprises waste mineral oil and mineral oil-containing waste. All hazardous waste is responsibly managed and disposed of by qualified third party vendors in accordance with applicable regulations. Hazardous and non-hazardous waste data during the Track Record Period is as follows:

Waste	Unit	For the year ended December 31		
		2023	2024	2025
Total non-hazardous waste	tonnes	16,694.02	21,564.79	27,444.33
Total non-hazardous waste intensity ⁽¹⁾	tonnes/ million RMB	1.22	1.27	1.46
Total hazardous waste	tonnes	12,266.55	16,351.84	18,857.34
Total hazardous waste intensity ⁽¹⁾	tonnes/ million RMB	0.89	0.97	1.00

Note:

(1) The intensity is calculated based on per RMB million in revenue.

Water Consumption

Municipal water supply networks are the main incoming source of water and the Group did not encounter major difficulties seeking suitable water sources during the Track Record Period. We strengthen the daily inspection, maintenance and management of water-using equipment, implement classified treatment of wastewater, and have it further processed by the internal sewage treatment station or a qualified third party institution to ensure compliance with discharge standards. We also continuously carry out water conservation publicity. Water data during the Track Record Period is as follows:

Water Consumption	Unit	For the year ended December 31		
		2023	2024	2025
Total water consumption	tonnes	5,141,065.00	5,358,824.13	6,530,086.00
Total water consumption intensity ⁽¹⁾	tonnes/ million RMB	374.65	316.45	347.00

Note:

(1) The intensity is calculated based on per RMB million in revenue.

BUSINESS

Climate Change Risks and Opportunities

We recognize that climate-related issues pose varying degrees of threats to our operations while simultaneously presenting new opportunities. The climate-related risks that we have identified can be categorized into two primary types: physical risks and transition risks.

Physical risks refer to risks arising from the physical impacts of climate change. Acute risks include extreme weather events such as typhoons, floods and high temperatures, which may disrupt production lines and transportation operations. Chronic risks cover damage to plant and equipment caused by sea level rise, as well as water scarcity resulting from uneven precipitation distribution. The Group has formulated emergency response plans, conducted equipment inspection, rectification and upgrading, reserved emergency supplies, assessed environmental risks, and enhanced overall emergency response capacity.

Transition risks refer to the risks associated with the transition to a low-carbon economy, encompassing policy and regulatory risks driven by evolving industry and climate requirements that may escalate compliance costs; technological and market risks arising from technological iteration, ineffective R&D investment and weakened product competitiveness amid industrial low-carbon transformation; as well as reputational risks caused by inadequate climate and environmental governance. The Group proactively manages transition risks by establishing a policy tracking mechanism, optimizing production workflows, upgrading energy-saving equipment, fulfilling environmental responsibilities, and strengthening the research, development and market promotion of eco-friendly products.

In addition, we assess climate-related opportunities, study and apply for green subsidies, tax incentives and supportive policy-driven benefits towards the research and development of emission reduction technologies. We proactively connect with the green financial products of financial institutions, enhance credit by disclosing high-quality carbon management reports, and raise special funds for low-carbon projects.

Environmental Targets

To fulfill our environmental management responsibilities and fully respond to the Paris Agreement and China’s carbon peaking and carbon neutrality goals, the target we have set is to reduce the intensity of Scope 1 and 2 GHG emissions by 5% based on 2025. We will regularly monitor key indicators related to climate and the environment.

Social

Workplace Safety and Benefits

We are committed to abiding by all applicable regulatory requirements, preventing and reducing hazards and risks that may harm the health of our employees, and ensuring the health and safety of our employees and surrounding communities, while strictly complying with the related laws and regulations in the PRC. See “Regulatory Overview.” We have established an occupational health and safety management system to ensure comprehensive protection of employee safety and work environment safety in aspects such as goal setting, resource allocation, supervision and improvement. We have obtained the ISO 45001 Occupational Health and Safety Management System certification.

We regularly conduct special safety inspections, strengthen work safety emergency management, organize occupational health and work safety training, and hold work safety emergency drills to continuously enhance employees’ awareness of safety and health management. We have not recorded any incident of fatality which was related to production and work safety during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

Supplier Management

We have implemented the elimination process for suppliers who fail the assessment and show no improvement after rectification. We also attach great importance to the actions of our suppliers in areas such as business ethics, intellectual property rights, trade security, environmental responsibility, conflict minerals management, hazardous substance control and compliant employment. We require all partners to sign compliance agreements.

Governance

Anti-corruption and Anti-bribery

We have established policies such as the “Regulations on Business Ethics Management,” explicitly prohibiting illegal acts such as accepting bribes, offering bribes, embezzlement, conflicts of interest and improper transactions, covering all kinds of integrity risk scenarios between employees and customers, suppliers and internal staff. We also provide secure and confidential reporting channels, encouraging employees and partners to report or complain about any behavior suspected of corruption or bribery. We ensure that reports will be thoroughly investigated and the rights of whistleblowers will be protected.

We require all suppliers to sign a commitment letter for clean cooperation and a commitment letter for supplier code of conduct and clearly define the behavioral red lines in the employee handbook. For employees who violate the integrity regulations, we will impose penalties such as warnings, demerits and termination of labor contracts. In serious cases, legal responsibilities will be pursued and those who maliciously report or falsely accuse will be held accountable. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any incidents of fraud, bribery or misconduct involving employees or other third parties.

EMPLOYEES

As of December 31, 2025, we had 34,315 full-time employees, with 32,655 in China and 1,660 in overseas jurisdictions, including Vietnam, South Korea, Hungary, Mexico, Malaysia and the United States. The following table sets forth the number of our employees by function as of December 31, 2025:

Function	Number of Employees	Percent
		%
Manufacturing	20,875	60.8
R&D and engineering	10,973	32.0
General and administration	1,794	5.2
Sales and finance	673	2.0
Total	34,315	100.0

We combine internal cultivation with external recruitment to attract and retain high-quality talent. We utilize market-based recruitment channels, internal employee referrals and actively strengthen cooperation with vocational colleges and universities through order-based talent cultivation programs, focusing on key skill areas such as tooling manufacturing, CNC machining and robots to continuously expand and optimize our talent pipeline.

BUSINESS

We place great emphasis on employee training and development. We provide comprehensive induction training for new hires, covering corporate culture and policies, organizational structure, business processes, workplace safety and job-specific operational standards to help them quickly adapt to their roles. We also offer ongoing training programs, including management development, professional skills enhancement and technical training, as well as structured talent development initiatives tailored for different management levels. These programs aim to improve employees’ leadership, execution, project management and cost control capabilities.

We have established clear and motivating career development pathways that support both professional and management tracks. We further enhance employee engagement and retention through a comprehensive benefits system covering competitive compensation, statutory social insurance, various allowances, annual leave, regular health checkups, holiday benefits, cultural and recreational activities, as well as targeted support for employees facing difficulties.

We have established a labor union for our employees. During the Track Record Period and up to the Latest Practicable Date, we maintained stable employee relations and did not experience any material labor disputes.

PROPERTIES

Our corporate headquarters office is located in Shenzhen, China. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

As of the Latest Practicable Date, we owned land use rights of 12 parcels of land in China with an aggregate site area of 911,242.4 sq.m. In addition, we owned 75 properties in the PRC with an aggregate gross floor area of 1,027,478.7 sq.m. and three properties in Vietnam with an aggregate gross floor area of 303,296.2 sq.m. for office premises, manufacturing, R&D and employee dormitories. As of the Latest Practicable Date, we are legally entitled to occupy, use, transfer, mortgage or otherwise dispose of such properties in accordance with applicable PRC laws, and the ownership of our properties had not been challenged by any third party and we had not been fined by any regulatory authorities for failure to obtain property ownership certificates.

As of the Latest Practicable Date, we leased 92 properties in the PRC with an aggregate gross floor area of 931,905.4 sq.m. and eight properties in overseas jurisdictions, including Hong Kong, Vietnam, South Korea, Hungary, Mexico and the United States, with an aggregate gross floor area of 23,930 sq.m. in relation to our business operations.

As of the Latest Practicable Date, we had not received real estate ownership certificates or proof of authorizations from the lessors for 39 properties we leased in China, accounting for 16.6% of the total gross floor area of our properties in China. We lease these properties for office premises, manufacturing, R&D and employee dormitories. In addition, we had not completed lease registration for 90 properties we leased in China. See “Risk Factor – Risks Relating to Our Business and Industry – Any non-renewal of leases, substantial increases in rent or any third party challenges to our leasehold interest may affect our business and financial performance.” We believe that there is sufficient supply of properties in Chinese mainland and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs. As advised by our PRC Legal Advisor, these defects would not have a material adverse effect on our use of the properties for our business. As of the Latest Practicable Date, we were not subject to any material claims arising from or in respect of any defect in our leasehold interest in any of our leased properties.

BUSINESS

INSURANCE

We believe that our insurance coverage is adequate for major risks in relation to our business and in line with general market practice. Our principal insurance policies primarily include property insurance, business interruption insurance and group accident insurance, which we believe have covered major risks in our daily operations in the jurisdictions in which we operate. In line with general market practice, we do not maintain certain insurance policies that are not available in the jurisdictions in which we operate or that are not generally required by law. See “Risk Factors – Risks Relating to Our Business and Industry – We may not have adequate insurance to cover all losses and claims associated with our operations.” During the Track Record Period, we did not make any material insurance claims in relation to our business.

RISK MANAGEMENT AND INTERNAL CONTROL

Our internal control system is established based on the internal control policy framework and covers our entire business chain. It comprises approximately 200 implemented policies and procedures spanning integrated governance, business operations and functional support, forming a structured and comprehensive internal control environment.

Our risk management framework combines source-level oversight by business units with coordinated support from inspection and control functions. All employees are responsible for reporting risks identified at their respective levels, and business units serve as the primary reporting parties for incidents. The inspection department oversees risk execution and fraud prevention and receives reports through multiple channels, including telephone, email and an anonymous OA portal. The compliance and internal control department leads risk identification and assessment and formulates the internal control framework, while the internal audit department independently evaluates the effectiveness of risk controls and corrective actions.

We have also established a comprehensive set of anti-corruption policies and procedures, including quality control, supply chain management and manufacturing management. Disciplinary and anti-fraud matters are led by the inspection department, which is responsible for reviewing leads, conducting investigations internally or through external agencies, and reporting findings to the compliance and internal control team or the Chairman. A whistle-blower mechanism is in place to encourage the reporting of suspected misconduct, supported by a structured incentive system.

LICENSES, APPROVALS AND PERMITS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisors, we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. 11 entities within our Group hold the Customs Registration for Import and Export Consignors and Consignees (海關進出口貨物收發貨人備案) issued by the local Customs District, and such registration status remains valid for the long term.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

Occasionally, we may be subject to legal proceedings, investigations and claims arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

BUSINESS

Compliance

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

AWARDS AND RECOGNITIONS

We have received a number of awards and recognitions for our technologies and products. The following table sets out the major awards and recognitions we received as of the Latest Practicable Date:

Year	Name of Award or Recognition	Awarding Authority
2025-2027	Shenzhen Top Brand – EWPT (深圳知名品牌 – 長盈精密)	Shenzhen Top Brand Evaluation Committee (深圳知名品牌評價委員會)
2025	Vice Chairperson, Artificial Intelligence and Intelligent Manufacturing Committee (人工智能與智能製造專業委員會副主任委員)	Shenzhen Listed Companies Association (深圳上市公司協會)
2024	China’s Top 100 Electronic Information Enterprises (中國電子信息百強企業)	China Electronics Information Industry Federation (中國電子信息行業聯合會)
2024	Backbone Enterprises of China’s Electronic Components Industry (中國電子元件行業骨幹企業)	China Electronic Components Industry Association (CECA) (中國電子元件行業協會)
2024	Guangdong Top 100 Electronic Information Manufacturing Enterprises (廣東省電子信息製造業綜合實力百強企業)	Guangdong Electronics and Information Industry Association (廣東省電子信息行業協會)
2024	Guangdong Top 500 Enterprises (廣東企業500強)	Guangdong Provincial Enterprises Confederation (廣東省企業聯合會), Guangdong Provincial Entrepreneurs Association (廣東省企業家協會)
	Guangdong Top 100 Innovative Enterprises (廣東創新企業100強)	
	Guangdong Top 100 Manufacturing Enterprises (廣東製造企業100強)	
2024	Guangdong Top 100 Private Enterprises (廣東民營企業100強)	Shenzhen Municipality Enterprises Confederation (深圳市企業聯合會), Shenzhen Municipality Entrepreneurs Association (深圳市企業家協會)
	Ranked 45th among Shenzhen Top 100 Enterprises for International Development (深圳500強企業國際化發展TOP100榜單第45位)	

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Year	Name of Award or Recognition	Awarding Authority
2008-2026	High and New Technology Enterprise Certificate (高新技術企業證書)	Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會), Finance Bureau of Shenzhen Municipality (深圳市財政局), Shenzhen Tax Bureau, State Administration of Taxation (國家稅務總局深圳市稅務局)
2023	Council Member (理事單位)	Shenzhen Listed Companies Association (深圳上市公司協會)
2023	Shenzhen Intellectual Property Advantage Enterprise (深圳市知識產權優勢單位)	Shenzhen Municipal Administration for Market Regulation (Shenzhen Intellectual Property Office) (深圳市市場監督管理局 (深圳市知識產權局))
2021-2024	Shenzhen Industry Award (深圳工業大獎)	Shenzhen Federation of Industry (深圳工業總會), Shenzhen Business Daily (深圳商報社)
2020	One of the 40 most respected listed companies in celebration of the 40th anniversary of Shenzhen's establishment (深圳成立40週年最受尊敬的40家上市公司之一)	Guangdong Provincial Enterprises Confederation (廣東省企業聯合會), Guangdong Provincial Entrepreneurs Association (廣東省企業家協會)