OVERVIEW

Who We Are

We are a company specializing in intelligent manufacturing with a global mindset and presence. We provide advanced products and solutions to leading technology companies worldwide, ultimately enabling the connection of people, devices and infrastructure. Our strong technical capabilities underpin the development of PCBs, optical transceivers, precision components and touch panels and LCMs that we design, manufacture and sell across the globe. The global PCB market is highly competitive and fragmented, with the top 10 players accounting for 37.4% of the total market share. We are the world's largest PCB supplier for edge AI devices, primarily smartphones, PCs, automotive and industrial and IoT equipment where AI models are run locally at or near the point of data generating rather than relying primarily on cloud-based processing. We had a 26.9% share of the PCB for edge AI devices market in 2025, according to CIC. We are also rapidly expanding our capabilities into the data center end market, strengthening our capabilities to support the deployment of AI across data center and the edge and thereby advancing the transformation towards an intelligent and connected era.

Our dedication to innovation, continuous improvement and operational excellence since the beginning of our journey has enabled us to achieve leadership in our core product areas. According to CIC, we are the largest PCB supplier for edge AI devices with a market share of 26.9%, the second-largest FPC supplier with a market share of 24.5% and a top three PCB supplier globally by revenue with a market share of 4.2% in 2025.

We have a diversified portfolio built around our core customers. Our PCBs, optical transceivers precision components and touch panels and LCMs are widely used in consumer electronics, automobiles, data centers, telecommunications equipment and industrial control devices. We leverage synergies across R&D, engineering, supply chain and operations to deliver comprehensive solutions for our customers, and we offer an extensive multi-product portfolio to leading global technology companies. Moreover, according to CIC, we are the only supplier in the world with capabilities across PCBs, optical chips and optical transceivers, which together represent approximately 9% to 14% of an AI server's bill of material cost, second only to GPUs in most AI servers, enhancing our competitive position into the high-growth data center end market.

Within our diversified product portfolio, our products with long-standing track record, including PCBs, precision components, touch panels and LCMs, serve the consumer electronics, automotive and telecommunications end markets and provide a stable and resilient revenue and cashflow. These businesses form the foundation of our operations and support the sustainability of our overall performance. In parallel, our optical transceivers and AI PCBs targeting the AI and data-center end-markets, represent our primary growth engine, with the demand driven by the accelerating global built-out of AI-related infrastructure.

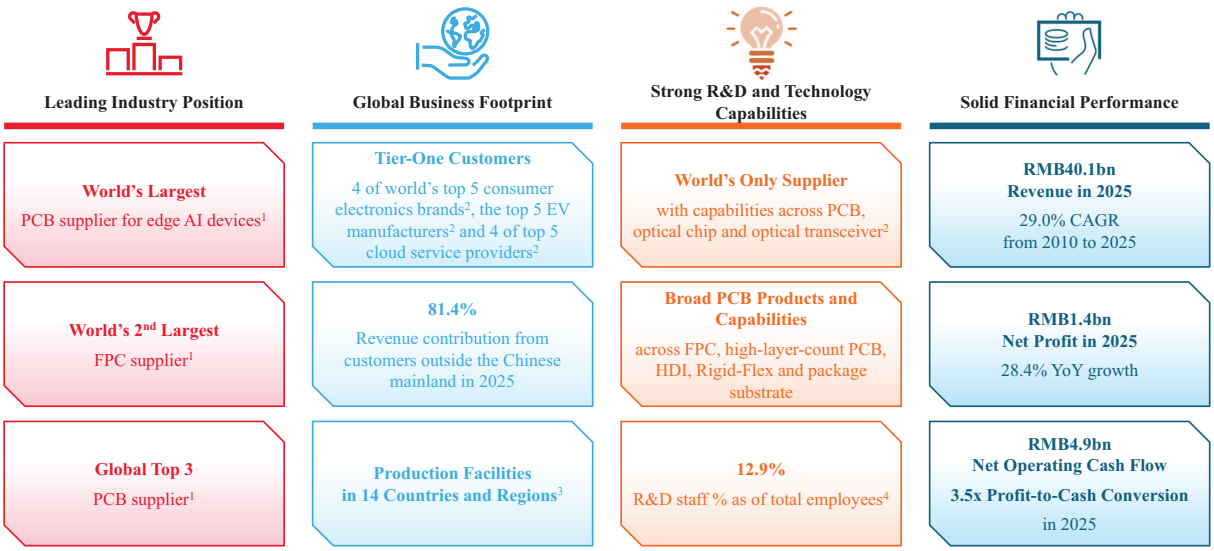
The increasing penetration of AI-enabled devices at the edge, together with the ongoing electrification of vehicles and the upgrade of in-vehicle infotainment systems, is expected to support continued growth in content value and demand across our products with long-standing track record. Meanwhile, according to CIC, major hyperscalers in the United States and China are expected to materially increase their capital expenditure, by approximately 60% to 70%, in 2026, driving the demand for our optical transceiver and AI PCB products.

Our strategies have translated into deep, long-term relationships with leading global brands. We are a long-standing partner to four of the world's top five consumer electronics brands, as well as the top five EV manufacturers and four of the top five cloud service providers. We work closely with customers in the early stages of their product design processes, which enables us to build long-term trusted customer relationships and gains insight into latest industry developments and technological trends. Together with our intelligent manufacturing capabilities and global footprint, this approach is critical to meeting our customers' stringent requirements to ensure product quality, delivery efficiency and supply chain resilience.

We have been focusing on expanding our global manufacturing presence whilst enhancing regionalized operations and service capabilities that address our customers' evolving needs. Our recent acquisition of GMD, a European automotive components supplier, further exemplifies this strategy, where we will apply our manufacturing expertise to localized operations to deliver best-in-class service to an expanded customer base. In 2025, 81.4% of our revenue came from outside the Chinese mainland. As of the Latest Practicable Date, we had production facilities across 14 countries and regions in Asia, North America, Europe and Africa, with overseas employees representing approximately 20% of our total headcount.

At the same time, through investment in R&D and strategic M&A, we have built substantial know-how and capabilities in key technologies, including deep-via micro-drilling and ultra-fine line processing for FPC, high-layer-count PCB and high-build-up HDI used in GPUs, AI accelerator cards and data center switches, metal-mesh touch, automotive LCMs, brazing of die-cast components and design and manufacturing of optical chips and optical transceivers. As of December 31, 2025, our R&D personnel accounted for approximately 12.9% of our total workforce, placing us in a competitive position in the global PCB industry and reflecting our strong focus on innovation. We continuously digitalize and automate our facilities to push the limits of advanced processes in intelligent manufacturing. Our smart production lines and facilities have received several distinctions, including the "Intelligent Manufacturing Demonstration Factory," "Excellence-tier Intelligent Factory," "5G Factory" certification from the MIIT of the PRC, and the "IIoT Benchmark Factory" certification from Jiangsu Province.

The following chart demonstrates the highlights of our business:



Note:

1. According to CIC, by revenue in 2025
2. According to CIC
3. As of the Latest Practicable Date
4. As of December 31, 2025

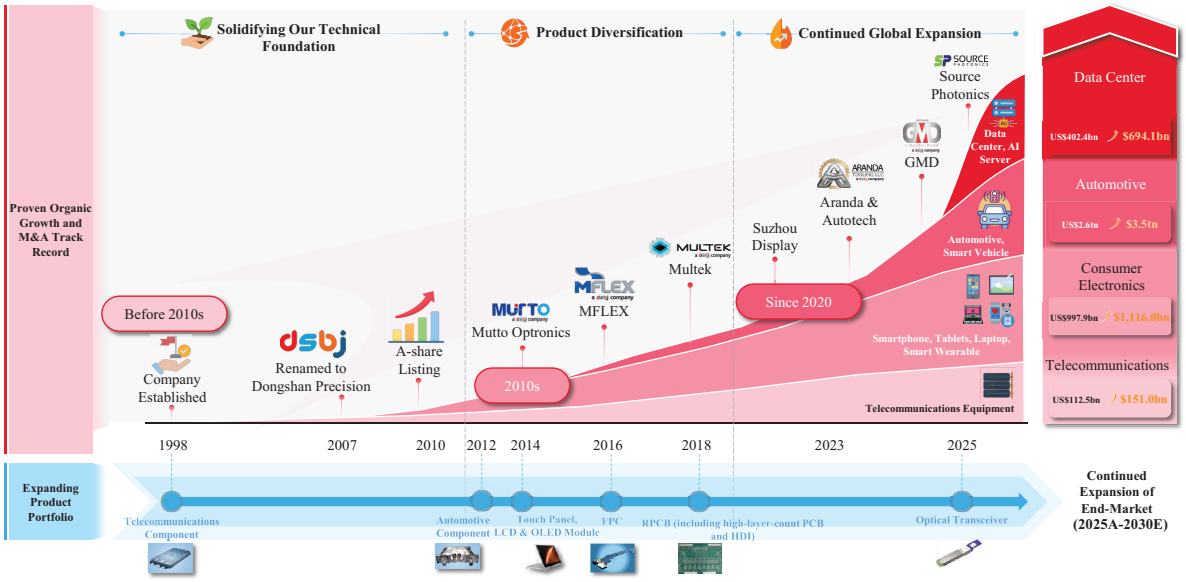
Development Phases

Since our founding in 1998 in Suzhou, China, we have been guided by our core values, "Diversity, Simplicity, Breakthrough, Journey." We strive to stay ahead of industry shifts and market dynamics. Through the combination of organic growth and strategic acquisitions, we have strengthened our core businesses while expanding into emerging products and markets. Along the way, we have fueled innovation into products that provide unique value, enhanced our customer mix, broadened our end-market coverage and strengthened our competitiveness and technical capabilities.

We have been committed to serving a global customer base since our founding around the turn of the millennium. With a global mindset and through strong operation and execution, we have continuously met the rigorous standards of international brands and earned recognition and trust from key players across machine tools and telecommunications equipment for the quality of our products and services since our early days. In 2010, we completed our initial public offering and became listed on the Shenzhen Stock Exchange, which enabled us to accelerate our strategies. Since then, we have expanded the end markets we serve from telecommunications equipment to consumer electronics, automotive and data centers while broadening our product portfolio to include touch panels, LCD and OLED modules, automotive components, and FPCs and RPCBs, including high-layer-count PCBs and HDIs, keeping us in step with the global digitalization and intelligent transformation. More recently, we have further expanded our capabilities and product portfolio into optical transceivers, thereby deepening our footprint in emerging growth areas such as data center and AI server.

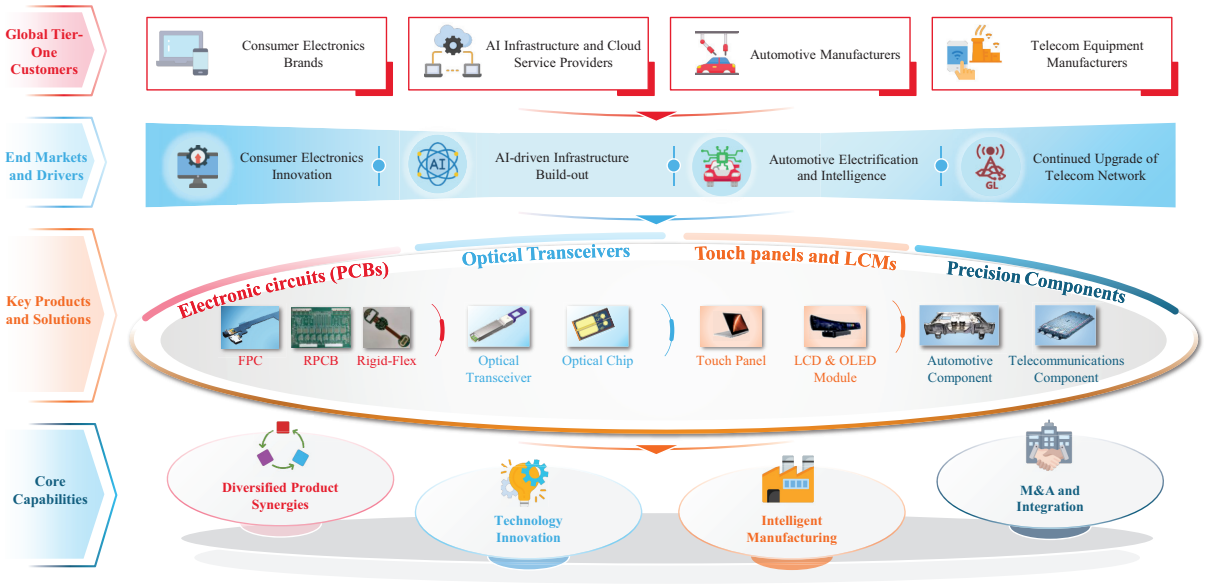
Over the years, we have established a strong track record in strategic acquisition, which, together with our integration capabilities have been instrumental in the expansion of our product portfolio and technological capabilities. As a result, we have expanded our customer base in both established and emerging markets, broadened our addressable markets and delivered sustained value creation for our shareholders.

The chart below highlights our journey and key milestones.



Our Products

Our products include PCBs, optical transceivers, precision components and touch panels and LCMs. We provide distinctive and comprehensive solutions by leveraging technological innovation and advanced manufacturing and creating synergies across product, R&D, technology, supply chain and sales. The following highlights our main products and solutions and their respective applications.



- *PCBs*: Our PCB products include FPC, RPCB and Rigid-Flex for consumer electronics, automotive, data centers and AI servers and telecommunications equipment. According to CIC, we have been the second-largest global FPC supplier and a top-three PCB supplier by revenue for five consecutive years since 2021. We serve leading global consumer electronics manufacturers, automakers and cloud service providers. Through these partnerships, we have built deep technical and process capabilities that reinforce our competitive advantage.

- *Optical Transceivers*: Through Source Photonics, a leading global provider of optical transceivers, we have built in-house optical chip capabilities centered on high-speed EML chips with transmission rates from 2.5G to 200G. We currently focus on commercializing high-end 100G and 200G PAM4 EML chips, while advancing the development of next-generation technologies such as 400G EML chips and high-power CW light sources. In addition, We offer optical transceivers from 10G to 1.6T and are developing next-generation transceivers of 3.2T or higher. According to CIC, Source Photonics is one of the only three companies across the globe with vertically integrated in-house capabilities that extend from the design to the manufacturing and packaging of optical chips and transceivers, and is also among the few companies in the Chinese mainland with mass production capabilities for 100G and 200G optical chips. Its products serve a wide range of data center and telecommunications applications, creating a unique advantage that combines AI PCB with optical transceiver, positioning us as an integrated supplier of critical enabling technologies in the AI ecosystem.

- *Precision Components*: Our precision components primarily include automotive components and telecommunications equipment components. We have leading capabilities in precision components for the automotive and telecommunications industries. Over the past decade, we have extended our R&D and manufacturing capabilities developed in telecommunications components into automotive, broadening downstream applications and establishing long-term partnerships with major automakers worldwide and laying a solid foundation for further growth.

- *Touch Panels and LCMs*: We offer touch panels and LCD and OLED modules used in automobiles, smartphones, tablets, laptops, industrial control devices and smart home applications. Building on years of experience in consumer touch displays, we have expanded into in-vehicle displays in 2023, where our proven technology and commercial execution continue to provide a strong platform for growth.

Our Growth Opportunities

We operate in industries and markets in the midst of rapid innovation cycles and secular growth where AI plays an increasingly central role. Our sustained R&D supports downstream sectors such as consumer electronics, automotive and data center, with each creating significant opportunities for us. According to CIC, the global market for PCBs, optical transceivers, precision components and optoelectronic displays are projected to grow at a CAGR of 7.7%, 6.7%, 5.7% and 34.6%, respectively, to reach US$123.3 billion, US$743.9 billion, US$264.3 billion and US$108.6 billion by 2030.

AI is catalyzing a new investment cycle and driving strong demand from the edge to data center. At the edge, as AI becomes mainstream and models advance, consumers are more frequently upgrading their devices. At the same time, surging AI compute needs are accelerating the build-out of new data centers and servers to deliver higher throughput, reliability and energy efficiency. With a comprehensive presence from the edge to data center, we are positioned to benefit from the following growth drivers.

AI-Driven Upgrades in Consumer Electronics

The growing prevalence of ultra-slim phones, foldable phones and edge AI devices is sharply increasing demand for FPCs and raising the bar for routing density, layer stacking and process precision. According to CIC, the global PCB market for AI-enabled consumer electronics reached approximately US$5.3 billion in 2025 and is projected to grow at a CAGR of 26.7% to reach US$17.3 billion by 2030. Today, FPCs in AI-enabled smartphones carry more than three times the routing density to accommodate additional traces in limited space and to enable high-speed connections between AI chips and multiple sensors. These designs pack more circuits and functions into the same footprint and demand extremely precise lamination and layer alignment. With faster product iteration, our advanced manufacturing technologies and long-standing relationships with tier-one customers enable us to adapt quickly to new designs, strengthening our competitive position and creating additional growth opportunities.

Electrification and Intelligence in the Automotive End Market

As the popularity of EVs and smart vehicles increases, automotive electronics accounts for a growing portion of vehicle cost, driving higher demand for PCBs that connect different critical electrical components. According to CIC, the size of global PCB market for automotive was approximately US$9.7 billion in 2025 and is projected to grow at a CAGR of 6.2% to reach US$13.0 billion by 2030. In particular, automotive is the fastest-growing FPC application. This trend underpins sustained growth in automotive FPCs. According to CIC, the global automotive FPC market reached approximately US$1.5 billion in 2025, which accounts for 11.6% of the global FPC market and is projected to grow at a CAGR of 8.5% to reach US$2.3 billion, which accounts for 14.8% of the global FPC market by 2030, making automotive the fastest-growing FPC application. Shorter model cycles are also propelling the demand of our automotive components, including thermal components, battery enclosures, body-in-white parts and battery structural parts, into a high-growth phase.

Data Centers in the AI Era

The AI wave is driving significant investment in AI infrastructure, raising performance requirements and creating rapid growth opportunities in data centers. According to CIC, the size of global PCB market for data center was approximately US$18.1 billion in 2025 and is projected to grow at a CAGR of 15.0% to

reach US$36.4 billion by 2030. We have production capabilities for high-layer-count PCBs with up to 78 layers and HDIs with a build-up of 8+N+8 or above, and we are expanding capacity for high-layer-count PCBs. According to CIC, the size of global datacom optical transceiver market was approximately US$19.2 billion in 2025 and is projected to grow at a CAGR of 38.1% to reach US$96.2 billion by 2030. By combining our PCB expertise with our capabilities in optical chips and optical transceivers through Source Photonics, we have built an integrated advantage in high-speed transmission that supports the expansion of AI infrastructure. We believe our comprehensive product portfolio and advanced technologies position us well to capture additional share in this growing market.

Our Financial Performance

Supported by our leading market position, technology and global footprint, we have delivered solid financial performance in recent years. In 2023, 2024 and 2025, our revenue was RMB33,651.2 million, RMB36,770.4 million and RMB40,124.9 million, respectively. Our net profit for the same years was RMB1,965.1 million, RMB1,085.1 million and RMB1,393.0 million, respectively.

Consistent growth and profitability in our core businesses have generated strong operating cash flow, supporting our future expansion and shareholder returns. In 2023, 2024 and 2025, net cash from operating activities was RMB5,040.7 million, RMB4,978.6 million and RMB4,902.3 million, respectively. Our profit-to-cash conversion ratio for the same years was 2.6, 4.6 and 3.5, respectively.

OUR COMPETITIVE STRENGTHS

Leadership in High-growth Markets: Strategic Focus on Comprehensive AI from the Edge to Data Center

We are a company providing advanced products and solutions to leading technology companies worldwide. Built around the AI ecosystem, our capabilities span from edge AI devices to large-scale data centers. Our portfolio is positioned to capture the growth stemming from the demand for high-speed interconnects and data transmission worldwide. Our leadership in high-growth markets is not solely driven by market share but by our unique integration across PCB, optical chip and optical transceiver. This integrated capability allows us to deliver optimized and high-performance solutions tailored to the specific needs of AI infrastructure. Additionally, it provides operational advantages, such as more collaborative relationships with tier-one customers.

According to CIC, by revenue in 2025, we are among the world's top three PCB suppliers with the market share of 4.2% and the second-largest FPC supplier globally with the market share of 24.5%. According to CIC, we are the world's largest PCB supplier for edge AI devices by revenue in 2025. This blend of scale and specialization demonstrates our ability to mass produce increasingly complex, high-reliability PCB products that meet AI-driven requirements for signal integrity, power density, thermal management and compact form factors. It also reflects a consistent track record of execution with tier-one customers where quality, yield and on-time delivery are paramount.

At the same time, according to CIC, we are a leading player in optical transceivers through Source Photonics, which is one of the only three companies globally with in-house design and manufacturing capabilities in high-speed optical chips and optical transceivers. In 2025, we ranked seventh amongst global optical transceivers supplier by revenue with the market share of 2.9%. We also ranked sixth globally by optical chip production volume in 2025 with the market share of 8.6%. With a roadmap spanning 10G to 1.6T and next-generation 3.2T modules under development, Source Photonics complements our PCB leadership and strengthens our position in the high-bandwidth optical interconnects that power modern AI data centers. Today, we are the only company globally with capabilities across technologies in PCB, optical chip and optical transceiver from R&D and design through mass production, according to CIC. By combining AI-ready PCBs with high-speed optical transceivers, we deliver lower latency, higher throughput

and improved energy efficiency across the data center infrastructure. This also enables tighter co-design with customers, shortens development cycles and improves system-level performance in end products.

Taken together, our capability in AI and integrated technology stack create durable advantages for the next phase of AI-driven growth. We have invested ahead of demand in advanced processes and capacity as AI adoption accelerates across the edge and data center, and we are prepared to ramp new products and capture outsized share of the industry's expansion.

Partnerships with Tier-One Customers: Broader Coverage, Greater Value

Our long-term strategic relationships with leading global brands validate our capabilities and reputation. Our customer base includes top consumer electronics brands, automakers, cloud service providers and telecommunications equipment vendors, including four of the world's top five consumer electronics brands, the top five EV manufacturers and four of the top five cloud service providers.

We stay close to our customers and their evolving needs. Supported by a broad product portfolio and an intelligent, global manufacturing network, we deliver consistent quality with localized production and service. This model has made us a trusted, long-term partner to tier-one customers worldwide. Our strategy balances proven, established products that generate stable profits and cash flow with targeted investment in high-growth opportunities that define our next phase of expansion.

We act as a full-lifecycle partner to our customers with a broad yet tightly integrated portfolio. Centered on PCBs, optical transceivers, precision components and touch panels and LCMs, our offerings cover the core building blocks of connectivity. We work closely with our customers from early concept and co-development through testing, mass production, cost and yield optimization, supply chain coordination and continuous improvement. Early engagement enables us to help shape product definitions and technology roadmaps, using real-world feedback to expedite iterations. Once established in a customer's supply chain, our technical depth, manufacturing scale and service model help us win adjacent products, expand share of wallet and establish deeper and stronger relationships that compound over time. For example:

- *Consumer Electronics:* We have been a key FPC supplier to a leading global consumer electronics company since our acquisition of MFLEX in 2016. Over the years of collaborations, we were able to gradually expand their use of our FPCs in their products and expand the applications of our FPCs from smartphones to tablets, laptops, smartwatches and wireless earbuds. Revenue contributed by this customer increased by four folds from 2017 to reach RMB18,642.8 million in 2025.

- *Automotive:* We provide a suite of integrated solutions to a leading global manufacturer of high-performance EV, starting from body structural components and gradually expanding to smart cockpit and battery PCBs, liquid cold plates, battery pack trays, battery enclosures, and thermal parts, making us the only supplier able to provide automakers with multiple core components simultaneously, including FPCs, RPCBs, Rigid-Flexes and various other structural components, with customization across each category, according to CIC. From 2020 to 2025, the content value of the various products that we provide per vehicle in its EVs increased by approximately eight folds.

Globalization: Global by Scale, Local in Execution

We operate with a global mindset. Since our earliest days, we have been serving global customers based on international standards. We grew alongside China's reform and opening up process and have been operating to the standards set by global brands, from equipment and process controls to delivery and service. That discipline shaped our culture where operational excellence is instilled as a core value that has helped us build deep relationships with multinational enterprises. This has also given us the experience and mindset to drive global expansion.

As China shifted from attracting inbound investment to making outbound investment, we evolved from meeting foreign companies' needs in China to serving customers worldwide. Today, we are integrated into global supply chains and operate as a true global company.

We operate on a simple mandate: serving every customer with excellence and creating shared value for all stakeholders. To do so, we recruit talent across the globe, foster an inclusive culture and build service capabilities close to our core customers. We have R&D teams in the Chinese mainland, the United States, Singapore, Taiwan, France, Sweden, the Netherlands, Italy and Germany, enabling us to attract local experts and stay at the forefront of innovation.

We operate production facilities across 15 countries and regions in Asia, North America, Europe and Africa as of the Latest Practicable Date. Proximity to end markets helps us navigate complex trade dynamics, lower logistics and delivery costs and improve fulfillment efficiency. We are expanding and upgrading overseas production centers to meet customers' current and future needs and to build a supply chain that is cost-efficient, resilient and flexible. With local sales, engineering and operations teams, we respond quickly to orders, technical needs and service requests, ensuring seamless delivery with on-the-ground support.

The recent acquisition of GMD represents our latest efforts towards globalization. GMD brings a mature supply chain and resource network, with production and sales across Europe, Asia, and Africa and plants located near various automakers in Europe. This expands our reach with top European automakers, extends our automotive PCB and in-vehicle display offerings to GMD's customers and strengthens our European manufacturing and service footprint.

In an increasingly volatile global market, we orchestrate regional operations by leveraging technology leadership, scalable capacity, strong customer relationships and a multi-region manufacturing and supply chain network. This increases our resilience to disruptions, improves local responsiveness and delivery and ensures a stable supply chain for customers worldwide.

Technology and R&D: Market-Driven Innovation with Proven Track Record

We operate an innovation-centric R&D system designed to translate customer needs into products quickly and reliably. Our R&D effort spans a product's full lifecycle, from concept and design through prototyping, pilot builds and mass production, under disciplined stage-gate processes. We invest steadily in new materials, processes and production methods to shorten time-to-market and enhance yield and reliability.

Our R&D is market-driven and customer-centric. We maintain a robust pipeline and iterate rapidly, so our roadmap tracks where demand and technology are heading and can be deployed at scale. Through co-development with tier-one global customers, we advance technologies and accelerate commercialization across the value chain. Through sustained R&D investment and strategic acquisitions, we have developed distinctive strengths across PCBs, optical transceivers, precision components and touch panels and LCMs:

PCBs. We are a leader in FPC, high-layer-count PCB and HDI. Among the first manufacturers to mass-produce FPC with 50 μm microvias and 25 μm line/space, we offer dynamic FPC rated for over one million bend cycles. We produce HDI with a build-up of 8+N+8 for GPU and AI accelerator cards and utilize copper-paste sintering for boards up to 14 mm thick to ensure signal stability. For AI data centers and high-end switches, we manufacture high-layer-count PCBs with more than 50 layers that support 224 Gbps signaling. To meet the interconnect demands of multi-GPU AI clusters, we have mastered the use of orthogonal backplanes on MLPCBs with over 70 layers. This technology replaces traditional high-speed cables while improving signal integrity, operability, and reliability.

Optical Transceivers. Through Source Photonics, we now have capabilities ranging from optical chip development to optical transceiver manufacturing, with parallel roadmaps in EML and silicon photonics.

We are at the forefront of ultra-high-speed transceivers R&D and commercialization: our 1.6T transceivers are progressing through qualification with our key customers, and we are actively developing 3.2T and higher modules to meet the ultra-bandwidth interconnect needs of AI data centers.

Touch Panels and LCMs. Years of sustained investment have given us robust capabilities and a leading position in advanced display technologies, and we are among the few suppliers qualified to produce complex, custom-shaped modules for all major LCD brands. Our metal-mesh touch solutions set the industry benchmark in various technical aspects. In the automotive sector, our LCD modules support the shift to slim, highly customized smart-cockpit displays with outstanding in-vehicle performance.

Precision Components. We possess wide-ranging process strengths in precision components and have a proven record of bringing innovations into mass production in the past few decades. Our continuous tunnel-furnace copper brazing delivers over 90% bonding yield while meeting stringent specifications. Our automated flux spot-dispensing targets complex geometries, significantly lower residue levels, reduce cost and enhance product reliability.

To supplement our in-house R&D efforts, we collaborate with various leading universities, research institutes and trade associations to establish joint laboratories and talent programs. These partnerships extend our research limits and help convert breakthroughs into differentiated product advantages.

During the Track Record Period, we spent RMB3,845.2 million in R&D. Combined with our global footprint and deep customer engagements, these sustained investments enable rapid commercialization of next generation technologies for AI infrastructure and across all our focus areas, delivering higher quality, improved yields and resilient, reliable supply worldwide.

Intelligent Manufacturing: AI-powered and Data-driven Production Process

We operate an intelligent manufacturing system that embeds digital technologies across production planning, factory operations and shop-floor management, reshaping how we optimize production lines, run factories and manage performance. They have increased our throughput and yield and improved our ability to respond flexibly to demand.

Our intelligent manufacturing lines deliver significant economies of scale and capital efficiency. Continuous enhancements ranging from optimized line configurations to expanded capacity allow us to capture scale benefits across a broad product mix. Moreover, we are deepening AI automation processes across operations to elevate quality, lower costs and increase efficiency.

In practice, we deploy fully automated test lines incorporating machine vision and AI inspection, and we have rolled out SMT automation across our PCB production to reduce labor intensity and cycle time. AI-powered monitoring provides real-time guidance on the shop floor, optimizing workflows and ensuring adherence to operating standards. For quality control, AI vision systems improve defect-detection accuracy and reduce re-inspection costs, supported by a comprehensive multi-factor quality analytics system that unifies detection, analysis, and optimization in a closed loop. A centralized production control center orchestrates operations across all stages, enabling rapid exception response, efficient resource deployment, expedited issue diagnosis and consistently superior operational performance.

Our progress is validated by external recognition. Among our PCB production centers, our Yancheng Weixin FPC Intelligent Factory holds multiple distinctions from MIIT, including recognition as a "National Intelligent Manufacturing Demonstration Factory," an "Excellence-tier Smart Factory," and a "5G Factory." Our Suzhou Weixin FPC Smart Factory is recognized as a "Jiangsu Provincial IIoT Benchmark Factory." For touch panel and LCM, our Suzhou Display automotive LCD panel manufacturing unit was recognized as a "Jiangsu Provincial Intelligent Manufacturing Demonstration Workshop." For precision component, our NEV motor controller smart factory earned the recognition of "Jiangsu Provincial Advanced-level

Intelligent Factory." These distinctions underscore the scalability and robustness of our intelligent manufacturing model. Together, our AI-powered, data-driven production system and global factory network provide a resilient, cost-competitive supply base that can ramp new programs quickly and consistently.

Strategic M&A: A Proven Playbook for Step-Change Growth

We have a strong track record of strengthening and expanding our business, anticipating industry shifts and accelerating entry into high-potential markets through strategic acquisitions. Over the years, we have executed a series of landmark transactions, including the Mutto Optronics, MFLEX, Multek, Suzhou Display, GMD and Source Photonics. They opened focused pathways into high-growth opportunities across consumer electronics, automotive and data centers while expanding our footprint in North America and Europe.

We follow a disciplined screening process rooted in our industry insights and deep M&A experience. We prioritize targets with experienced management teams, blue-chip customers, stable cash flows, sensible valuations and clear synergy potential. This approach ensures we secure profitable growth from the outset and invest in businesses with demonstrable value-creation potential.

Accordingly, acquisitions unlock value for us in two pivotal ways. On one hand, they accelerate time to market for new products. By acquiring a target with proven technologies and manufacturing capacity with established teams and customers, we can swiftly capture growth windows as they open and leverage R&D, capacity, management organization and customer base of the target. On the other hand, they strengthen the broader ecosystem and our competitive position by streamlining and upgrading capacity, consolidating the market and creating durable synergies across product portfolios, cost structures, customer access and talent.

In this process, integration is where our playbook differentiates. We begin with organizational integration by retaining strong management, seconding seasoned leaders to bridge processes and systems and instituting clear governance. We then realize strategic synergies by expanding customer access, optimizing the supply chain and standardizing shared finance and analytics platforms. On execution, we fuse operational strengths to build scalable models that elevate quality, yield and delivery reliability. Incentives are aligned by preserving existing compensation frameworks and layering in performance-linked short- and long-term cash and equity plans. We cultivate an open, inclusive culture that supports transparent engagement and durable performance across combined teams.

From 2016 to 2025 the revenue of MFLEX, a leading global FPC supplier we acquired in 2016, increased more than six folds, rising from the fifth-largest to the second-largest global FPC supplier globally and maintaining that position for five consecutive years since 2021, according to CIC. By 2025 the acquisition delivered an approximately 8x ROI on an operating-cash-flow basis. From 2018 to 2025, the net margin of Multek, a leading global PCB manufacturer focused on RPCB, including MLPCB and HDI that we acquired in 2018, improved from 4.6% to 10.4%. Collectively, these outcomes show that our M&A model delivers growth and profitability, enhances capital efficiency and generates operating leverage at scale. GMD and Source Photonics will further extend our reach into European automotive and high-speed optical transceivers.

Leadership: Visionary Management with a Global Perspective

Our Chairman, Mr. Yuan Yonggang, and our General Manager, Mr. Yuan Yongfeng, have guided our development since the 1990s. With sharp industry insight and decisive leadership, they have steered the company to capture opportunities and deliver consistent growth. Our management team is young yet deeply experienced in advanced manufacturing; many of them have experience in multinational enterprises that reinforce our globalization strategy and cross-border execution.

Our core management team brings an average of 25 years' experience across PCB, precision manufacturing and capital markets, bringing both strategic acumen and rigorous operational discipline. As

of December 31, 2025, our R&D staff comprised 12.9% of our total employees, reflecting the depth of our engineering capabilities and our commitment to innovation.

Under this leadership, we have built a culture of "Diversity, Simplicity, Breakthrough, Journey." We consistently raise operational standards, deliver superior products and services and drive industry-wide innovation as AI-enabled, connected technologies scale across devices, vehicles and data center infrastructure.

OUR GROWTH STRATEGIES

As AI transforms industries, we strive to remain close to our customers and execute against clear priorities: upgrade our portfolio toward higher-value products; scale capacity in key regions; pursue disciplined M&A with seamless integration; deliver breakthrough innovations; and drive data- and AI-enabled productivity and deepen our global talent bench. By combining organic growth with strategic acquisitions, we expect to continue to broaden our addressable market, gain share in high-growth areas and solidify our position as a global advanced intelligent manufacturing leader with a strong technology portfolio and a collaborative stakeholder ecosystem.

Customers and Products: Closer to Demand, Faster to Market

We are committed to staying aligned with customer needs and expanding our portfolio in step with AI-driven demand, concentrating resources on high-growth products, deepening engagement with tier-one customers and scaling across priority end markets. To achieve this, we plan to pursue the following strategies:

- ***Anticipating tech and customer roadmaps***: We plan to stay ahead of technology trends and track tier-one customers' roadmaps to build a portfolio that enables upselling and cross-selling, increases value per product and drives revenue and market-share growth. Specifically, we plan to enable upselling primarily by leveraging our manufacturing platforms and qualification capabilities to support customers' adoption of more premium products, and deepening early-stage design engagement with customers to expand from initial sales into additional products and subsequent generations. We plan to enable cross-selling primarily by broadening our product portfolio within each customer by integrating and consolidating Source Photonics' product offerings into the Group's overall portfolio, and coordinating key customer coverage across business units and regions to identify and execute multi-product opportunities across customers' different product lines and end markets.

- ***Aligning to AI cycle and priority markets***: We aim to remain highly responsive to industry, market and customer shifts, align strategy to the AI growth cycle and deepen coverage across the end-to-cloud AI ecosystem. Specifically, we plan to focus on areas including consumer electronics innovation, automotive electrification and intelligence, and data center build-outs with sustained demand and significant growth potential.

- ***Investing in high-growth products and supply chains***: We plan to broaden our product portfolio and accelerate investment in products with the strongest trajectories. We plan to prioritize advanced PCBs and optical transceivers for AI computing demand, aiming to secure positions in more tier-one global brands' supply chains and to strengthen product portfolio for AI infrastructure. We will continue to refine the product mix and deploy resources to maximize operating efficiency.

- ***Feedback-driven growth***: We plan to tighten customer feedback loops to drive rapid iteration and expansion, converting customer wins into higher share with top customers. Leveraging our insight into edge AI devices and AI infrastructure, we plan to translate customer needs into scalable, high-quality products through innovation and advanced manufacturing, while building a more resilient, diversified customer base to drive volume and share gains.

Capacity Expansion: Regionalized Capacity for a Dynamic Global Market

We plan to expand advanced manufacturing capacity in line with customer demand and industry trends, while enhancing local operating capabilities across priority markets. To achieve this, we plan to pursue the following strategies:

- ***Capacity scale-up for optical transceiver and AI PCB***: We plan to proactively deploy capacity in China and overseas to sustain growth in priority products. For optical chips, we are currently developing 400G PAM4 EML chips, which are expected to be used in 3.2T optical transceivers and we plan to focus on 400G EML chips and high-power CW light sources, while expanding and optimizing capacity to respond quickly to AI-driven demand surges and to secure core positions in the supply chains of leading global cloud service providers. For optical transceivers, we offer products from 10G to 1.6T and are currently developing the next generation 3.2T transceivers. For high-end PCBs, we plan to address supply gaps by expanding capacity and optimizing the product mix at Multek to meet medium- to long-term demand from data center and AI servers.

- ***Localized capacity and supply chain***: We intend to expand and upgrade regionalized capacity and supply chains to enhance flexibility amid evolving trade and regulatory landscapes. We plan to increase the production capacity of high-precision FPC overseas to support local production and strengthen supply chain resilience. Drawing on our global network, we will allocate next-phase investments to regions with structural advantages in cost and supply chain access.

- ***Global sales and service expansion***: We plan to expand our global sales and service presence, invest in local support, reduce delivery costs and accelerate response times to deepen long-term partnerships with customers worldwide.

M&A: Strategic Transactions with Integration Excellence and Industry Insight

We aim to leverage our proven M&A and integration record to unlock synergies and pursue selective acquisitions and investments that strengthen our technology leadership and market positions. To achieve this, we plan to pursue the following strategies:

- ***Strategic transactions with market upside***: We intend to pursue acquisitions and investments across the industry value chain, focusing on targets with strong technical moats, clear product-market fit and meaningful customer pull. Guided by demand signals and industry trends, these moves will reinforce our technology leadership and underpin durable and long-term growth.

- ***Integration for rapid synergy***: We intend to apply our proven playbook for GMD and Source Photonics to accelerate customer coverage and integration across operations, R&D and technology. Specifically, we plan to provide on-the-ground support in operations, customer engagement and governance and integrate processes and systems. We will leverage complementary products and customer relationships to drive joint development, enable cross-selling, broaden presence within key customers and expand market share.

Technology R&D and Intelligent Manufacturing: Invest in Innovation, Scale AI-Driven Operations

We aim to center our growth around innovation by increasing R&D in key technologies that align with tier-one global customers' needs and accelerating the rollout of digital and AI capabilities to reinforce leadership in advanced manufacturing. To achieve this, we plan to pursue the following strategies:

- ***Advancing Technology Boundaries***: We intend to increase R&D investment in strategic and core technologies. For high-end PCBs, we plan to advance high-layer count PCB and HDI manufacturing and enhance high-speed signal-integrity control to improve performance and

reliability. For optical transceivers, we intend to pursue a dual-track roadmap across EML and silicon photonics. We will prioritize EML in the near term to advance 800G+ products, while developing silicon photonics for its cost and integration advantages and deploying it in the most suitable applications.

- ***Accelerating AI- and data-driven execution***: We plan to upgrade our intelligent manufacturing infrastructure and integrated platforms on our existing systems and data governance framework. We intend to enable broad AI adoption through training and implementation, so R&D, production, supply chain and corporate teams can use AI tools in daily workflows.

Global Talent Pipeline: Attract, Develop and Integrate for Impact

We will invest in hiring, development and our rewards system to strengthen our talent pipeline to support our global strategy. To achieve this, we plan to pursue the following strategies:

- ***Attracting global talent***: We plan to broaden our recruiting channels to attract specialized talent with a global perspective. We will continue our "Evergreen Program", combining campus and experienced hiring to build a robust, long-term talent pipeline. As we scale globally, we also plan to prioritize local hiring in key overseas markets and launch programs to recruit and develop international talent in selected regions, deepening global talent integration and cross-cultural collaboration.

- ***Institutionalizing know-how and advancing career growth***: We plan to strengthen our company-wide learning system to support our employees' growth at every stage of their careers. We also aim to formalize and transfer critical technical know-how by expanding training on technologies to elevate the capabilities of our core technical talent. Leveraging our global footprint, we will combine China's engineering strengths with local expertise worldwide to build a more efficient and collaborative talent network.

- ***Rewarding results and building ownership***: We will continue to refine our compensation structures and promotion pathways to ensure fairness and market competitiveness. We intend to maintain a balanced mix of rewards, including both short- and long-term incentives and we will expand equity plans to align long-term value creation for both employees and the Company.

OUR EVOLUTION

We began our journey as a provider of precision components in the 1990s, growing alongside China's reform and opening up process and the rise of its robust manufacturing prowess. Through our commitment to innovation and a culture of continuous improvement, we have since evolved into a global leader in intelligent manufacturing.

By prioritizing innovation, we have consistently captured opportunities in consumer electronics, automotive and AI infrastructure. For example, recognizing the growing demand for AI applications, we have been focusing on high-frequency and high-density PCBs, especially FPCs, as a critical supplier to companies building edge AI devices and next-generation vehicles. We respond dynamically to market demands and accordingly expand and diversify our product portfolio, establishing ourselves as a trusted partner to leading global brands across multiple industries.

At the same time, our ability to execute strategic acquisitions has been a cornerstone of our growth strategy. By identifying synergistic opportunities and seamlessly integrating acquired companies into our operations, we have solidified our technological capabilities and expanded our product offerings. For instance, in 2016, our acquisition of MFLEX significantly expanded our expertise in FPCs, solidifying our position as a critical supplier of consumer electronics and smart devices. In 2018, the acquisition of Multek

enhanced our capabilities in RPCB including high-layer-count PCB and HDI, which further strengthened our positions in consumer electronics and extended them into the data center end market. Most recently, Source Photonics has expanded our product portfolio to include optical transceivers, which enable high-bandwidth data transmission for data centers, AI infrastructure and 5G networks.

Today, our PCB products, which represents our largest source of revenue, support complex, high-frequency, high-density applications that demand superior signal integrity, low latency and high reliability. Our advanced PCBs meet the rigorous performance requirements of AI servers, accelerator cards and GPUs as well as high-end consumer electronics. Our optical transceivers extend that performance across the AI infrastructure, enabling high-bandwidth connections that link key components in data centers and AI servers. Our precision components and LCMs are also deployed in vehicles from major automakers worldwide.

Moreover, our comprehensive product portfolio enables us to cross sell to high quality customers across end markets such as consumer electronics, automobiles and data centers. By delivering complementary solutions that span advanced PCBs, optical transceivers, precision components and touch panels and LCMs, we deepen partnerships with key customers and grow alongside them across successive product generations. This breadth enhances customer stickiness and margin resilience as we continue to push technological boundaries and deliver products that enable greater performance, functionality and reliability.

OUR PRODUCTS

We offer a comprehensive suite of products in PCB, precision component, touch panel and LCM and optical transceiver. Many of our products are specifically designed and manufactured based on customizations and needs of our customers. During the Track Record Period, we had three operating segments:

- *PCB*: We provide a wide range of PCB products, including FPC, RPCB and Rigid-Flex for AI-enabled devices and AI infrastructure such as consumer electronics, automotive and data centers. These products meet diverse design and performance requirements of leading brands and enable compact and high-speed electronic systems for next-generation edge AI devices and data centers.

- *Precision Component*: Our precision components include structural parts and functional modules for automotive and telecommunications equipment. From battery enclosure to liquid cold plate, our products ensure superior reliability and performance to meet stringent quality standards of leading companies.

- *Touch Panel and LCM*: We offer touch panels and LCD and OLED modules designed for consumer electronics, automotive and industrial applications, supporting devices such as smartphones, tablets, laptops, all-in-one PCs, and automotive infotainment system.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Electronic circuits (PCBs)	23,261,396	69.1	24,800,814	67.4	25,620,293	63.9
FPC	20,103,622	59.7	21,589,392	58.7	21,875,481	54.5
RPCB	2,845,766	8.5	2,842,974	7.7	3,228,771	8.0
Rigid-Flex	312,008	0.9	368,448	1.0	516,041	1.4
Precision components	4,162,217	12.4	4,540,319	12.3	5,930,242	14.8
Automotive component	2,942,208	8.7	3,289,989	8.9	5,166,701	12.9
Telecommunications equipment component	1,220,009	3.7	1,250,330	3.4	763,541	1.9
Touch panels and LCMs	4,861,904	14.4	6,369,925	17.3	5,985,629	14.9
Touch panel	1,646,294	4.8	2,211,679	6.0	2,445,030	6.1
LCD & OLED module	3,215,610	9.6	4,158,246	11.3	3,540,599	8.8
Optical transceiver[1]	–	–	–	–	1,435,535	3.6
Data center transceiver	–	–	–	–	1,207,623	3.0
Telecommunications transceiver	–	–	–	–	227,912	0.6
Others	1,365,688	4.1	1,059,316	3.0	1,153,160	2.8
Total	**33,651,205**	**100.0**	**36,770,374**	**100.0**	**40,124,859**	**100.0**

Note:

(1) Revenue of the optical transceiver operating segment for 2025 represents the period from October 1, 2025 to December 31, 2025, as Source Photonics was consolidated into our financial statements in October, 2025.

Sales Volume and Average Selling Prices

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume[1]	**Average selling price[2]**	**Sales volume[1]**	**Average selling price[2]**	**Sales volume[1]**	**Average selling price[2]**
	('000 sq. m./unit)	*(RMB / sq. m./ unit)*	*('000 sq. m./unit)*	*(RMB / sq. m./ unit)*	*('000 sq. m./unit)*	*(RMB / sq. m./ unit)*
Electronic circuits (PCBs)	3,978.9	5,846.1	5,544.3	4,473.2	6,693.5	3,827.6
FPC	2,877.3	6,987.0	4,314.1	5,004.4	5,128.8	4,265.2
RPCB	1,032.9	2,755.1	1,163.9	2,442.6	1,481.4	2,179.5
Rigid-Flex	68.7	4,537.6	66.3	5,553.9	83.3	6,195.0
Precision components	106,339.8	39.1	142,829.0	31.8	183,720.2	32.3
Automotive component	101,821.9	28.9	137,125.2	24.0	180,230.0	28.7
Telecommunications equipment component	4,517.9	270.0	5,703.8	219.2	3,490.2	218.8
Touch panels and LCMs	26,663.7	182.3	31,785.4	200.4	27,445.6	218.1
Touch panel	4,110.4	400.5	4,877.8	453.4	5,395.2	453.2
LCD & OLED module	22,553.3	142.6	26,907.6	154.5	22,050.4	160.6
Optical transceiver[3]	–	–	–	–	2,793.3	513.9
Data center transceiver	–	–	–	–	896.8	1,346.6
Telecommunications transceiver	–	–	–	–	1,896.5	120.2

Note:

(1) Sales volume are measured using the following units for each product category: electronic circuit products are measured by the aggregate area of specific product types in square meters (m^2), representing the total area of PCBs produced; precision component, touch panel and LCM and optical transceiver products are measured in units, representing the total number of finished components or assemblies.

(2) Average selling price is calculated by dividing the revenue in a given product category by the corresponding sales volume.

(3) Sales volume and average selling prices of the optical transceiver operating segment for 2025 represents the period from October 1, 2025 to December 31, 2025, as Source Photonics was consolidated into our financial statements in October, 2025.

Currently, we offer data center transceivers and telecommunications transceivers through Source Photonics, enabling high-speed, low-latency connectivity for data centers and telecommunications networks. With advanced technologies and energy-efficient designs, our products address the growing demands of high-speed communication. The table below provides a breakdown of revenue of the optical transceivers by Source Photonics by product type during the years indicated.

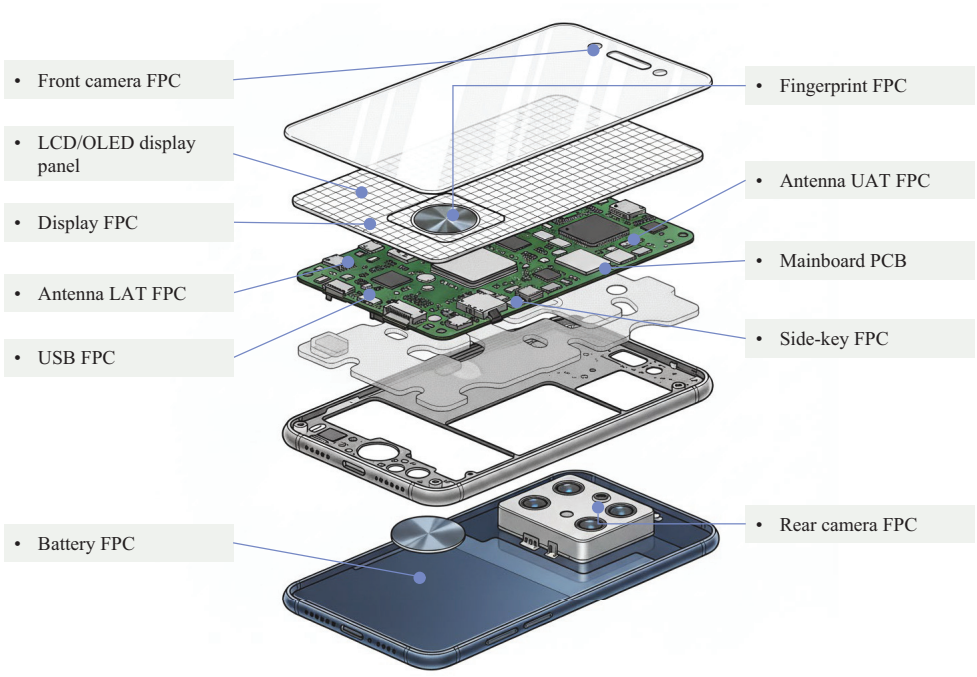
Product Category	Year ended December 31,				Nine months ended September 30,	
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Data Center transceivers	460,061	35.2	1,940,435	65.9	3,007,239	82.9
Telecommunications transceivers	826,037	63.3	971,225	33.0	599,577	16.5
Others[(1)]	19,047	1.5	33,672	1.1	20,699	0.6
Total	1,305,145	100.0	2,945,332	100.0	3,627,515	100.0

Note:

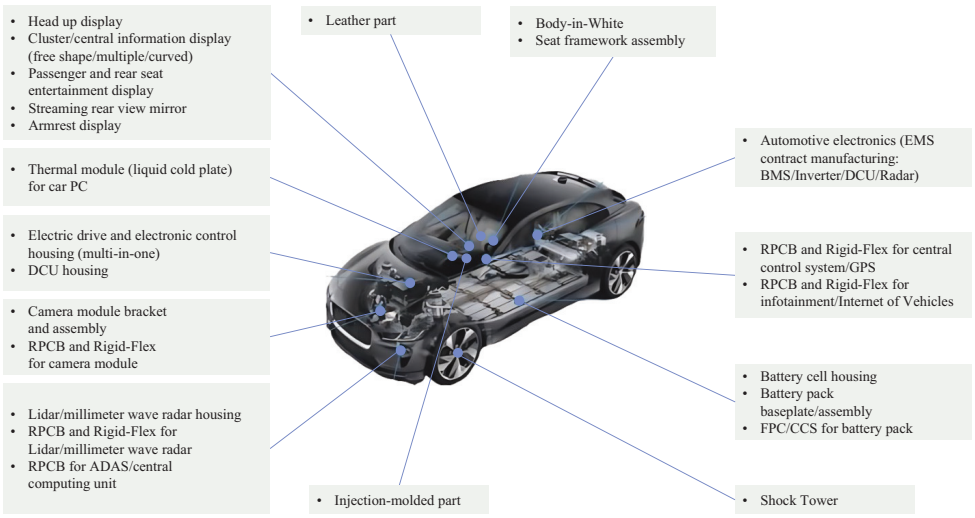
(1) Primarily includes revenue from sales of materials.

The following diagrams show the products we are capable of producing:

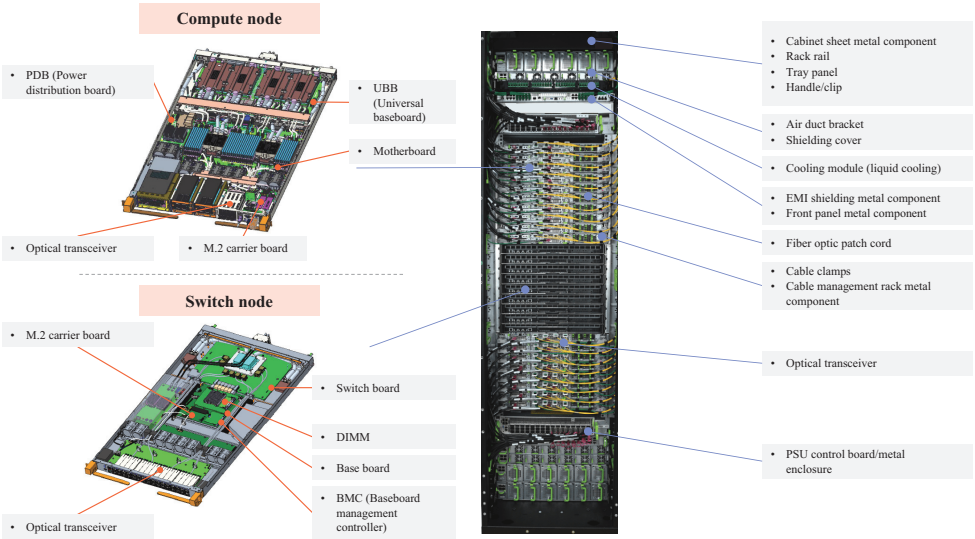
Smartphone



Automobile



Data Center



Product Portfolio

PCB

We provide a wide range of PCB products that include FPC, RPCB and Rigid-Flex, each designed to address unique design challenges and performance requirements of these products.

FPC

FPC is a type of PCB constructed on a substrate made from flexible materials such as polyimide or polyester, with copper foil layers providing electrical interconnection. Its unique adaptability allows repeated bending, folding and twisting without compromising electrical performance. This flexibility enables FPCs to be installed seamlessly in narrow or irregular spaces, reducing weight and offering greater design freedom. These characteristics make FPCs an ideal solution for compact devices and for applications that require mobility and durability.

Our FPC portfolio includes single-layer FPCs, multi-layer FPCs and FPCAs, which integrate components such as resistors, capacitors, inductors and functional devices directly on the circuit. They are engineered to meet the performance requirements of end products across industries. With thicknesses as low as 0.05 mm, our FPCs are optimized for ultra-thin and lightweight designs, enabling compact solutions that prioritize space efficiency and performance. To ensure durability and reliability, we use advanced materials that can withstand high temperatures and maintain signal integrity in demanding environments.

FPCs are widely used in edge AI devices, consumer and automotive electronics. In edge AI devices, our FPCs are becoming increasingly important for creating thinner, lighter and more advanced products, supporting high-performance features in increasingly miniaturized form factors. They are used by some of the world's leading brands in AI smartphones, wearables and other smart devices. In automobiles, our FPCs enable complex wiring in space-constrained environments, supporting critical systems such as battery management and infotainment in automobiles. As industries evolve, our FPCs remain at the forefront and help drive the creation of next-generation AI devices that are smarter, more compact and more efficient.

RPCB

RPCB is a type of PCB made with a rigid substrate that cannot be bent or flexed. Our RPCB products range from single-layer PCB and MLPCBs to HDI, meeting the needs of our customers across various industries with a focus on AI computing and consumer electronics.

Single- and double-layer PCBs are of simpler designs, featuring one or two layers of conductive copper foil separated by a substrate. They are cost-effective solutions ideal for electronic systems of moderate complexity. MLPCBs contain multiple layers of conductive copper separated by insulating materials, offering higher component density and enhanced electrical performance. HDI takes integration further by enabling higher wiring density and component miniaturization through advanced via structures, such as blind and buried vias.

In particular, high-layer-count PCBs and high-build-up HDIs allow for compact layouts, better signal performance and increased reliability in space-constrained applications. Therefore, they are particularly suited for AI computing infrastructure, where high-frequency and high-speed data transmission is critical. Our ELIC technology is the pinnacle of HDI by allowing interconnection between any layers, enabling ultra-dense routing in extremely compact designs. Our MLPCBs and HDIs utilize ultra-low-loss M8/9-grade materials to achieve transmission rates of up to 224Gbps, meeting the demanding requirements of GPUs, AI accelerator cards, AI servers and data center switches.

Our expertise in producing high-layer-count MLPCBs with up to 78 layers and HDI with build-ups of 8+N+8 ensures that our solutions deliver high-speed interconnections, minimize signal loss and maximize performance under rigorous conditions. To manage thermals in high-power designs, our thermal-enhanced PCBs integrate embedded copper blocks, buried copper pillars and laser copper filling to increase heat-spreading efficiency and reliability.

Rigid-Flex

Rigid-Flex consists of multiple rigid and flexible layers connected by plated through-holes, allowing them to integrate seamlessly into compact and complex electronic designs. It combines the durability of RPCB with the adaptability of FPC, creating a hybrid structure that offers both mechanical strength and design flexibility. The flexible sections enable movement or folding, while the rigid sections provide structural support and space for mounting components.

This unique combination reduces the need for connectors and cables, simplifying assembly and improving reliability by eliminating potential points of failure. Our Rigid-Flex products utilize high-performance materials to ensure thermal stability and reliability in demanding environments. Therefore, they are particularly suited for industries such as medical devices and automotive systems, where devices require both high performance and the ability to fit into tight spaces.

The table below sets forth a summary of our key PCB products.

Product Type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
FPC	Brand customers	Per-unit pricing, with payment due on agreed billing cycles after customer acceptance	Pricing determined based on aggregated costs and product specifications and design requirements	Approximately 20 to 40 days

Key Features/Specs	Application Scenarios
• Minimum line/space: 25/25 μm • Laser microhole diameter: 50 μm • Maximum product length > 2.0 m	Smartphone motherboard, display/ camera module, high-frequency and high-speed antenna, EV BMS

Product Type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
RPCB	Consumer electronics brands	Per-unit pricing, with payment due on agreed billing cycles after customer acceptance	Pricing determined based on aggregated costs and product specifications and design requirements	Approximately 20 to 40 days

Key Features/Specs	Application Scenarios
• Capability of producing MLPCBs with up to 78 layers • Advanced thick-board HDI capability, supported stack-up: 8+N+8 with max. board thickness of 6 mm • Advanced HDI/ELIC with mSAP for high-density routing, small-pitch BGA and cavity designs • Ultra-low-loss, high-frequency/high-speed materials • Advanced via and backdrilling method; high aspect ratio plating (≥30:1) • The adoption of CAF-resistant materials, thick-copper options, low-roughness copper foil and copper-paste sintering for improved reliability	AI server, 5G base station, smart driving system, AR&VR device, wearable, robotics

Product Type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
Rigid-Flex	Brand customers	Per-unit pricing, with payment due on agreed billing cycles after customer acceptance	Pricing determined based on aggregated costs and product specifications and design requirements	Approximately 20 to 40 days

Key Features/Specs	Application Scenarios
• High-layer-count Rigid-Flex with up to 20 layers and panels as large as 585 mm • Ultra-low loss materials and high planarity and cleanliness standards to minimize loss and ensure signal integrity • Hybrid stack-ups with HDI of build-ups of 6+N+6, as well as 45/45 μm lines and spaces, feature an engineered flexlayer stack design that ensures bending reliability	AI server, data center switch, smart driving system, LiDAR, smartphone and tablet, AR&VR device, CT scanner, industrial equipment, robotics

Optical Transceiver

Through Source Photonics, we currently provide a comprehensive portfolio of optical transceiver products for data center and telecommunications end markets.

Data Center Transceiver

Our data center transceivers are designed to meet the demands of AI infrastructure, driven by the rapid growth of AI computing and applications. We focus on 400G modules in QSFP-DD, QSFP112, and OSFP and 800G modules in OSFP and QSFP-DD with DSP-based, LPO and LRO architectures. Our 1.6 T transceivers offer multiple technology options including EML, SiPh and InP PIC and adopt compact form factors such as OSFP to deliver ultra-high speed, low latency connectivity. Our own 100G PAM4 EML chips have been used in over ten million units for 400G and 800G transceivers, and our 200G PAM4 EML chips are in mass production to enable 1.6T transceivers.

Meanwhile, our 400G PAM4 EML chip in development will enable 3.2T optical transceivers. In addition, we are advancing laser packaging for co-packaged optics that integrates switching and optical/electrical conversion to significantly shorten signal paths and reduce latency, which makes it well suited for AI training and inference.

Our data center products leverage low-loss optical materials, robust signal integrity designs and adaptive power management for stable transmission and greater energy efficiency. These innovations reduce power consumption, enhance cost and durability advantages and position our solutions to meet the stringent requirements of AI data centers for speed and bandwidth.

Telecommunications Transceiver

Our telecommunications component products mainly include products for optical transmission, wireless transmission and broadband.

Our optical transmission products are designed to meet the growing demand for high-speed data transmission in metro, access and long-haul networks, combining high reliability with long-distance performance. They support multiple form factors and data rates, such as SFP, SFP+, SFP28 and QSFP-DD, and are capable of operating from 1G up to 800Gb/s.

Our wireless transmission modules operate at the physical layer of the wireless networks, performing precise electrical-to-optical and optical-to-electrical conversion to enable high-speed data exchange among BBUs, AAUs and DUs, thereby supporting stable, reliable front-haul, mid-haul, and backhaul connectivity. They are fully compatible with 5G and 5.5G deployments.

Our broadband products are built on PON architecture, a point-to-multipoint fiber system that uses passive splitters to link an OLT to ONUs/ONTs without powered field equipment. Covering both 10G PON and 25G/50G PON and aligned with F5G and F5G-A, they are deployed in FTTH, enterprise broadband and campus networks to deliver high speed data services to end users. Powered by our in-house 50G laser chips, these solutions are deployed at scale in commercial 50G-PON projects, supporting high-speed broadband services and AI data centers.

Product type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
Data Center Transceivers	Cloud service providers, network equipment providers	Per-order pricing, with payment due on agreed credit terms after customer acceptance	Pricing is determined with reference to product cost plus a mark-up and prevailing end-market prices, and is adjusted based on customers' technical specifications and design requirements	Approximately 60-90 days
Telecommunications Transceivers	Telecommunications network equipment providers	Per-order pricing, with payment due on agreed credit terms after customer acceptance	Pricing is determined with reference to product cost plus a mark-up and prevailing end-market prices, and is adjusted based on customers' technical specifications and design requirements	Approximately 60-90 days

Product Type	Key Features/Specs	Application
Data Center Transceivers	• High bandwidth and protocol compatibility: supports 800G and 1.6T; supporting multiple network and optimized for AI fabrics with InfiniBand and RoCEv2 for GPU cluster parameter sync; compatible with standard data center Ethernet for storage–compute and server-to-server traffic • High-density packaging: scalable for large AI compute clusters • Low latency and high throughput: ensures real-time data exchange across multi-GPU training nodes	• Compute cluster interconnect and storage interconnect for data centers

Product Type	Key Features/Specs	Application
Telecommunications Transceivers		
Optical Transmission	• Transmission distances from 10 km up to 100 km without relying on additional complex amplification or coherent detection • Multi-rate support: 10G / 25G / 100G / 400G / 800G with mainstream PAM4 modulation and NRZ for mid/low-rate scenarios, meeting bandwidth needs from metro to backbone layers • Protocol compatibility: interoperable with OTN, SDH, and Ethernet; supports standard frame structures such as OTU-k and STM-N • Designed for 24/7 continuous operation with low-power circuitry	• Data center interconnect (DCI) for cross-region sync/ backup • Enterprise private lines • Mobile backhaul between 5G core and base stations
Wireless Component	• Support 25G, 50G, and 100G data rates; core protocol adaptation for CPRI/eCPRI (front-haul AAU-DU) and Ethernet (midhaul DU-CU), meeting 5G/5.5G/6G RAN needs • Short-to-mid-reach optimization: low-loss optical packaging and high-sensitivity photodetectors to minimize attenuation over short and medium distances • Low-latency transmission • High outdoor reliability for 24/7 operation with EMI-resistant design • Low power consumption	• 5G and 5.5G wireless communications
Broadband	• Rate and generational compatibility: supports mainstream 10G-PON and 25G/50G-PON generations, with multi-tech coexistence across GPON, XGS-PON, and 50G-PON • Engineered for the cost sensitivity of large-scale broadband access deployments	• Home and enterprise broadband, IPT

Precision Component

Automotive Component

We offer a wide range of structural parts and functional modules designed to meet the evolving features of the automobiles. Our products mainly include battery enclosures and liquid cold plates, which play critical roles in enhancing vehicle performance, safety and energy efficiency.

Battery Enclosure

Battery enclosures are integrated structural components that utilize lightweight, high-strength aluminum alloys to combine battery modules, management systems and other core elements into a single assembly. In our battery enclosures, integrated thermal management channels enhance heat dissipation, while the enclosure's structural role as part of the vehicle chassis lowers the center of gravity and improves both stability and overall vehicle performance. To achieve these functional goals with high efficiency and precision, we employ 8,200-ton one-stop stamping and cutting-edge laser welding techniques, supplemented by automated CCD inspection systems to guarantee consistent quality and dimensional accuracy to ensure superior safety, reliability and performance to support automobiles.

Liquid Cold Plate

Liquid cold plates are liquid-cooled heat exchangers that remove heat from high-power electronics, enabling more compact and quieter cooling systems of higher reliability. Our ECU cold plates provide precise thermal management for EV ECUs, which are the vehicle computers that control functions from powertrain to safety and infotainment. Using precision-stamped laminations, fully automated laser welding and Cu-Al reflow soldering, they help maintain optimal component temperatures, ensuring consistent performance in demanding environments.

EV Motor Housing

EV motor housings are structural enclosures that protect the traction motor and controller from shock and vibration. Our products meet IP54-plus dust- and water-ingress protection for long-term reliability. We build them using high-pressure vacuum die casting with cylinder-sleeve insert casting to achieve tight tolerances on critical bores, complemented by fully automated friction welding for high-strength, leak-tight joints that withstand vibration and thermal cycling.

At the same time, GMD's capabilities across body-in-white, chassis and thermal solutions complement our portfolio, strengthening our ability to deliver integrated solutions for more global brands. Leveraging decades of experience in automotive structural components, we meet the stringent quality standards of leading automakers and are a trusted supplier to many of the world's largest automakers. The table below summarizes our key automotive component products.

Product type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
Automotive component	Automotive suppliers	One-off upfront engineering and tooling/ fixture fees, followed by per-unit pricing after the start of production	Pricing based on total costs, with designs engineered to the customer's target cost, and quotes set based overall program profitability	Approximately 50 days

Representative Product	Key Features/Specs	Application
Battery enclosure	• Progressive die stamping with robotic handling • Automated adhesive dispensing and welding	EV battery
Liquid Cold Plate	• Precision-stamped laminations • Fully automated laser welding • Copper-aluminum reflow soldering	EV ECU, EV battery, EV inverter
EV Motor Housing	• High-pressure vacuum die-cast aluminum with cylinder-sleeve insert • Fully automated friction welding for high-strength, leak-tight joints • Cleanliness-controlled manufacturing for reliability	EV motor

Telecommunications Equipment Component

We provide high-performance telecommunications equipment components tailored to support the growing complexity of global communication networks. Our products mainly include mobile communication filters and antennas that are designed to optimize the efficiency and reliability of both indoor and outdoor deployments.

Mobile Communication Antenna

Mobile communication antenna receives electromagnetic signals from the environment and transmits signals from the base station to external networks. Aligned with next-generation network requirements, our antennas employ low-intermodulation, high-power and wideband technologies, along with high-gain, low-loss and low-wind-resistance designs. These advances deliver phase-shifter insertion loss below 0.7 dB, antenna gain above 17.5 dB and intermodulation below -153 dBc, ensuring high-quality transmission and reception while enhancing the efficiency of mobile network infrastructure.

Mobile Communication Filter

Mobile communication filter is a component of base stations to ensure only electromagnetic signals within designated frequency bands are processed, which is essential for maintaining operational integrity and minimizing interference. By combining low-intermodulation designs with high-power metal and ceramic architectures, our filters achieve passive intermodulation below -155 dBc with stability exceeding 90%. We have also reduced the volume of our individual mobile communication filter by 50%, further enhancing integration flexibility for our customers.

The table below sets forth a summary of our main telecommunications equipment component products.

Product type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
Telecommunications equipment comment	Consumer electronics brands	One-off upfront engineering and tooling/ fixture fees, followed by per-unit pricing after the start of production	Pricing based on total costs, with designs engineered to the customer's target cost, and quotes set based overall program profitability	Approximately 60 days

Representative Product	Key Features/Specs	Applications
Mobile communication filter	• Peak power handling up to 7,000 W • Mass-production intermodulation (IMD) below -155 dBc • Channel isolation >110 dB • Typical insertion loss <1.0 dB	Mobile base stations
Mobile base station antenna	• Antenna phase shifter insertion loss < 0.7 dB • Typical antenna gain > 17.5 dB • Mass-production intermodulation (IMD) below -155 dBc	

Touch Panel and LCM

We offer a comprehensive range of touch display modules to meet the diverse needs of consumer electronics, automotive applications and industrial equipment. Our products mainly include touch panels for automotive, industrial and medical equipment and LCD and OLED modules for smartphones, laptops and tablets.

Touch Panel

In automotive, industrial and medical applications, our touch panels are widely adopted in central control screens, digital dashboards and rearview mirrors. They achieve touch accuracy within ±1.0mm and response time of less than 30.0 milliseconds, meeting the increasingly stringent requirements of smart

driving systems. They are also used across healthcare, retail and industrial applications, including medical equipment, POS terminals and interactive kiosks. These modules feature fast response time and adaptability to various environments, ensuring versatility across industries.

LCD & OLED Module

Our LCD & OLED modules are engineered as complete solutions, combining advanced display technologies with robust structural designs to achieve superior performance and stability. For laptops, tablets and wearable devices, they deliver high brightness of up to 1,000.0 nits, ensuring clear visibility in outdoor environments and feature wide color gamuts of over 96.0% NTSC for vibrant and accurate color reproduction. These modules integrate seamlessly into devices using full-fit lamination processes, enhancing durability and improving optical clarity.

With an integrated manufacturing process and a robust supply chain, we provide customized display modules that ensure high production yields, consistent quality and reliable delivery, effectively meeting the needs of global customers in different industries.

Project type	Key customer types	Fee charging model	Pricing policy	Average delivery cycle
Touch panel	Brand customers and ODMs			Approximately from 8 to 10 weeks
LCD & OLED module	Brand customers and ODMs	Per-unit pricing, with payment due on agreed billing cycles after customer acceptance	Pricing based on total costs, with reference to prevailing market prices, and determined through tendering or commercial negotiations	Approximately from 30 to 70 days

Representative Product	Key Features/Specs	Application
GF2-structured touch panel	• In-plane mesh width 1.7 μm • Edge line width 8 μm / 8 μm • Sensor transmittance 90% • Supports active pens (AES / USI / MPP)	Laptops, all-in-one PCs, industrial control equipment, medical device
AOFT-structured touch panel	• Touch panel thickness 0.25 mm, weight 25 g • In-plane mesh width 1.7 μm • Edge line width 8 μm / 8 μm • Sensor transmittance 90% • Supports active pens (AES / USI / MPP)	Laptops, all-in-one PCs, industrial control equipment, medical device
LCD/OLED display module for smartphone	• Blind via fill: minimum via diameter 2.7 mm • Maximum fill height 0.5 mm & minimum fill width 0.3 mm • COG bonding accuracy ±5 μm	Smartphones
LCD/OLED display module for automotive	• Surface lamination: minimum bending radius 750 mm • Irregular cutting: minimum thickness 0.125 mm	Vehicle central display

RESEARCH AND DEVELOPMENT

We consistently invest in research and development to expand our product portfolio, seize new market opportunities and strengthen our competitive edge in meeting the demands of leading global brands. By exploring innovative materials and technologies, we continuously improve our products and refine our production process. These investments enable us to deliver high-performance and quality products while staying at the forefront of the rapidly evolving market.

R&D Process

Our products are designed to meet a wide range of application requirements of our customers. By closely monitoring industry trends and maintaining collaborations with our customers, we ensure that our products meet the latest standards for performance and functionality. Due to the customized nature of our products, our R&D is often carried out in close collaboration with customers based on their customization requirements and end product designs. We typically engage well before a customer's product launch, working together to design prototype and validate components tailored to their performance, integration and reliability requirements.

We follow a systematic approach to product development as detailed below across our business lines:

- *R&D assessment and market research*. We run structured market research to pinpoint technology trends, customer needs and competitive benchmarks.

- *Concept design and feasibility validation*. We translate market insights into product concepts and then tentative specifications. Throughout this process, the R&D team conducts cross-functional reviews with marketing, engineering and supply chain to evaluate manufacturing costs, product safety and compliance with applicable laws and regulations and hazardous substances related requirements.

- *Prototype development*. We generate complete engineering documentation with detailed design and key metrics, and then build prototypes. We provide samples for customer qualification and iterate quickly based on test feedback to meet performance targets.

- *Pilot and validation*. We validate product design, production and supply chain readiness through trial builds and production process evaluations.

- *Evaluation and product release*. We complete detailed testing and project reviews prior to release, finalize supplier qualification and validate processes for mass production.

- *Mass production and scaled delivery*. We begin full-scale production in our production facilities. We leverage our intelligent manufacturing facilities by monitoring data in real time and continuously improve processes to raise yields and shorten lead times, ensuring quality and on-time delivery.

- *Continuous iteration*. We work closely with our customers on product improvements and next-generation development, iterating rapidly to keep our products aligned with their needs and at the forefront of the industry.

R&D Achievements

In addition to focusing on the R&D of specific products, we have enhanced our R&D efforts by advancing new materials, design innovations and process technologies. These advancements have resulted

in a series of significant breakthroughs, earning us the trust of leading global companies as a reliable and innovative supplier:

- *PCB*. Building on integrated research in materials, processes and tooling, we have achieved mass production of ultra-thin FPCs, as well as the application of low-dielectric, low-loss modified polyimide materials in FPCs for antennas to improve signal integrity and transmission efficiency. For RPCB, we are able to produce MLPCB up to 78 layers. Our proprietary cavity fabrication process requires no extra isolation layers, significantly reducing cost and improving efficiency.

- *Optical Transceiver*. Our R&D has driven step-change advances from 10G to 1.6T, turning inventions into products while preparing for the next wave of upgrades for AI and cloud networks. At 1.6T, our R&D teams designed and validated both EML and a SiPh path meeting 24W power targets, supporting both air and liquid cooling and advancing from customer sampling toward volume. At 800G, R&D iterations cut module power to 15-16W and enabled reliable DR/FR and SR/VR variants. At 400G, our sub-9W QSFP-DD module, among the first mass-produced at that power, showcases innovation from in-house EML chips to system design.

- *Precision Component*. We have advanced the use of new materials and validated their applications in production. For example, our novel solderable die-casting alloys enable direct die-casting and subsequent soldering of heat-dissipation components, eliminating laser welding, reducing part count and lowering overall costs. On production techniques, our research and deployment of continuous tunnel-furnace copper brazing has increased welding success rates.

- *Touch panel and LCM*. Our R&D in LCD and OLED design, cutting and bonding has consolidated multiple innovations into a stable, high-volume production process. With ±0.005 mm alignment and KK level output, we lead in narrow bezel and micro hole designs and apply the same precision to full lamination for 14-16 inch notebooks and large curved automotive clusters, including complex U, C and R die cuts. These achievements deliver slimmer borders, brighter and richer visuals and scalable supply across smartphones, automobiles, and PCs.

Future R&D Focus

We are continuously refining our R&D strategy to align with industry trends and capture emerging opportunities in PCB, precision component, touch panel and LCM and optical transceiver. In the coming years, our R&D efforts will focus on several key areas to strengthen our leadership in fields such as FPCs, robotics components, metal mesh and other display technologies and optical transceivers.

- *PCB*. For FPC, we will focus on developing FPC with sub-20 μm line/space and advancing new materials to enable different applications. Our materials roadmap includes ultra-thin dielectrics and fine-line copper-clad laminates for precision FPC, low-Dk/low-Df substrates for high frequency and high-speed FPC and high-reliability materials with high insulation for high-current and high-voltage application, targeting smarter, smaller and more reliable interconnects with superior signal integrity. For RPCB, we will focus on high-density embedded components to reduce power loss, conductive-paste via filling to enhance thermal management and materials such as thick copper with thin dielectrics to improve heat dissipation. We will also further advance the evaluation of high-speed, low-loss materials to better guide material selection for AI servers.

- *Optical Transceiver.* We will pursue a dual-track roadmap for 1.6T and 800G optical modules, advancing both EML and silicon photonics paths with EML as the primary path. Our focus is to optimize 800G and 1.6T transceivers and accelerate the commercialization of transceivers with 3.2T and beyond, giving customers a broader choice set and enabling commercial deployment across diverse scenarios, especially the ultra-high-bandwidth interconnects required by AI data centers. At the same time, we will strengthen in-house optical chip R&D and manufacturing to secure key components for current products and next-generation 3.2T chips.

- *Precision Component*. We will focus on advanced robotics for next-generation automation and intelligent manufacturing, liquid-cooling technologies for servers and chips to improve thermal performance in AI computing and data centers and integrated thermal management modules for automotive applications that prioritize reliability, efficiency and system-level integration for automotive.

- *Touch Panel and LCM*. We will advance metal mesh by scaling linewidth to 1.7 μm and edge traces to 6 μm/6 μm through lithography and design optimization, targeting optical transmittance above 90%. On displays, we will lift LCM brightness toward and beyond 1000 nits via backlight and film efficiency gains, expand wide-color performance toward 110% NTSC, thin curved-glass stacks to 0.12 mm, and push narrow borders to 0.65 mm for phones and 5 mm for automotive use.

R&D Collaboration

In addition to our in-house R&D capabilities, we collaborate with leading universities and research institutions in China and worldwide, including Tsinghua University, Shanghai Jiao Tong University, Nanyang Technological University and University of California, Irvine, to leverage collective expertise and foster innovation for development of our PCBs. We believe these collaborations enable us to gain deeper insights into industry trends and emerging technologies, allowing us to focus our R&D efforts more effectively and efficiently.

The key terms of the collaboration agreements we enter into with leading universities and research institutes generally include the following:

Technical sharing arrangements	:	We may establish an R&D centre or team to conduct joint R&D on new technologies, for which we would fund certain operating expenses and provide staffing support. Such R&D centres or teams are typically established on a project- or task-specific basis to pursue a shared technological objective.
Ownership of IP rights	:	We retain ownership of our pre-existing IP, while IP developed through the joint research is generally co-owned by us and the collaborating parties, and neither party may transfer or otherwise dispose of such jointly owned intellectual property without the other party's prior written consent.
Key milestones	:	The researchers are expected to meet specified technical milestones within agreed timeframes and project phases. We will assess performance against these outcomes based on our established evaluation procedures.
Cost and/or profit sharing arrangements	:	We generally bear our own costs under the agreements, adopt fixed milestone-based development fees, and most profit-sharing terms are subject to future negotiations.
Development Risks	:	Each party shall bear, at its own risk, any development risks arising from existing technological limitations in connection with the joint R&D projects.
Termination	:	We may terminate the agreements by mutual consent with the collaborating parties or unilaterally upon the occurrence of specified default events such as material breaches and insolvency.

R&D Team and Expenses

Our R&D team has a global footprint that enables us to address market opportunities worldwide. As of the Latest Practicable Date, we have R&D teams in the Chinese mainland, the United States, Singapore, Taiwan, France, Sweden, the Netherlands, Italy and Germany. Our dedicated R&D teams operate in a decentralized model, aligned through company-wide roadmaps and guidance to enable coordination and continuous advancement of core technologies.

As of December 31, 2025, we had 5,074 research and development personnel, representing 12.9% of our total employees. The core members of our R&D team have approximately 12, 15, nine and 10 years of experience on average in the R&D of FPC, RPCB, precision component, touch panel and LCM, respectively.

In 2023, 2024 and 2025, our research and development expenses amounted to RMB1,161.2 million, RMB1,266.8 million and RMB1,417.2 million, accounting for 3.5%, 3.4% and 3.5% of our revenue in the respective years. Our research and development expenses are not capitalized.

SALES AND MARKETING

Our sales and marketing team focus on building and expanding strategic customer relationships to become and remain as their trusted long-term collaborator. We develop short- and long-term business plans aligned with company strategy and informed by industry trends, competitors' products, technologies and pricing and customers' development plans and technology roadmaps. Currently, we have more than 20 regional sales and customer service teams covering key markets such as the North America, Europe and Asia.

Our Customers

Our customers are mainly global brands in the consumer electronics, telecommunications and automotive industries. In 2023, 2024 and 2025, sales to our five largest customers amounted to RMB24,734.5 million, RMB26,122.3 million and RMB25,814.1 million, accounting for 73.5%, 71.0% and 64.4% of our total revenue in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Hong Kong Listing Rules.

For the year ended December 31, 2025

	Customer	Transaction amount	Percentage of revenue	Year of Commencement of business relationship	Major products sold
		(in RMB thousands)	%		
1	Customer A[(1)]	18,642,838	46.5	2016	FPC
2	Customer B[(2)]	2,809,003	7.0	2023	Automotive display
3	Customer C[(3)]	2,281,029	5.7	2014	Laptop display
4	Customer D[(4)]	1,234,755	3.1	2016	FPC, RPCB, metal structural component
5	Customer E[(5)]	846,434	2.1	2018	RPCB

Notes:

(1) Customer A is a multinational corporation headquartered in the U.S., which principally engages in the design, manufacturing and marketing of consumer electronics as well as sales of related services. It is listed on Nasdaq Stock Market.
(2) Customer B is a company specializing in the research and production of display products headquartered in Japan. It is listed on Tokyo Stock Market.
(3) Customer C is a technology company specializing in designing, manufacturing and marketing consumer electronics headquartered in China. It is listed on HKSE.
(4) Customer D is a company specializing in EV and energy generation and storage systems headquartered in the United States. It is listed on Nasdaq Stock Market.

(5) Customer E is a company delivering smart devices, mobile electronics and consumer products headquartered in the United States. Its parent company is listed on Nasdaq Stock Market.

For the year ended December 31, 2024

	Customer	Transaction amount	Percentage of revenue	Year of Commencement of business relationship	Major products sold
		(in RMB thousands)	%		
1	Customer A	18,857,615	51.3	2016	FPC
2	Customer B	3,262,287	8.9	2023	Automotive display
3	Customer C	2,015,190	5.5	2014	Laptop display
4	Customer D	1,194,969	3.3	2016	FPC, RPCB, metal structural component
5	Customer E	792,254	2.2	2018	RPCB

For the year ended December 31, 2023

	Customer	Transaction amount	Percentage of revenue	Year of Commencement of business relationship	Major products sold
		(in RMB thousands)	%		
1	Customer A	18,781,202	55.8	2016	FPC
2	Customer B	2,521,128	7.5	2023	Automotive display
3	Customer C	1,514,071	4.5	2014	Laptop display
4	Customer D	1,166,355	3.5	2016	FPC, RPCB, metal structural component
5	Customer F[(1)]	751,793	2.2	2016	RPCB

Notes:

(1) Customer F is a company specializing in mobile smart technology products and services headquartered in Guangdong, China.

Pricing

We price our products based on various factors, including raw material costs, production overheads, order volumes, delivery requirements, warranty offered, competitors' pricings, prevailing market conditions, payment methods and specification of products requested by customers.

During the Track Record Period and up to the Latest Practicable Date, prices for our products are generally set out in purchase orders or agreed in advance for a relatively long period under the framework agreements we have entered into with our customers. For many of our products, pricing is determined on an order-by-order basis in the relevant purchase orders. For certain of our PCB products, particularly those for consumer and automotive electronics customers, prices are agreed for a longer period and are subject to adjustment mechanisms. Price reviews and adjustments are generally negotiated quarterly or annually, depending on the individual product. Price adjustments are typically triggered by specified cost fluctuation events. Any adjustment is negotiated under the relevant framework agreement terms and takes effect after both parties' confirmation.

For certain LCM and touch panel products that are priced on a relatively long-term basis, prices may be reviewed monthly based on movements in raw material costs, or in some cases, reviewed and adjusted annually. For our precision components with longer-term pricing arrangements, prices are typically reviewed annually or adjusted under the framework agreement's risk sharing mechanism, under which, if raw material costs move beyond an agreed baseline, we renegotiate the acceptance price for the next pricing period under the contract.

According to CIC, pricing for our products generally follows prevailing market trends. While the selling prices of certain products have historically been agreed on a relatively long-term basis, these arrangements have not had a material impact on our gross profit margin.

Arrangement with Our Customers

We generally enter into framework agreements with our key customers that cover the design, manufacturing and sales of products. Our products are highly customized, and the majority of our products are developed solely for the relevant customers. In general, shipments are handled under one of three arrangements: (i) customers collect the products from our factory; (ii) we arrange shipment to a customer-designated location or carrier; or (iii) we arrange shipment up to the point the products are loaded onto the vessel at the port of shipment. Under arrangement (i), customers are responsible for export clearance, while under arrangements (ii) and (iii), we handle export clearance. In each case, the Company assumes responsibility for associated costs and risks up to the specified delivery location, after which the customer assumes responsibility for any further costs and risks. These agreements generally contain the following terms.

Price	:	Pricing of the products is generally specified in purchase orders or predetermined on a relatively long-term basis.
Transfer of risks	:	Risks are generally transferred to customers when the products are delivered to the customer-designated location, unless otherwise specified in the agreement.
Payment and credit terms	:	We generally deliver products to our customers before payment and grant our customers credit periods ranging from 30 days to 90 days.
Minimum purchase requirements	:	Our framework agreements generally do not contain minimum purchase requirements.
Logistics	:	We are generally responsible for delivering products to locations specified by our customers.
Returns/ exchanges	:	Our customers will inspect the products upon delivery and are generally entitled to return or exchange for products that do not meet their requirements in terms of quality or specifications.
Confidentiality	:	These framework agreements usually have strict confidentiality provisions.
Duration, termination and renewal	:	Generally more than one year. Some of these framework agreements do not have fixed terms. These agreements are typically automatically renewed. These framework agreements can be terminated with mutual agreement by parties.

Relationship with Certain Top Customers

During the Track Record Period, Customer A, our top customer in each year during the Track Record Period, contributed to 55.8%, 51.3% and 46.5% of our revenue respectively in 2023, 2024 and 2025, respectively. Our strategic and mutually beneficial relationship with Customer A began over 10 years ago and has grown significantly since our acquisition of MFLEX in 2016, which established us as a leading global supplier of FPCs. Customer A, a global leader in consumer electronics, uses our FPC products to support the development of their high-performance devices, such as smartphones, tablets and wearables.

According to CIC, the consumer electronics market is highly concentrated, particularly among top-tier brands. As a result, suppliers to premium consumer electronics brands often have a concentrated customer base. Over the years, we have been actively involved in the product development of Customer A's signature products, providing critical technological solutions that align with their innovation and functionality

requirements. Our proven ability to consistently meet Customer A's stringent standards for quality, performance and timely delivery has established us as a trusted partner in their supply chain.

Going forward, we believe the likelihood of any material adverse change in or termination of our business relationship with Customer A is low because of the long-term, mutually beneficial nature of our relationship and the extensive and rigorous supplier approval and qualification process that Customer A requires, covering aspects such as ESG compliance, corporate governance, and operational standards. This remains the case notwithstanding reports that Customer A would shift the production of certain products from the Chinese Mainland to other countries, primarily because our sales are driven by Customer A's product demand and our ability to meet its specifications and delivery requirements, rather than the geographical location of final assembly. Operationally, our FPC products are shipped to Customer A's designated delivery locations in accordance with the purchase orders. Customer A's contract manufacturers and assemblers are responsible for coordinating downstream assembly and related logistics. As such, changes in the location of final assembly are not expected, in themselves, to adversely affect our performance under Customer A's purchase orders. Furthermore, during the Track Record Period, shipments delivered to manufacturing locations outside the Chinese Mainland (for the avoidance of doubt, excluding special supervision zones) accounted for 9.2%, 14.1% and 15.8%, respectively, of the revenue attributable to Customer A. This proportion has increased steadily, demonstrating our ability to support Customer A's evolving supply chain footprint. Our logistics and supply chain arrangements have been able to accommodate changes in delivery destinations, and we have not incurred material additional costs or experienced material disruption in fulfilling Customer A's orders as a result of changes in production location.

During the Track Record Period and up to the Latest Practicable Date, there were no material incidents of failure to renew the relevant sales agreements with Customer A, or any material reduction, delay or cancellation of orders from Customer A. Having considered the above views on the business relationship with Customer A, nothing has come to the attention of the Directors that would reasonably cause them to cast doubt on the view in any material respect. At the same time, to the best of the Directors' knowledge, none of our other key customers had a material business relationship with Customer A during the Track Record Period and up to the Latest Practicable Date. Accordingly, the Directors consider that such relationships do not have, and are not expected to have, any material impact on our relationship with Customer A.

At the same time, we do not expect recent reports concerning Customer B, regarding, among other things, its plan to reduce its workforce in certain overseas markets and dispose of certain production lines, to have a material adverse impact on the Group. Based on the Company's assessment, our sales to Customer B are driven primarily by Customer B's demand for our products and our ability to meet its specifications and delivery requirements, rather than Customer B's internal headcount or the continued operation of any particular production line. Accordingly, Customer B's restructuring and disposal of specific production lines are not expected, in themselves, to adversely affect our performance under Customer B's purchase orders. Furthermore, revenue from Customer B amounted to RMB2,521.1 million, RMB3,262.3 million and RMB2,809.0 million in 2023, 2024 and 2025, respectively, and we did not experience material disruption in fulfilling Customer B's orders. The Company will continue to monitor Customer B's business developments and procurement plans.

Concentration of Our Customers

During the Track Record Period, sales to our top five customers and our largest customer were relatively concentrated, with the top five customers contributing to 73.5%, 71.0% and 64.4% of our revenue and the top customer contributing to 55.8%, 51.3% and 46.5% of our revenue in 2023, 2024 and 2025, respectively.

We believe that we do not unduly rely on our major customers. As discussed above and according to CIC, the markets in which we operate, including the consumer and automotive electronics markets, are

highly concentrated among top-tier brands. As a result, suppliers to premium brands often have a concentrated customer base. Furthermore, the end product design and certification processes require close cooperation with suppliers given the high degree of customization in PCBs, precision components and touch panels and LCMs. At the same time, our customers in the consumer and automotive electronics markets benefit from high-quality products that enhance product performance, reliability and integration. Accordingly, leading brands maintain stable, long-term relationships with certified suppliers capable of delivering at scale. Based on these industry characteristics and our track record of certifications, we believe our relationships with major downstream customers are mutually beneficial and durable, and the likelihood of any material adverse change in the near term is low.

Customer Diversification

To mitigate concentration risk and reduce reliance on any single customer, we have been focusing on expanding our customer base and our product portfolio and expanding vertically along the value chain. While we expect Customer A to remain our significant customer and to continue to be an important customer going forward, we expect our revenue base to become increasingly diversified as we continue to implement the measures described below.

With respect to customer diversification, we have broadened our customer base and increased sales to key non-Customer A customers across our businesses lines. During the Track Record Period, we continued to add new customers and deepen relationships across a range of end markets, including consumer electronics and emerging applications such as battery and energy storage system ("ESS") markets. As a result, revenue from these initiatives increased over time. We also continued to expand our product portfolio and customer coverage in other markets through ongoing customer development efforts in LCM and touch panel products and precision components, including our self-developed in-vehicle display products and other products for automakers.

In addition, our vertical expansion along the value chain has strengthened our ability to capture market opportunities and attract new customers, thereby further diversifying our revenue sources. By combining our PCB expertise with our capabilities in optical chips and optical transceivers through Source Photonics, we have built integrated high-speed transmission capabilities that support the expansion of AI infrastructure, covering AI PCB, high-speed optical chips and optical transceivers. As we continue to scale these capabilities and expand our offerings, we expect to further broaden our customer base and reduce our reliance on any single customer over time.

Customer Service

We work closely with our customers throughout stages of product design, development, and manufacturing, aiming to deliver services and products that meet their expectations. In particular, we maintain frequent and proactive communication with customers during the design and development phase. Throughout this process, we actively solicit and incorporate customer feedback to strengthen their experience and ensure a high level of satisfaction with our offerings.

SEASONALITY

Demand for and sales of our products are linked to the seasonality of their respective end products and markets. For products used in consumer electronics, we typically experience higher sales in the second half of the year due to the synchronized launch cycles of new devices and the heightened purchasing activity associated with the holiday season. For products used in the automobile, data center and AI computing and telecommunications equipment, seasonality is less pronounced, often characterized by more stable, project-driven demand patterns throughout the year. These seasonal patterns influence the overall volume and timing of our business activities. For further details on risks associated with seasonality. See "Risk Factors — Risks Relating to Our Business and Industry — Our sales may be influenced by seasonality."

SUPPLY CHAIN

Raw Materials

The main raw materials used in our PCB products mainly consist of copper foil, copper-clad laminates, and chemical reagents for copper anodes. The main raw materials used in our precision components mainly consist of high-grade aluminum alloys, copper alloys, high-flexibility and high-strength steel, engineered plastics/polymers, and thermal interface materials. The main raw materials used in our touch panels and LCMs mainly consist of cover glass, touch sensor, TFT-LCD open cell, back light unit and OCA/OCR. The main raw materials used in our optical transceiver products mainly consist of optical fibers, laser diodes, photodiodes, optical connectors and ceramic ferrules.

We mainly source raw materials from the Chinese mainland. Our raw material prices fluctuate due to a variety of factors, including supply and demand dynamics, our ability to negotiate prices with suppliers and others. We usually work with multiple suppliers to reduce risks associated with product supply. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage of raw material supplies, and the raw materials provided by our suppliers did not have any significant quality issues.

Our Suppliers

Our suppliers are mainly suppliers of raw materials and equipment. We have established and maintain stable and long-term relationships with these major suppliers.

Selection and Management of Suppliers

We have established rigorous processes for the selection, evaluation and management of our suppliers to ensure suppliers meet our quality and performance standards. We consider a number of factors during our supplier selection and qualification process, such as the supplier's industry reputation, technical capabilities, delivery performance and the price and quality of the products or raw materials they offer and we also conduct on-site visits.

We regularly evaluate our collaboration of our suppliers, focusing on criteria such as quality, price and delivery of products supplied by them and their compliance with our policies and requirements, including our policies on occupational safety and corporate social responsibility.

Arrangement with our Suppliers

We typically enter into framework agreements with major suppliers of raw materials, with the price, quantity and specifications of the raw materials specified in individual purchase orders. The major terms of the long-term framework agreements we enter into with our suppliers generally include the following:

Purchase order	:	We generally place purchase orders with suppliers in writing, specifying the type, specification, unit price, quantity and delivery schedule.
Price	:	Generally, the price shall be determined according to the applicable purchase order. Certain of our framework agreements allow pricing adjustments. In general, pricing adjustments are primarily driven by changes in major input costs and market conditions, including (i) fluctuations in prices of key raw materials and commodities as referenced by publicly available indices and platforms, (ii) prevailing competitive and demand conditions, and to a lesser extent, (iii) changes in order volumes, product specifications and delivery requirements. Depending on the arrangement, prices may be reviewed and

		adjusted on a periodic basis, typically upon the occurrence of agreed triggers, such as significant movements in relevant commodity prices. Our procurement department monitors major commodity price movements on an ongoing basis and track relevant international trade developments on a regular basis to support internal pricing and negotiation decisions.
Inspection and product returns	:	Upon completion of the services, we shall have the right to inspect and accept the deliverables. If the deliverables are found during inspection not to meet our requirements, we may reject them and require suppliers to make necessary corrections at their own cost. Where applicable, suppliers shall provide a minimum one-year quality warranty period for the materials and deliverables provided.
Payment and credit terms	:	Upon acceptance of the services by us and within 30 to 90 days after receipt by us of suppliers' valid invoice, we shall pay suppliers the service fees.
Confidentiality	:	We usually set confidentiality clauses with our suppliers and such obligations may continue to exist for a certain period of time after termination of the agreement.
Termination	:	We generally have the right to terminate the contract or any order at any time by giving suppliers fifteen days' prior written notice.

Major Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB5,975.4 million, RMB6,214.4 million and RMB5,737.5 million, accounting for 25.8%, 26.1% and 21.9% of our total purchases in the respective years. In 2023, 2024 and 2025, purchases from our largest supplier amounted to RMB2,034.5 million, RMB1,674.4 million and RMB1,463.8 million, accounting for 8.8%, 7.0% and 5.6% of our total purchases in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

Overlapping Customers and Suppliers

During the Track Record Period, certain of our top five customers were also our suppliers, and certain of our top five suppliers were also our customers, details of which are explained below.

During the Track Record Period, Customer A, our largest customer in each of 2023, 2024 and 2025, was also one of our five largest suppliers in the same years. Customer B, one of our top five customers in 2023, 2024 and 2025, was one of our five largest suppliers in the same years. Customer C, one of our top five customers in each of 2023, 2024 and 2025, was one of our five largest suppliers in the same years.

Customers A, B and C require suppliers, including us, to procure designated raw materials and components for their products from approved upstream vendors, including, in some cases, the customers themselves. This is commonly referred to in the industry as the buy-and-sell model, which enables tighter control over procurement, confidentiality, quality, cost and delivery lead times. We primarily sold FPCs to Customer A, while our purchases from Customer A mainly comprised structural parts. We primarily sold LCD/OLED modules and touch display modules for automobile to Customer B, while our purchases from Customer B mainly comprised LCD panels and display ICs used in those products. We primarily sold touch panels and LCD and OLED modules to Customer C, while our purchases from Customer C mainly comprised display structural parts.

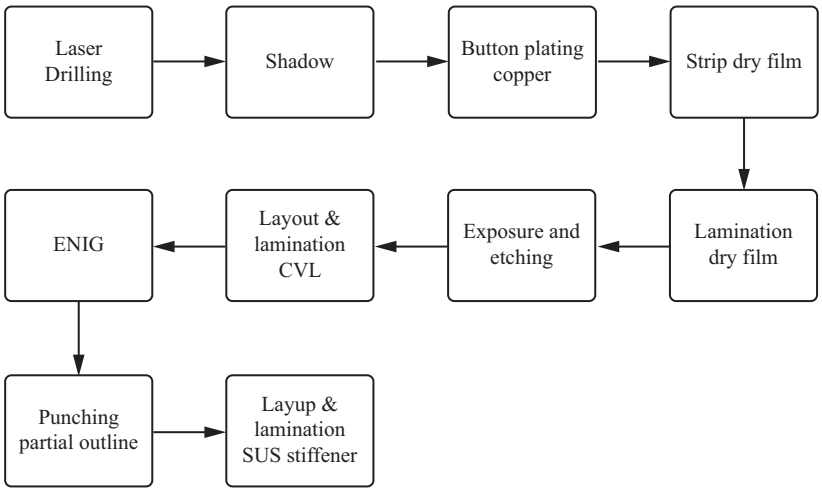
According to CIC, it is in line with industry practice for a company to have both sales to and purchases from the same customer/supplier, and the adoption of the buy-and-sell model is not a definitive determinant of pricing within the precision manufacturing industry.

PRODUCTION AND MANUFACTURING

We manufacture products in our production centers located in the Chinese mainland and overseas, ensuring the timely delivery of high-quality products across various categories to meet customer demands. These production centers are strategically situated near our customers or their suppliers, helping to reduce logistics costs effectively. By incorporating intelligent manufacturing technologies into multiple aspects of our operations, we have significantly enhanced production efficiency and product yields, allowing us to consistently achieve our performance and quality objectives.

Production Process

FPC



- *Laser Drilling.* Laser is used to form through, blind or microvias in the polyimide and copper, and followed by desmear or plasma cleaning to ensure reliable interlayer connection.

- *Shadow.* A conductive layer of carbon/graphite or Pd/Sn catalyst is deposited on the cleaned via walls to enable subsequent copper deposition and establish layer-to-layer conduction.

- *Button plating copper.* Electrolytic copper is plated to thicken via walls and required surface features to the specified thickness, producing low-stress, uniform interconnects.

- *Strip dry film*. Strip is to remove the exposed dry film on copper surface.

- *Lamination dry film*. Dry film is the carrier of the graphic transfer, which is the medium to transfer design data to copper surface, in order to prepare for pattern.

- *Exposure and etching*. The laminated dry film undergoes exposure to induce polymerization in the circuit pattern areas, followed by development to remove unpolymerized film. Subsequent etching removes copper from the developed areas, forming precise circuit patterns.

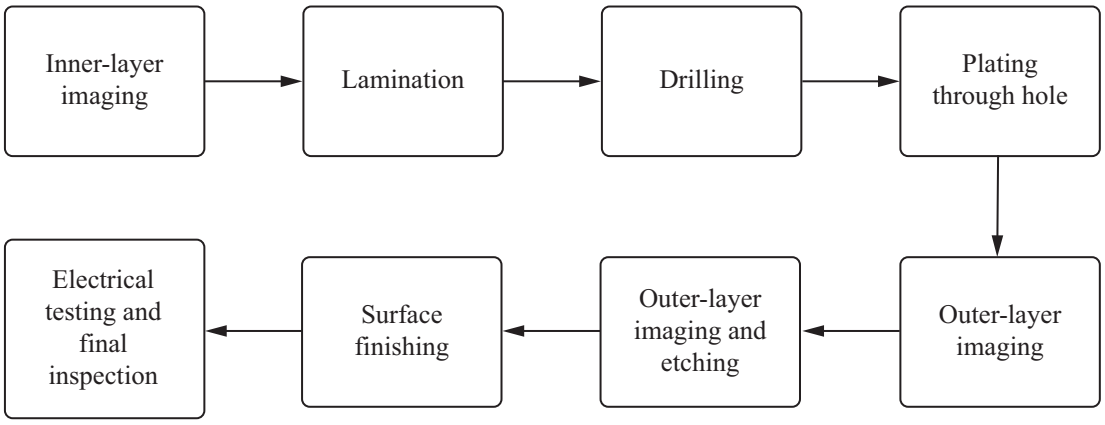
- *Layout & lamination CVL.* The coverlay windows are created, then the coverlay is aligned and vacuum laminated at high temperature and pressure, so the adhesive fills trace valleys and protects the copper without flooding pads.

- *ENIG.* Electroless nickel immersion gold is applied to the exposed copper pads with controlled Ni and Au thickness to provide solderable, corrosion-resistant terminations.

- *Punching partial outline.* Partial outlines or relief features are punched or laser routed to aid later singulation while retaining panel rigidity with tie bars.

- *Layup & lamination SUS stiffener.* Stainless steel stiffeners are positioned and laminated onto designated areas using heat and pressure (or PSA/epoxy) to provide mechanical support and assembly stability.

RPCB



- *Inner-layer imaging.* Copper-clad laminates are precision-cut to specified panel dimensions. Photolithographic processes transfer circuit patterns to inner layers, with subsequent etching to form copper traces.

- *Lamination.* Patterned inner layers are laminated with prepregs under high temperature and pressure to form a stable multi-layer structure.

- *Drilling.* Vias are drilled via mechanical or laser-based methods. A desmear process eliminates residual debris and conditions via walls for subsequent metallization.

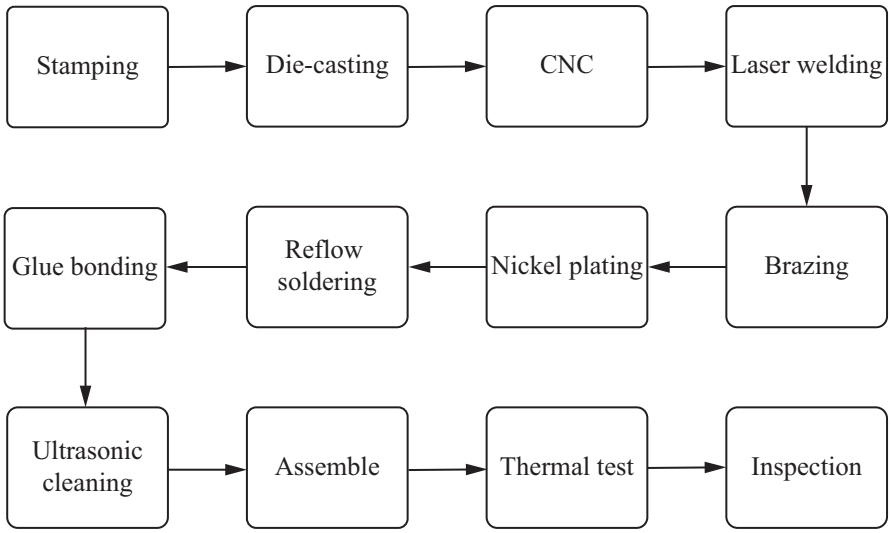
- *Plating through hole*. Electroless copper is deposited onto via walls, with subsequent electroplating to form robust conductive interconnections between layers.

- *Outer-layer imaging and etching*. Photolithographic techniques define outer-layer circuit patterns, which are then etched to form the final copper layout.

- *Surface finishing*. Copper conductors are subjected to micro-etching for oxide and contaminant removal to deposit a uniform solder layer.

- *Electrical testing and final inspection.* Boards undergo electrical testing to detect shorts and opens and are inspected to confirm dimensional precision and compliance with quality standards.

Liquid Cold Plate



- *Stamping.* This process uses specialized dies to apply pressure on metal sheets, shaping them into preliminary workpieces with predefined contours.

- *Die-casting.* Molten metal is injected into custom-designed molds under high pressure, then cooled and solidified to form metal components with complex geometries.

- *CNC.* CNC machines are programmed to perform precision machining operations such as milling, drilling, and turning on workpieces.

- *Laser welding.* A high-energy laser beam is used to melt the interfaces of workpieces, fusing them together.

- *Brazing.* A filler metal with a lower melting point than the base material is heated to join workpieces.

- *Nickel plating*. A layer of nickel is electroplated onto the workpiece surface to enhance corrosion resistance, wear resistance and electrical conductivity.

- *Reflow soldering*. Solder paste applied to component pads is heated in a controlled temperature oven, melting and reflowing to form reliable electrical and mechanical connections between electronic components and substrates.

- *Glue bonding*. Industrial adhesives are used to bond non-metallic parts or metal-non-metal assemblies. Curing time and adhesive type are selected based on material compatibility and structural requirements.

- *Ultrasonic cleaning.* High-frequency ultrasonic vibrations generate micro-bubbles in cleaning fluid, which implode to remove oil, debris and residual flux from workpiece surfaces.

- *Assemble.* Processed components are assembled into finished products or semi-finished products according to design drawings, using specialized jigs and fixtures to ensure assembly accuracy and consistency.

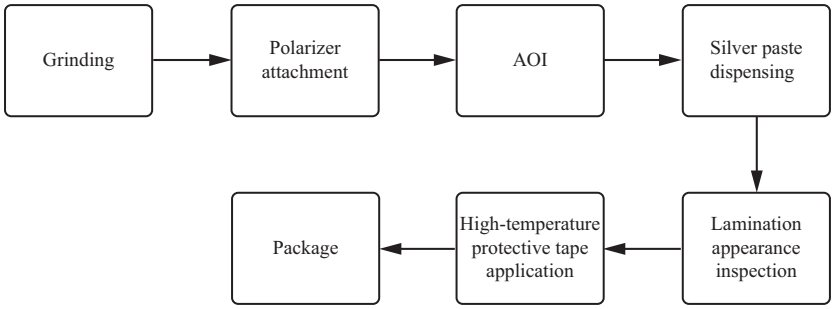
- *Thermal test.* Finished products are subjected to simulated operating temperature environments to evaluate their thermal stability and performance under extreme temperature conditions.

- *Inspection.* Comprehensive quality checks are conducted on finished products, including dimensional measurement, visual inspection and functional testing.

- *Functional inspection*. Assembled products undergo systematic functional testing using specialized equipment and testing protocols, verifying key performance indicators.

- *Package*. Qualified mobile communication antenna are packed before delivery.

LCM



- *Grinding*. LCD glass substrates undergo precision grinding to smooth edges, eliminate burrs and achieve uniform thickness. This process ensures compliance with strict dimensional tolerances required for automotive display assemblies.

- *Polarizer attachment*. Automotive-grade polarizing films are laminated onto LCD panel surfaces using high-precision alignment equipment.

- *AOI*. It uses high-resolution cameras and image analysis algorithms to inspect the surface of workpieces. They detect surface defects and dimensional deviations, enabling fast, consistent quality screening at scale.

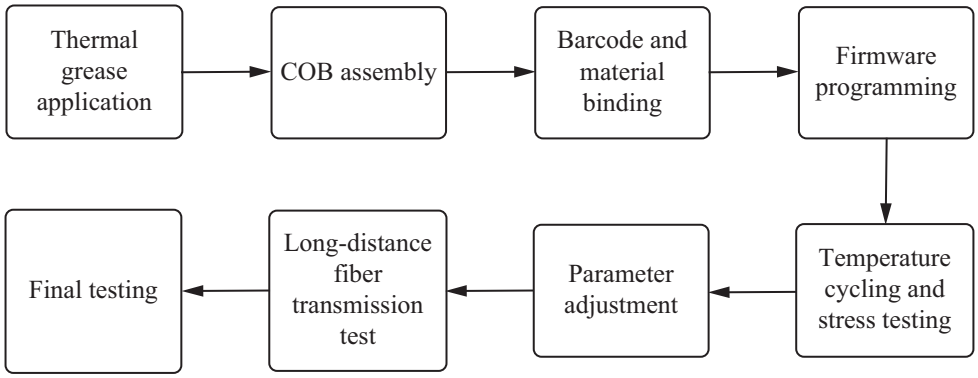
- *Silver paste dispensing*. Conductive silver paste is dispensed onto electrode pads via automated jetting systems, with volume control precision to ensure reliable electrical conductivity between the LCD panel.

- *Lamination appearance inspection*. Dual-stage inspection verifies lamination integrity, checking for paste overflow, misalignment, or particulate contamination.

- *High-temperature protective tape application*. Silicone-based high-temperature protective tape is applied to panel edges and contact zones, shielding critical components from thermal damage during subsequent reflow soldering and preventing scratches in downstream assembly.

- *Package*. Qualified automotive LCD products are packed before delivery.

Optical Transceiver



- *Thermal grease application*. Thermal grease is dispensed onto the internal structure components using an automated dispenser. The grease conducts heat from the chip-on-board to the metal housing.

- *COB assembly*. The COB is placed into the greased structural components, assembled together with support rods and secured by installing cover plates and fastening screws.

- *Barcode and material binding*. The COB's QR code is linked to the barcode on the structural component and additional materials such as springs and screws are also tracked via bonded identification codes.

- *Firmware programming*. Firmware and other required information are programmed into the optical module.

- *Temperature cycling and stress testing*. Modules undergo high-low temperature cycling. Modules are powered on and operate in high-power mode continuously at 70°C to verify operational stability under stress.

- *Parameter adjustment*. Module parameters are fine-tuned through internal registers to ensure that the transmitter and receiver performance meet customer requirements.

- *Long-distance fiber transmission test*. Modules are subjected to long-distance optical fiber transmission tests to confirm performance integrity over extended links.

- *Final testing*. Modules undergo comprehensive final testing to verify that all technical parameters are met.

Production Facilities

As of December 31, 2025, we had production facilities in the Chinese mainland, Thailand, the United States and Mexico. We are actively expanding new production lines and facilities globally, with a particular emphasis on adding high-layer-count PCB. Our diversified footprint enables us to serve local markets more effectively, navigate complex trade environments and reduce logistics and delivery costs. The following table sets forth certain information regarding our major production centers as of December 31, 2025.

Production facility	Year established	Primary product	Business segment	Total gross floor area (m^2)
Yancheng, PRC	2017	PCB, automotive component	Electronic circuit, precision component	841,686
Suzhou, PRC	1998	PCB, automotive component, automotive displays	Electronic circuit, precision component, touch panel and LCM	584,592
Chon Buri, Thailand	2023	PCB	Electronic circuit	155,976

Production facility	Year established	Primary product	Business segment	Total gross floor area (m^2)
Zhuhai, PRC	1992	PCB	Electronic circuit	196,063
California, United States	2023	Automotive component	Precision component	24,967
Dongguan, PRC	2013	Telecommunications equipment component	Precision component	21,970
Monterrey, Mexico	2022	Automotive component	Precision component	13,818
Chengdu, PRC	2001	Telecommunication transceiver	Optical transceiver	32,782
Changzhou, PRC	2017	Telecommunication transceiver	Optical transceiver	30,084
Taiwan	1996	Telecommunication transceiver	Optical transceiver	27,345
Kunshan, PRC	2006	Automotive component	Precision component	3,107
Germany	2011	Automotive component	Precision component	24,704
France	1962	Automotive component	Precision component	201,445
Czech Republic	2020	Automotive component	Precision component	12,416
Morocco	2015	Automotive component	Precision component	56,968
Mexico	2018	Automotive component	Precision component	8,228
Portugal	2015	Automotive component	Precision component	44,494
Slovakia	1998	Automotive component	Precision component	34,258
Türkiye	2023	Automotive component	Precision component	5,550
Spain	2014	Automotive component	Precision component	3,305
Hungary	2005	Automotive component	Precision component	443,862

Set forth below are photos of our production centers.

The following table sets forth the production capacity and utilization rate for our main products for the periods indicated.

Product Category[3]	Year ended December 31,					
	2023		2024		2025	
	Capacity ('000 sq. m./unit)	*Utilization %*	*Capacity ('000 sq. m./unit)*	*Utilization %*	*Capacity ('000 sq. m./unit)*	*Utilization %*
Electronic circuit	**5,495**	**71.9**	**7,150**	**78.0**	**8,488**	**82.2**
FPC	3,975	71.6	5,480	79.7	6,784	79.3
RPCB	1,330	77.8	1,480	77.6	1,604	94.4
Rigid-Flex	190	37.7	190	34.3	100	86.6
Precision component	**150,000**	**71.2**	**200,000**	**71.8**	**334,545**	**57.0**
Automotive component	140,500	72.7	190,500	72.9	325,045	57.6
Telecommunications equipment components	9,500	49.3	9,500	49.5	9,500	36.9
Touch panel and LCM	**59,800**	**44.2**	**53,000**	**58.7**	**53,000**	**51.8**
Touch panel	14,500	28.4	12,000	38.0	12,000	45.1
LCD & OLED module	45,300	49.2	41,000	64.8	41,000	53.7
Optical transceiver[5]	**N/A[6]**	**N/A**	**N/A**	**N/A**	**3,354**	**85.7**
Data center transceiver	N/A	N/A	N/A	N/A	1,152	83.1
Telecommunications transceiver	N/A	N/A	N/A	N/A	2,202	87.0

Notes:

(1) Production capacity assumptions for our products are based on each business line's operating schedule, depending on its working hours and working days.
(3) Production capacity is measured using the following units for each product category: PCBs are measured in square meters (m²), representing the total area of PCB products produced; precision components, touch panels and LCMs and optical transceivers are measured in units, representing the total number of finished components or assemblies.
(4) Utilization rate is calculated by dividing the actual number of units produced in the year by the production capacity of the year.
(5) Production capacity and utilization rate of the optical transceiver operating segment for 2025 represents the period from October 1, 2025 to December 31, 2025, as Source Photonics was consolidated into our financial statements on October, 2025.
(6) "N/A" indicates not applicable, as Source Photonics was consolidated into the Group since October 1, 2025.

During the Track Record Period, the utilization rates of certain segment or production line decreased, most notably within in our precision component segment, primarily due to softer demand for telecommunications equipment components. We strategically scaled back this business in response to a slowdown in global 5G infrastructure spending and sourcing shifts by certain overseas customers away from China due to supply chain considerations. As a result, production volumes for telecommunications equipment components declined and capacity was not fully utilized, leading to lower utilization rates in this segment.

In addition, our disclosed production capacity is determined based on assumptions of full utilization of available equipment time, including relatively high assumptions on working hours and working days. In practice, we may from time to time arrange production based on order mix and operational scheduling, including adjusting shift patterns, operating hours and working days, as well as undertaking routine maintenance, changeovers and production line balancing. As a result, actual output in a given period may be lower than the theoretical capacity calculated under such assumptions, which may result in relatively lower utilization rates.

Source Photonics has production facilities in Taiwan, Changzhou and Chengdu. The following table sets forth the production capacity and utilization rate for Source Photonics' products for the periods indicated.

Product Category	Year ended December 31,				Nine months ended September 30,	
	2023		2024		2025	
	Capacity[1] ('000 unit)	*Utilization[2] %*	*Capacity ('000 unit)*	*Utilization %*	*Capacity ('000 unit)*	*Utilization %*
Data center transceiver	291	84.9	1,447	86.6	2,745	86.2
Telecommunications transceiver	6,024	64.5	6,455	67.4	6,158	84.0

Notes:

(1) Production capacity assumptions for the products are based on each business line's operating schedule, depending on its working hours and working days.
(2) Utilization rate is calculated by dividing the actual number of units produced in the period by the production capacity of the period.

Intelligent Manufacturing

We have successfully integrated intelligent manufacturing across multiple aspects of our production processes for different products, leading to significant improvements in efficiency, product yields and overall operational performance. Our intelligent manufacturing system incorporates automated production, automated logistics and digitized management. They enable us to achieve competitive production yields, ensure the timely fulfillment of customer orders, and reduce production costs. Key aspects of our intelligent manufacturing include:

Process Automation

We've implemented extensive process automation across our production lines, integrating connected equipment, system-level orchestration and dynamic scheduling. Our fully automated test lines use advanced

machine vision to optimize SMT processes, reduce labor requirements and continuously improve production cycle efficiency. In quality control, an AI-driven vision system creates a loop of detection, analysis and optimization, improving automated defect detection. We have also upgraded production management with centralized control centers that coordinate shop floor operations, enhancing the standardization of site management and workers' safety.

Intelligent Warehousing

Our warehousing operations are driven by digital and automated systems that ensure real-time data exchange with our manufacturing and logistics. Our efficient inventory management, automated material handling and flexible warehouse scheduling have improved throughput, accuracy, and cost efficiency throughout our supply chain.

We have implemented a combined WMS and WCS to strengthen inventory control, automate material handling and support the efficient scheduling and routing of warehouse activities. This system has enhanced our throughput, inventory accuracy and supply chain efficiency. In addition, our EAM system enables centralized management and maintenance of key assets across warehousing and production facilities. By facilitating real-time monitoring and scheduled maintenance of equipment, the EAM system promotes operational reliability and reduces unplanned downtime and contributes to the overall effectiveness of our supply chain management. Through continuous process optimization, we remain at the forefront of intelligent manufacturing, enhancing the production efficiency and quality of products to customers worldwide.

Production Planning

We typically plan our production on a monthly basis based on the forecasted demand of our customers and the anticipated market trends. We continuously review our production plans and utilization rates and update our production plans at least on a weekly basis, or more frequently, on a daily basis if required, pursuant to the utilization rate of our factories in the preceding week and the rolling forecasts of customer orders and expected utilization rates. We also strategically plan our production in advance to prepare for seasonal increases in customer orders.

Equipment and Machinery

Major equipment and machinery used in our production processes include: (i) laser drilling machine, pressing machine, etching machine and plating lines for our PCB products; (ii) high-speed optical alignment machines, AOI equipment, fiber splicing tools, wire bonding machines, and electrical/optical functional testers for our optical transceivers; (iii) ANEX-150 high-speed precision press, 8,200-ton stamping line, UBE die casting machine and HPC650 horizontal machining center for our precision components; and (iv) automated laminators, vacuum laminating machines, screen printing machines, ACF attach equipment and hot presses for our touch panels and LCMs.

We generally purchase the equipment from qualified suppliers. We work with and require our suppliers to provide equipment that meets our requirements and quality standards. We regularly inspect and maintain the material equipment and machinery used in our production processes and replace worn consumable parts and components. Our major production equipment and machinery have an estimated average useful life of approximately 5-10 years.

Inventory Management

Our inventories mainly include raw materials, work-in-progress, finished goods and goods in transit. Based on our forecasted orders, we conducts a monthly check and update of our inventory level and plans our procurement accordingly. We generally maintain raw materials inventory for planned production 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.

As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB6,293.9 million, RMB6,152.7 million and RMB8,928.9 million, and our inventory turnover days in 2023, 2024 and 2025 are 77 days, 69 days and 70 days.

Logistics

Our products are usually stored in our own warehouses located in our production centers before they are delivered to our customers. We primarily use third-party logistics service providers for the delivery of finished goods from our production centers and warehouses to locations specified by our 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.

WARRANTY, PRODUCT RETURN AND AFTER SALES SERVICES

Our warranty periods generally range from 0.5 to 7 years for our PCBs, 2 to 3 years for optical transceivers, 1.5 to 3 years for touch panel and LCM products for consumer electronics, 3 to 5 years for automotive components. For certain PCB and precision component products, no warranty is provided. According to CIC, this is in line with prevailing industry practice. Our warranties cover replacement or return of products if they do not meet the contractually agreed standards, including drawings, specifications and the Company's standards. We make provisions for warranties based on our best estimate of the expected claims under our sales agreements. In 2023, 2024 and 2025, we recorded warranty provisions of RMB30.2 million, RMB30.5 million and RMB21.4 million, respectively.

We have devised a standard operating procedure for customer service. We collect and record customer feedback and complaints from different channels and make timely responses in order to achieve customer satisfaction.

We accept returns of our products for defects. We believe our return policy is consistent with the relevant PRC laws and regulations governing product quality and consumer rights and interests. We have not received any requests for returns during the Track Record Period which individually or in aggregate had a material adverse effect on our business and financial condition. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any product recall that adversely impacted on our reputation, business operations or financial condition.

QUALITY CONTROL

We believe that product quality is the cornerstone of our business operations and sustainable growth. We are committed to delivering products that meet the highest industry standards and exceeding customer expectations. Our comprehensive quality control and quality assurance systems are integrated into every stage of our production process, ensuring consistent and reliable production and delivery of high-quality products.

We have established a quality management system certified under ISO 9001:2015 and IATF 16949:2016. In addition, we have obtained other internationally recognized certifications, including IECQ QC 080000:2017, ISO 14001:2015, ISO 27001:2022, ANSI/ESD S20.20:2021, TISAX Level 3, ISO 45001:2018 and ISO 50001:2018. We conduct regular internal audits and management reviews of our quality control systems to promptly identify and address potential issues, ensuring continuous improvement and refinement of our quality control systems. To ensure product quality, we have a quality control department dedicated to implementing quality control measures throughout the entire production cycle, including raw material inspection, in-process quality control and final product inspection.

Our quality control procedures and processes cover our entire production process to ensure that our product quality meets the expectations and imposes requirements after each critical process. Yield rate is the critical indicator we monitor during each of our critical production processes.

INTELLECTUAL PROPERTY

Our research and development efforts have produced 899 patents, 66 registered trademarks, 172 software copyrights and seven domain names and one copyright as of December 31, 2025 based on the intellectual property held by the Company and its major PRC subsidiaries in the Chinese mainland. See "Appendix IV—Statutory and General Information — Further Information about the Business — Intellectual Property." These intellectual properties cover our production processes as well as the design of our products.

We rely on a combination of intellectual property protection laws and contractual arrangements (including confidentiality provisions) to establish and protect our proprietary technologies, know-how and other intellectual property rights. Our subsidiaries, organized by business line, are primarily responsible for protecting our intellectual property in their respective areas. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual property and trade secrets.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material infringement of our intellectual property rights. Neither our Group nor any of our intellectual properties was the subject of, or to the best of the Directors' knowledge, is expected to be subject to, any disputes or litigation in relation to the infringement of any intellectual property rights during the Track Record Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

ESG is integral to our strategy and daily operations as part of our sustainable growth efforts. We have adopted a set of ESG policies and identified a number of material ESG issues that are closely related to our business, including product quality and safety, business ethics and anti-corruption, information security and privacy protection, labor and human rights management, climate change response and sustainable supply chain management. In response to these issues, we have formulated corresponding policies and systems and strengthened the management of metrics and targets to ensure stable and compliant business operations. During the Track Record Period and up to the Latest Practicable Date, we were in compliance with the relevant laws and regulations in all material respects in the jurisdictions where we operate, and we were not subject to any material claims, penalties or incidents arising from non-compliance with ESG-related laws and regulations.

ESG Governance Structure

We have established a comprehensive ESG governance framework to continuously strengthen ESG management and implementation. Our Board is ultimately responsible for ESG matters, with its Strategy and ESG Committee providing assistance, guidance and monitor for those matters. Our Board is primarily responsible for (i) reviewing and approving ESG strategic plans, objectives and policies, as well as making decisions on material matters relating to sustainable development; (ii) assessing ESG-related risks and opportunities, as well as the adaptability of our strategies and business models to sustainability-related impacts, risks and opportunities; and (iii) supervising, evaluating and reviewing the progress of ESG targets. We have established the Sustainability Management Committee at the management level to coordinate the day-to-day management and information disclosure. The ESG Working Group is responsible for executing ESG work plans and conducting regular reviews and progress reporting of ESG targets.

ESG Risk Identification, Assessment and Response Summary

We continuously enhance our risk management system and improve our materiality assessment process to systematically identify, assess, manage and monitor ESG-related risks and opportunities. We have identified certain material issues relevant to our operations and formulated corresponding measures to address them, which primarily include the following:

Material Issues	Analysis of Risks and Opportunities	Response Measures
Response to Climate Change	Physical and transition risks arising from climate change may lead to asset losses, increased costs and changes in market preferences; meanwhile, green transition and evolving market demands create opportunities for new product solutions.	We seek to adopt new technologies, processes and materials in a timely manner, actively deploy low-carbon technologies and more environmentally friendly products and set emission reduction targets and strategies to enhance our green competitiveness.
Emission and Waste Management	Inadequate emission and waste management will lead to environmental pollution. The increasingly stringent hazardous waste management standards and regulatory requirements have raised companies' compliance and operational costs. Promoting the circular economy will help companies reduce long-term costs, enhance efficiency and build compliance advantages.	We will continuously improve the emission and waste management and control procedures, establish a full-process electronic ledger, implement source control and strengthen monitoring to ensure compliance with emission standards; we will also actively explore pathways for emission and waste reduction, and steadily increase the comprehensive utilization rate of solid waste.
Product Quality and Safety	Failure to manage design and R&D risks, production process risks and compliance risks effectively may result in regulatory non-compliance or market access challenges.	We integrate stringent standards across the entire business chain from product design, R&D, procurement and production to sales and after-sales service. We leverage our intelligent manufacturing system to achieve efficient and precise quality control.
Labor Management	Risk of inadequate occupational health and safety conditions may lead to compliance risks and higher employee turnover.	We strictly comply with international human rights standards and applicable laws and regulations in the jurisdictions where we operate, establish sound labor

Material Issues	Analysis of Risks and Opportunities	Response Measures
		and human rights management procedures and strengthen relevant training and inspections.
Sustainable Supply Chain	Risks such as raw material shortages, rising costs, delivery delays and conflict minerals may affect business continuity and market competitiveness; strengthening supply chain collaboration supports technological adoption and corporate transformation.	We establish a supplier management system incorporating ESG considerations into supplier admission, procurement and evaluation processes, conducting regular supplier reviews, providing feedback and improvement support.
Business Ethics and Anti-corruption	Ineffective management of anti-fraud, anti-bribery, fair competition and anti-monopoly practices may lead to significant economic costs, business risks and reputational impact.	We extend business ethics and anti-corruption requirements to our Board members, all employees and our supply chain, conduct regular business ethics audits and training and enhance whistleblowing management processes.

Environmental Indicators and Management

Environmental Management

We strictly comply with the Environmental Protection Law of the PRC and other applicable laws and regulations and have established internal policies such as the EHS Management System and the EHS System Management Standards. We continue to improve the system by enhanced monitoring, audits and training, with targets of zero environmental incidents, full emissions compliance and continuous carbon reduction to ensure effective implementation. As of December 31, 2025, our major production facilities had obtained ISO 14001 environmental management system certifications. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material administrative penalties imposed by environmental authorities for violations of environmental protection laws, regulations or related requirements.

Indicator	Targets	Measures
Air emissions management	• 100% compliance rate for air emissions • With 2024 as the base year, a 5% reduction in particulate matter (PM) emission intensity and a 5% reduction in volatile organic compounds (VOCs) emission intensity by 2030	• Continuously optimize environmental protection treatment processes, strengthen the upgrading and renovation of air-emission control systems and gradually increase the pollutant removal rate to over 90%
Waste management	• 100% compliance rate for the disposal of hazardous and non-hazardous waste • With 2024 as the base year, a 3% reduction in solid waste	• Continuously improve process technologies to reduce solid waste generation at the source

Indicator	Targets	Measures
	generation intensity and a solid waste comprehensive utilization rate of over 85% by 2030	• Gradually expand the coverage of UL 2799 Zero Waste to Landfill certification to enhance the comprehensive utilization rate of solid waste
Energy management	• With 2024 as the base year, a 6% reduction in electricity consumption intensity by 2030	• All newly procured equipment shall meet at least the Grade 2 energy efficiency standard • Strengthen energy management in accordance with ISO 50001, and optimize energy usage strategies by establishing an intelligent energy online monitoring system and installing interlocking start-stop devices
Water resource management	• With 2024 as the base year, a 5% reduction in water consumption intensity by 2030	• Conduct water balance analysis, deploy water-saving facilities such as closed cooling towers, and strengthen the intelligent management of water resources • Actively promote water recycling technologies
Greenhouse gas emission reduction	• With 2024 as the base year, an 8% reduction in GHG emission intensity (Scope 1 and Scope 2) by 2030	• On the basis of strengthening energy management and energy conservation and emission reduction, steadily increase the proportion of clean energy utilization through measures such as photovoltaic power generation and green power procurement to reduce GHG emissions • Gradually expand the coverage of certifications such as "Near-Zero Carbon Factory" and "Green Factory"

Emissions

We comply with the Prevention and Control of Water Pollution Law of the PRC, Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC and other relevant laws, regulations and local discharge standards. We have established comprehensive control procedures for exhaust gas, wastewater, solid waste and noise across all business units, with a focus on source control and regular monitoring to ensure compliance. Meanwhile, we have been adhering to the principles of "reduction, recycling and harmless treatment" and actively exploring various way to reduce emissions and waste. Our subsidiary, MFLEX Suzhou, has obtained the UL 2799 Zero Waste to Landfill Platinum Level certification.

The emission and waste generation data during the Track Record Period are as follows:

Classification	Unit	Year ended December 31, 2023	2024	2025
Volatile Organic Compounds (VOCs) Emissions	tonnes	23.07	24.25	14.41
VOCs Emission Density	tonnes/RMB million revenue	0.0007	0.0007	0.0004[1]
Particulate Matter (PM) Emissions	tonnes	4.57	8.94	12.57
PM Emission Density	tonnes/RMB million revenue	0.0001	0.0002	0.0003[2]
Non-hazardous Waste	tonnes	26,283.18	41,554.93	38,506.07
Non-hazardous Waste Density	tonnes/RMB million revenue	0.78	1.13[3]	0.96
Hazardous Waste	tonnes	24,484.55	31,851.18[4]	35,506.72
Hazardous Waste Density	tonnes/RMB million revenue	0.73	0.87	0.88

Notes:

(1) (2) In 2025, the statistical scope was expanded to include Source Photonics (October–December 2025). Meanwhile, affected by product structure optimization and capacity expansion in certain business segments, the data exhibited reasonable fluctuations in line with business changes.

(3) With the continuous improvement of our environmental management system, the statistical process for non-hazardous waste data at each production facility has become more standardized and comprehensive in scope.

(4) In 2024, certain business segments of ours expanded production capacity, and due to the upgrade and renovation of pollution control facilities in early 2024, a small amount of hazardous waste originally deposited on the inner walls of the equipment was thoroughly cleaned up and recorded in the 2024 waste transfer manifests in accordance with applicable regulations resulting in a moderate year-on-year increase in the total volume and density of hazardous waste.

Resource Consumption

Energy Management

In accordance with the requirements of the ISO 50001 energy management system, we have been gradually improving the energy management framework across our business segments by formulating energy management procedures and targets and by establishing monitoring and evaluation systems for energy conservation and emission reduction. We continue to promote energy efficiency from management measures, technological upgrades and energy structure optimization.

Water Resource Management

We have formulated standardized policies such as Water Resource Management Procedures in each of our business segments to stipulate specific management requirements for water use. We have also established water-saving teams in key production facilities to conduct water balance analysis, formulate water conservation plans and implementation schemes and promote the sustainable utilization of water resources. We have adopted water-efficient facilities and equipment, and certain production facilities are equipped with intelligent water-saving devices and online monitoring systems to ensure precise management of water resources. In addition, we actively promote water recycling technologies by collecting, treating and reusing wastewater generated during production. We have also upgraded or constructed rainwater collection and treatment facilities within our production and operation areas to strengthen the reuse of rainwater resources.

Classification	Unit	Year ended December 31, 2023	2024	2025
Purchased Electricity	MWh	927,995.10	915,239.60	932,930.76
Electricity Consumption Density	MWh/RMB million revenue	27.58	24.89	23.25
Total Water Consumption	tonnes	2,062,631.52	2,448,769.54	2,907,396.72
Water Consumption Density	tonnes / RMB million revenue	61.29	66.60	72.46[1]

(1) In 2025, the statistical scope was expanded to include Source Photonics (October–December 2025). Meanwhile, affected by product structure optimization and capacity expansion in certain business segments, the data exhibited reasonable fluctuations in line with business changes.

Response to Climate Change

To more effectively respond to climate change, we have identified climate-related potential risks and opportunities and incorporated them into our strategic decision-making. While advancing green transformation, we practice low-carbon operations and strengthen climate resilience, and gradually advancing carbon accounting and verification across our business segments.

Classification	Unit	Year ended December 31, 2023	2024	2025
Scope 1	Metric tonnes of carbon dioxide equivalent	7,826.96	15,525.31	18,767.79
Scope 2	Metric tonnes of carbon dioxide equivalent	497,962.17	491,117.57	568,714.59
Scope 3[1]	Metric tonnes of carbon dioxide equivalent	197,769.87	216,466.20	229,395.53
Greenhouse Gas Emissions Density (Scope 1 and Scope 2)	Metric tonnes of carbon dioxide equivalent/ RMB million revenue	15.03	13.78	14.64

Note:

(1) The calculation methodology for Scope 3 greenhouse gas emissions refers to the GHG Protocol, with emission factors referencing the China Product Life Cycle Greenhouse Gas Emission Factor Database and the National Greenhouse Gas Emission Factor Database. For 2023, the data cover MFLEX Suzhou, Mutto Optronics and Multek; and for 2024 and 2025, the date cover MFLEX Suzhou, MFLEX Yancheng, Mutto Optronics and Multek, and include Category 1 (purchased goods and services), Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations), Category 6 (business travel), Category 7 (employee commuting) and Category 9 (downstream transportation and distribution).

Social Indicators and Management

Employment Responsibility

We respect and protect the lawful rights and interests of all employees. Each of our business segments has established comprehensive systems that set out requirements relating to working hours management, paid leave, prohibition of child labor, compensation and benefits and anti-discrimination and anti-harassment, and expressly prohibit any conduct that infringes upon or violates labor rights. Our major operating bases have obtained ISO 45001 certification for occupational health and safety management systems. In 2025, there were zero work-related fatalities.

We align our talent development strategy with our corporate strategy and business development plans. We have established clear managerial and professional development pathways and provided a systematic and diversified training system for all employees. We actively promote inclusive employment for persons with disabilities. Through dedicated support programs and inclusive hiring initiatives, we expand their career opportunities and help them gain social recognition and self-realization.

Product Liability

We are committed to continuously creating value for customers through high-quality products, innovative solutions and excellent services. We have established comprehensive quality management systems across each business segment in line with ISO 9001, IATF 16949, VDA 6.3, and ISO 9004 and aligned with customer requirements. These systems cover R&D management, raw material and product inspections, non-conformance handling, corrective and preventive actions, customer complaint handling, and product recalls. We integrate customer needs and high-standard quality requirements into the full business process from product design, R&D, procurement, production and sales to after-sales service. As of December 31, 2025, our major production facilities have obtained certification under the ISO 9001 quality management system.

Business Ethics and Anti-Corruption

We have formulated a series of policies and procedures such as the Business Ethics and Integrity Management System and the Detailed Rules for Anti-Corruption Management and require all employees to sign the Commitment against Fraud and Commercial Bribery. We regularly conduct anti-fraud and anti-corruption training and integrity and ethics education. We have established a Misconduct Reporting Mechanism and Handling Measures, continuously improved our whistleblowing process, and ensured all employees understand reporting channels and procedures through training and on-site communications. During the Track Record Period, we were not involved in any litigation cases related to bribery, corruption or unfair competition.

DATA PRIVACY AND CYBERSECURITY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, process and transfer of various types of data may come under increased administrative scrutiny. See "Risk Factors — Risk Relating to Our Business and Industry — Our information systems may experience system failures, interruptions or security breaches."

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We generally do not collect or process individual customers' personal information since our customers are brand companies rather than individuals.

We have established a comprehensive data compliance system that consists of organizational structure and internal policies. Our data security policies have been certified under ISO/IEC 27001:2022. In addition, we conduct annual trial runs of data breach incidents to test our data protection mechanism and provide various data security trainings to our employees (including trainings during their on-boarding process) to ensure that our employees are well aware of our data security policies and their responsibilities in terms of data protection. We require our employees to pass our data security tests before they can commence working for us.

Our Information Security Committee, under our senior management's oversight, is responsible for developing and implementing our policies and procedures relating to cybersecurity and data security.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the latest Practicable Date, we had complied with applicable laws and regulations related to cybersecurity and data protection in all material aspects.

INFORMATION TECHNOLOGY

Our information technology systems are essential to our business operations. We have developed or employ various information technology systems covering all material aspects of our operations, including sales, supply chain management, inventory management, production and quality control. Our information technology department is responsible for developing and maintaining information technology systems to support our business operations and growth. Our Customer Relationship Management (CRM) system manages client data and sales processes, while the Enterprise Resource Planning (ERP) system provides a unified platform for cross-departmental collaboration and data-driven decisions. We optimize our supply chain with a Supplier Relationship Management (SRM) system and ensure product standards are met using a Quality Management System (QMS) to monitor for and resolve defects early.

The capabilities and the stability of our IT infrastructure are vital to our business operations. The IT department performs system checks, data back-ups, system maintenance and other activities to secure the continual operation of the critical IT systems and facilities. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material failure or general breakdown of our IT systems which had resulted in a material adverse impact on our overall business operations.

PROPERTIES

As of December 31, 2025, we operated our business through 15 owned properties and 36 leased properties in China. We primarily use our owned and leased properties as our production centers and office premises.

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this document. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

As of December 31, 2025, we owned 30 properties with a gross floor area of approximately 1,134.2 thousand sq. m. in the Chinese mainland, the United States and Thailand. We mainly use these properties as our production centers and office premises.

As of December 31, 2025, we leased 84 properties with a gross floor area of 1,847.7 thousand sq. m. in the Chinese mainland, the United States, Singapore, Mexico and Thailand, mainly as our production centers, employee dormitory, offices and warehouses.

EMPLOYEES

We believe that our long-term growth depends on the expertise, experience and development of our employees. As of December 31, 2025, we had 39,245 full-time employees. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2025.

	As of December 31, 2025	
Function	**Number**	**%**
Production	29,716	75.7
Sales and marketing	604	1.5
Technical	7,056	18.0
Finance	217	0.6
Administrative	505	1.3
Management	1,147	2.9
Total	39,245	100.0

We provide our employees with certain benefits including social insurance coverage and retirement benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined with reference to their job positions, technical skills, job performance and competition. We have various employee training programs that aim to enhance our employees' technical skills and innovation capability.

Some of our employees are represented by a union or collective bargaining agreements. Our Directors consider that our Group has maintained a good relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, there was no material dispute between our Group and our employees, and we did not experience any strikes, work stoppages, labor disputes or actions which had a material adverse effect on our business and operations.

COMPETITION

According to CIC, the markets in which we operate are highly competitive, especially for PCB, precision component and optoelectronic display. To maintain and grow our business, we must continue to meet our customers' requirements and deliver differentiated, high-performance products that meet their evolving needs. If we are unable to keep pace with such advancements or fail to differentiate our products in terms of quality or cost, we risk losing market share to our competitors. See "Industry Overview" for details relating to our competitive landscape.

AWARDS AND RECOGNITION

The following table sets out a summary of the major awards and recognition we have received since 2019.

No.	Year	Awards or Recognition
1	2019	Jiangsu Provincial IIoT Benchmark Factory
2	2019, 2024	Jiangsu Provincial Intelligent Manufacturing Demonstration Workshop
3	2020, 2023	Jiangsu Provincial Green Factory
4	2021	Jiangsu Provincial IIoT Demonstration Enterprise (Benchmark Factory category)
5	2021	Jiangsu Provincial Industrial Internet Development Demonstration Enterprise (Benchmark Factory category)
6	2022	Sample Enterprise of China's Foreign Trade Export Leading Index

No.	Year	Awards or Recognition
7	2023	5G Factory Certification (Jiangsu Provincial)
8	2023	National Intelligent Manufacturing Demonstration Factory
9	2024	5G Factory Certification (MIIT)
10	2024	Intelligent Manufacturing Demonstration Factory of the Year
11	2025	Jiangsu Provincial Advanced-level Intelligent Factory
12	2025	Excellence-tier Intelligent Factory

INSURANCE

We maintain insurance policies to cover product liability and employer liability. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries in which we operate. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks Relating to our Business and Industry — Our insurance coverage may be insufficient to cover all of our potential losses" for details.

During the Track Record Period and up to the Latest Practicable Date, we had not made, and were not the subject of, any insurance claims which are material to our business or financial condition.

RISK MANAGEMENT AND INTERNAL CONTROL

Our future operating performance may be affected by risks relating to our business. Some of these risks are specific to us while others relate to economic conditions and the general industry in which we operate. See "Risk Factors" for a discussion of these risks.

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

Risk Management and Internal Control Policies

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

Under our risk management and internal control policies, the Board oversees risk management and internal control systems on an ongoing basis and reviews the effectiveness of these systems.

In October 2025, we engaged an independent consulting firm to perform an initial and follow up review over our internal control. The key areas of inspection include sales, accounts receivable and

collection, procurement, accounts payable and payment, inventory and logistics management, production and cost, human resources and payroll, fixed assets and intangible assets management, cash and treasury management, investment management, financial reporting and disclosure controls, tax management process, expense management process, contract management process, IT general controls, IT application controls, information system development, testing and implementation, research and development management, and insurance management.

Historical Non-compliance

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any non-compliance incident which, individually or taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. Our Directors believe that below incidents did not and will not likely have any material adverse impact on our business operations or financial performance.

Social Insurance and Housing Provident Funds

Considering the shortfall in social insurance and housing provident fund contributions was insignificant compared to our total revenue throughout the Track Record Period, we had not made relevant provisions. See "Risk Factors— Risks Relating to Our Industry and Business— Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative sanctions." As advised by our PRC Legal Advisor, under the Regulation on Administration of Housing Provident Fund, if we fail to pay by the due date or underpay housing provident fund contributions, we may be ordered to make the payment within a stipulated deadline; if we fail to pay housing provident fund contributions within the prescribed deadlines, compulsory enforcement by the court can be applied. As advised by our PRC Legal Advisor, under the PRC Social Insurance Law, for outstanding social insurance fund contributions that we did not promptly pay in full, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; if we fail to make such payments within the stipulated deadline, we may be liable to a fine of one to three times the outstanding contribution amount.

The New Judicial Interpretation was enacted by the Supreme People's Court on July 31, 2025 and effective as of September 1, 2025. See "Regulatory Overview — Regulations on Employment and Social Welfare" for details. As advised by the PRC Legal Advisor, the New Judicial Interpretation does not expand penalty exposure or repeal existing laws, and upon its implementation, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance and housing provident funds from us and/or impose administrative penalties on us still remains remote.

Properties

As of December 31, 2025, 19 of our lease agreements of us and our PRC major subsidiaries mainly used for office, production or storage had not been registered with the relevant local real estate administration bureaus as required under PRC laws and regulations, and the maximum aggregate administrative penalty that may be imposed on us in respect of such non-compliance would be RMB190,000. As confirmed by our PRC Legal Advisor, the failure to complete the registration for the aforementioned leased premises shall not affect the legal validity of the lease contracts.

As of December 31, 2025, the lessors of a small portion of the leased premises used by the Company and our PRC major subsidiaries, primarily for office, production or storage purposes, had not provided valid property ownership certificates. The aggregate gross floor area of such premises accounted for approximately 0.8% of the total gross floor area of our aforementioned leased premises in the PRC. (i) these leased premises are used for purposes including warehousing, office operations, sales and research and

development, (ii) we are not materially dependent on such premises and are able to find alternative properties in a short period of time and (iii) we have mitigated relevant risks by stipulating corresponding terms and liability for breach of contract in the lease contract. Based on the above, our PRC Legal Advisor is of the view that there is no material adverse effect on our business operations.

Furthermore, due to historical reasons, a small portion of the properties owned by our PRC major subsidiaries had not obtained the relevant ownership certificates as of December 31, 2025. The aggregate gross floor area of such properties accounted for approximately 1.1% of the total gross floor area of properties owned by us and our major PRC subsidiaries in the PRC. Up to the Latest Practicable Date, we have not received any notice from the relevant authorities requiring us to vacate such properties. As advised by our PRC Legal Advisor, lacking ownership certificates of the aforementioned properties would not have a material adverse impact on our business operations. We are in the process of applying for the relevant ownership certificates and expect to complete the relevant procedures by 2026.

See "Risk Factors — Risks Relating to Our Industry and Business — We are subject to risks in relation to our properties."

INTRA-GROUP TRANSACTIONS

In our ordinary course of business, we conduct certain intra-group transactions and transferred raw materials or products between the Group entities during the Track Record Period. Specifically, in both 2023 and 2024, one group entity (the "**Product-supplying Entity**") sold products of the Group to another affiliated entity (the "**Service-providing Entity**"), which in turn sold such products to third-party customers on the behalf the Product-supplying Entity. Under this arrangement, the Service-providing Entity undertakes invoicing and customer support functions to facilitate the Product-supplying Entity's sales activities, without assuming any commercial risks associated with the transactions. Accordingly, these product purchase and sale transactions were recorded as pass-through transactions, and the Service-providing Entity received a service fee from the Product-supplying Entity in consideration of the support services rendered. Also in both 2023 and 2024, the Service-providing Entity rendered invoicing and customer support services to the Product-supplying Entity in connection with the Product-supplying Entity's sales of the Group's products through the Service-providing Entity.

In addition, in 2023, an overseas group entity (the "Procurement Entity") purchased the Group's products from two manufacturing entities located in the Chinese mainland (the "Manufacturing Entities"), which were responsible for producing and selling such products to the Procurement Entity. In addition, the Procurement Entity sold products purchased from one of the Manufacturing Entities to an overseas distribution entity of the Group (the "Distribution Entity"), which in turn sold such products to third-party customers in the U.S. market.

Given our global operations involving cross-border related-party transactions, we are subject to the relevant laws and regulations of the jurisdictions in which we operate. To ensure compliance with such regulatory requirements, we have established internal control procedures to govern the pricing and documentation of our intra-group transactions. We have also engaged an independent transfer pricing consultant to conduct a review of our key intra-group transactions during the Track Record Period, with a focus on material and recurring transactions. The consultant reviewed information provided by us, including financial figures and activities performed by relevant Group entities and performed benchmark studies. The consultant assessed the reasonableness of the relevant transfer pricing transactions and arrangements by applying appropriate transfer pricing methods primarily using the interquartile range approach. The objective was to evaluate whether the relevant pricing of intra-group transactions was in line with the arm's length principle and would not give rise to material tax exposure.

Based on the foregoing, the Directors are of the view that all the Group's intra-group transactions were consistent with the arm's length principle and our transfer pricing practice did not have any material non-compliance issues.

LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals in order to operate our business. We believe we have all material licenses, permits and approvals necessary in order to operate our business. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

We had not experienced any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

The following table sets forth our key licenses, approval and permits. As confirmed by our PRC legal advisor, the following licenses and permits are all valid.

Holder	Name of license, approval and permit	Effective date	Expiry date
The Company	Pollutant Discharge Registration for Stationary Sources	April 21, 2026	April 20, 2031

LEGAL PROCEEDINGS

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

During the Track Record Period and up to the Latest Practicable Date, there were no material breaches or violations of laws or regulations applicable to us which are expected to have a material adverse effect on our business, financial condition or results of operations.

IMPACT OF THE COVID-19 PANDEMIC

Despite the macroeconomic challenges temming from the COVID-19 pandemic, we maintained stable business operations and financial condition during the Track Record Period, with no material adverse impacts arising from the pandemic. Our production activities and supply chain functioned smoothly during the Track Record Period. Neither did we identify any material adverse effects on our third-party service providers during the Track Record Period.

Furthermore, we sustained stable demand across our customer base, with no material adverse shift in their purchases that could be directly attributed to the COVID-19 pandemic. During the Track Record Period, we have not encountered any significant cancellations, deferments or abnormal pricing pressures linked to factors related to the COVID-19 pandemic.

TRADE RESTRICTIONS, TARIFF POLICIES AND INTERNATIONAL SANCTIONS

U.S. Outbound Investment Security Program

On January 2, 2025, the Outbound Investment Security Program, implemented by the U.S. Treasury under the Outbound Investment Rule, became effective. The Outbound Investment Security Program prohibits or requires notification of certain outbound investment transactions by "U.S. persons" involving "covered foreign persons" that are engaged in "covered activities" relating to certain sensitive technologies and products in the (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI sectors.

One of our subsidiaries, Source Photonics, designs and produces certain optical and laser-based semiconductor components, such products are discrete optoelectronic devices rather than integrated circuits for purposes of the Outbound Investment Rule and therefore do not constitute "covered activities." In addition, Source Photonics' contribution to our financials, measured by revenue, net income, capital expenditures and operating expenses, remains well below the Outbound Investment Rule's 50% threshold test. As a result, as advised by our legal adviser as to international sanctions, we have concluded that we are not considered a "covered foreign person" by extension of the subsidiaries and controlled entities' activities. Accordingly, U.S. persons purchasing **[REDACTED]** in the **[REDACTED]** will not be engaging in prohibited or notifiable transaction under the Outbound Investment Security Program. In addition, we believe that purchases of our **[REDACTED]** in the **[REDACTED]** and subsequent secondary market trading by U.S. persons should fall within the publicly traded securities exception under the current Outbound Investment Rule and applicable U.S. Treasury guidance.

Our Directors further confirm that the Outbound Investment Rule has not had any material adverse impact on our operations or financial condition, and we do not anticipate any such adverse impacts on the **[REDACTED]** or the **[REDACTED]**. However, the Outbound Investment Security Program is a relatively new regulatory regime, which is subject to changes and interpretations. On December 18, 2025, the U.S. Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), which will supersede the Outbound Investment Security Program, became law. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is substantial uncertainty regarding how the new law will be implemented. We will continue evaluating and monitoring developments with respect to these laws and regulations. Investors, including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their own legal counsel regarding the applicability of the Outbound Investment Rule, the COINS Act or similar laws and regulations to this **[REDACTED]** and any potential obligations and exceptions thereunder. For associated risks, see "Risk Factors — Risks Relating to Our Business and Industry — U.S. outbound investment regulations and other foreign laws and regulations could have a negative impact on our future ability to access to capital".

International Sanctions and Export Control

The United States and other jurisdictions or organizations, have, through executive order, legislation or other governmental means, implemented measures that impose economic sanctions against certain countries and other jurisdiction, targeted industry sectors, companies and persons. Most notably, these include U.S. economic sanctions as implemented by the OFAC.

In addition to economic sanctions, in recent years, the United States has expanded export controls restrictions on China through the EAR administered by the BIS. These include controls on items exported from the United States, items of U.S. origin (wherever located), and, under the EAR's "de minimis rules," on certain non-U.S.-made items that incorporate controlled U.S.-origin items or incorporate or are bundled with U.S.-origin software or technology. Also, under the FDPR, the EAR applies to items manufactured outside the United States that are the direct product of certain controlled U.S.-origin technology or software when exported, reexport or transferred to specific destinations and end-users.

In addition to the restrictions introduced above, the BIS also maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List includes a list of foreign persons on which certain trade restrictions are imposed. In recent years, the United States has placed an increasing number of entities, including hundreds of entities in China, on the Entity List and other restricted or prohibited party lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. The restrictions applicable to Entity List parties include licensing requirements for exports, re-exports or transfers of items on lists of controlled items maintained by the U.S. government, which in most cases prevents these named entities from receiving essentially any item subject to U.S. export controls, including, in some cases through the application of the EAR's foreign direct product rules, to items produced wholly outside the United States. In addition, on September 29, 2025, the BIS

issued the Affiliates Rule; however, following the leaders' meeting on October 30, 2025, the United States suspended implementation of the Affiliates Rule for one year beginning November 10, 2025. As a result, this extension of Entity List restrictions is not expected to apply during the suspension period unless BIS issues implementing rules to the contrary or the suspension is modified or revoked.

We screen our counterparties to determine if they are subject to applicable economic sanctions or export control restrictions and have not identified any sales that involve such sanctioned parties or jurisdictions. Certain of our customers have been included on the BIS Entity List. Specifically, a customer group of the Company and two customers of Source Photonics were included on the BIS Entity List. Revenue generated from the relevant customer group of the Company in the aggregate accounted for 1.0%, 1.6% and 1.7% of our total revenue in 2023, 2024 and 2025, respectively. Revenue generated from the relevant customers of Source Photonics in the aggregate accounted for 6.0%, 6.2% and 8.1% of Source Photonics' total revenue in 2023, 2024 and the nine months ended September 30, 2025, respectively. The Company and Source Photonics mainly sold communications equipment and optical transceivers to those customers, respectively, during the Track Record Period. We have consulted with our legal adviser as to international sanctions and determined that (i) none of the items we sold to Entity List-designated customers involve the transfer, export or reexport of items subject to the EAR, including through the FDPR, and (ii) such customers and the relevant transactions did not involve sanctioned parties or jurisdictions subject to sanctions administered by the OFAC. We intend to continue transactions with these customers under the Group's existing compliance framework to ensure compliance with applicable export control and sanctions laws and regulations. We will suspend transactions or seek relevant licenses, as appropriate, in the event of regulatory changes that would require such actions.

At the same time, our core products are not subject to the EAR. Except for certain items manufactured in the U.S. and are sold exclusively to U.S.-based customers, the Company's products are not manufactured in the United States and, in the ordinary course of business, are not located in, shipped from, or routed through the United States. Accordingly, such products are generally not treated as U.S.-origin items for U.S. export control purposes. Therefore, the current U.S. export control regime has not had, and is not expected to have, a material impact on our business operations or financial performance.

To ensure full compliance with applicable sanctions and export control regulations, we have implemented a robust internal control process designed to prevent potential violations. Manufacturing for customers subject to enhanced compliance procedures is conducted exclusively at the Group's facilities in the Chinese mainland. The Group also maintains controls to ensure that no U.S.-origin controlled items, software, or technology are used in the design or production of products supplied for such customers under such procedures. In addition, the Group maintains detailed procurement and usage records and conducts regular compliance reviews to confirm adherence to export control requirements. We also conduct counterparty screening and escalation reviews for higher risk transactions and consult external legal advisers where appropriate. Based on these controls, we seek to ensure that our relevant transactions are conducted in compliance with applicable sanctions and export control requirements.

Given the complexity of these regulations and sudden and unpredictable nature of changes to them, it is difficult to predict developments in this area and we have no ability to influence such determinations. For associated risks, see "Risk Factors — Risks Relating to Our Business and Industry — We are subject to governmental export and import controls, tariffs, economic sanctions and other trade protection measures, which could affect our ability to compete in certain markets or expose us to liability in certain jurisdictions."

Procurement from the United States

We procure certain raw materials and components from suppliers in the United States. These items fall outside the scope of restrictions under the EAR and were not restricted at the time of procurement. At the same time, saved for the discussion below, we do not use U.S.-origin controlled technology in our manufacturing processes. As a result, our products generally do not incorporate controlled U.S.-origin

commodities, are not bundled with controlled U.S.-origin software, and are not "direct products" of U.S.-origin technology or software in a manner that would cause them to be subject to the EAR under the de minimis or FDPR. Accordingly, our products are generally not subject to the EAR.

With respect to Source Photonics, certain product lines use both U.S.-origin and PRC-origin materials and technology. Source Photonics maintains a rigorous compliance framework to assess EAR applicability and, where relevant, implement appropriate controls to prevent such products from being incorporated into goods supplied to regulated customers. For instance, for customers on the Entity List, Source Photonics has deliberately structured its operations to avoid the use of items or technology of U.S.-origin in the relevant product lines and to conduct all manufacturing of such products exclusively in the PRC.

Tariff Policies

There is currently significant uncertainty about the tariff policies in the United States and certain other countries. We believe that the Additional U.S. Tariffs and other tariff measures adopted by other jurisdictions will not have a material impact on our business and results of operations, for the following reasons:

- *Our limited direct exports to the United States:* U.S. tariffs, including the Additional U.S. Tariffs, are generally payable upon importation into the United States. During the Track Record Period, our revenue attributable to the United States based on delivery destination amounted to RMB2,069.9 million, RMB2,842.7 million and RMB3,348.9 million in 2023, 2024 and 2025, respectively, representing approximately 6.1%, 7.7% and 8.3% of our total revenue for the corresponding years respectively, and therefore constituted a relatively small portion of our total revenue.

- *Sales in special supervision territory*: under most circumstances, our products are delivered into special supervision territories in China and are further processed or assembled by downstream manufacturers before being incorporated into end products, such as smartphones. Customers taking delivery in such special supervision territories, which are physically located in China, are generally responsible for any import duties and tariffs imposed by the destination countries, including the Additional U.S. Tariffs if the products are subsequently exported to the United States. Given that most large-scale manufacturing bases for leading consumer electronics brands are located outside the United States, our products are rarely exported directly to the United States. As such, notwithstanding that a number of our major customers are headquartered in the United States, our direct sales into the United States represented an insignificant portion of our revenue during the Track Record Period.

However, such tariffs could have an indirect impact on us. To the extent our customers' end products are subject to increased U.S. tariffs, their overall costs may rise and demand in the U.S. market may weaken, which could lead to adjustments in production planning, order volumes and product mix, increased pricing pressure on upstream suppliers or supply chain reconfiguration. Any such developments could, in turn, adversely affect our sales, margins and utilization rates, even where our products are not directly exported to the United States. In light of the foregoing, and given the limited revenue contribution from direct sales into the United States, we do not expect this to have a material adverse impact on our business and results of operations as a whole.