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OVERVIEW

Who We Are

We are a globally recognized PCB manufacturer driven by technological development and distinguished by our broad product offerings.

PCB refers to a functional board with predefined conductive pathways or printed components formed on copper-clad laminate or insulating substrates, enabling precise circuit interconnection, low-loss signal transmission, and stable mechanical support. PCB can mainly be categorized into single- and double-sided PCB, MLPCB, HDI PCB, FPC and package substrates.

Our PCB provides connectivity infrastructure for global customers in automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors. With our PCB products and intelligent manufacturing capabilities, we have become a leader in the global automotive electronics PCB industry and one of the few suppliers of AI computing infrastructure core components. Our leading technical expertise and long-term oriented, high-end production capacity in high build-up HDI and HLC PCB enable us to meet the diverse needs of our global customers and seize significant growth opportunities in the AI era.

According to CIC, we are the world’s largest automotive electronics PCB provider with a market share of 10.6%, and rank eleventh among all PCB providers worldwide with a market share of 2.5% in terms of revenue in 2025. Eight of the top ten global Tier 1 automotive suppliers are our customers, and our PCB products are broadly deployed in vehicles of all of the top ten global automotive groups, according to CIC. We have the capability to supply all of the PCB required in a single vehicle. Our PCB products empower automotive intelligence and electrification, underscoring our technological leadership. We have achieved mass production of LiDAR boards, fifth and sixth-generation millimeter-wave radar boards, ADCU high build-up HDI motherboards and high-voltage resistant PCB for 400V/800V electrical platforms, and we are capable of manufacturing seventh-generation millimeter-wave radar boards, and autonomous driving multi-domain control HDI PCB.

We are among the few manufacturers supplying PCB to global leading AI computing infrastructure companies. We have achieved mass production of various high-end PCB for AI computing infrastructure and other applications, such as HLC PCB (over 40 layers), 6-build-up 22-layer HDI PCB, 14-layer HDI PCB using the mSAP process, and multilayer PTFE FPC. We are capable of manufacturing over 70 layers HLC PCB, 9-build-up 28-layer HDI PCB, 12-layer any-layer rigid-flex PCB and high-speed FPC. We have also commenced the customer certification process for 11-build-up HDI PCB. Our 9-build-up HDI PCB received customer certification within only 90 days, demonstrating our technological maturity and product reliability in the AI infrastructure field.

With over 30 years of development, we have expanded our business through strong R&D capabilities, a high-quality customer base, leading production capacity deployment, and advanced intelligent manufacturing. Our end markets have expanded from consumer electronics and industrial control into automotive electronics and, more recently, into advanced technology fields such as AI computing, next-generation communication, AIoT, drones and robotics. As a PCB product manufacturer serving multiple end markets, we are well-positioned to seize emerging business opportunities across multiple fields.

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Notes:

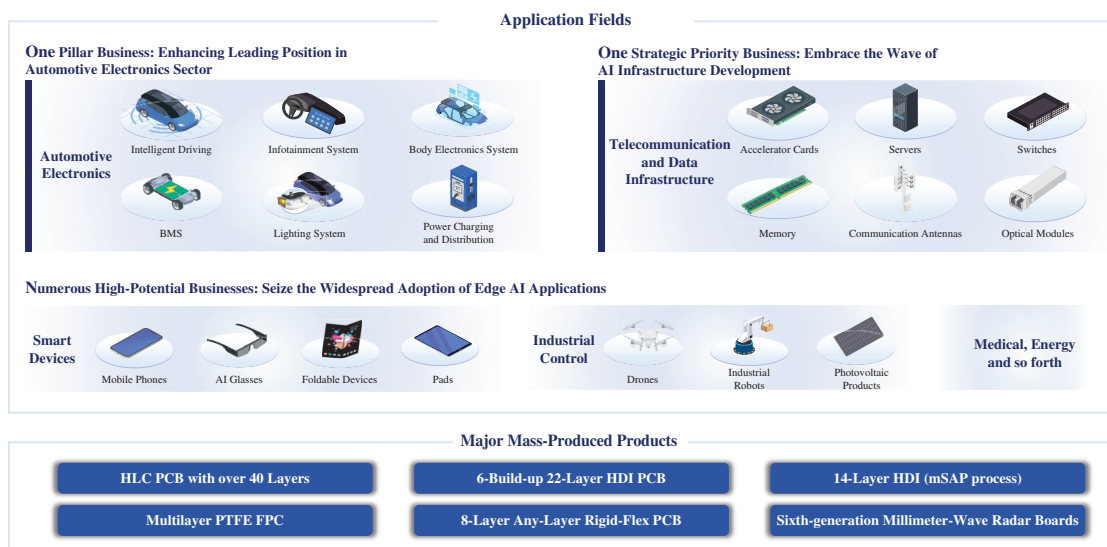
- (1) According to CIC
- (2) During the Track Record Period
- (3) As of April 30, 2026; the reference to “Top 10 Customers” means our top 10 customers of each period during the Track Record Period
- (4) Since 2011, the year our financial statements became publicly available
- (5) Calculated by dividing the dividends for the corresponding year as declared in the following year by the profit for the corresponding year attributable to the shareholders of the Company
- (6) From the commencement of construction in 2019 to April 30, 2026

We have demonstrated global market expansion capabilities and developed strategic partnerships with numerous renowned global enterprises. During the Track Record Period, we served over 800 customers globally, with products sold to 53 countries or regions.

Our Business

We hold a leading global position in automotive electronics PCB and are strategically focusing on the AI computing field. We have established a “1+1+N” business model, consisting of one pillar business — automotive electronics (“1”), one strategic priority business — telecommunication and data infrastructure (“1”), and a portfolio of high-potential businesses — smart devices and industrial control, among others (“N”).

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The following table presents a breakdown of our revenue by end markets of our products, both in absolute amounts and as percentage of our total revenue, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Sales of PCB products . . .	10,240,933	95.2	11,984,837	94.7	14,372,625	93.9	4,284,750	94.5	4,920,632	92.1
Automotive electronics . . .	4,374,962	40.7	5,814,180	45.9	6,952,940	45.4	2,081,155	45.9	2,357,219	44.1
Smart devices	3,258,094	30.3	3,672,758	29.0	3,705,202	24.2	1,142,521	25.2	1,051,002	19.7
Industrial control and medical devices	1,835,758	17.0	1,565,880	12.4	2,123,800	13.9	672,846	14.8	679,341	12.7
Telecommunication and data infrastructure	772,119	7.2	932,019	7.4	1,590,683	10.4	388,228	8.6	833,070	15.6
Others ⁽¹⁾	516,369	4.8	674,536	5.3	935,427	6.1	248,863	5.5	420,760	7.9
Total	10,757,302	100.0	12,659,373	100.0	15,308,052	100.0	4,533,613	100.0	5,341,392	100.0

Note:

(1) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

In 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026, our revenue from one pillar business – automotive electronics amounted to RMB4,375.0 million, RMB5,814.2 million, RMB6,952.9 million, RMB2,081.2 million and RMB2,357.2 million, respectively, and we generated revenue from one strategic priority business – telecommunication and data infrastructure of RMB772.1 million, RMB932.0 million, RMB1,590.7 million, RMB388.2 million and RMB833.1 million, respectively.

We offer a comprehensive PCB product portfolio, manufacturing and supplying single- and double-sided PCB, MLPCB, HDI PCB, FPC, MPCB and rigid-flex PCB. Our wide-range product portfolio enables us to penetrate customers’ supply chains with specific products and deepen engagement through cross-selling multiple products. For example, our sales to automotive electronics customers typically start with RPCB, and then, propelled by our marketing efforts and the customers’ actual needs, expand to other products such as FPC, HDI PCB and MPCB. In addition to the cross-selling strategy, our robust R&D capabilities enable us to empower our

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customers’ R&D initiatives, ultimately delivering comprehensive one-stop PCB solutions. This approach not only lowers customers’ supply chain management costs but also strengthens our customer retention and long-term growth potential. Our diversified product matrix also allows us to meet the PCB requirements of existing customers for new product development and to serve new customers across multiple industries, thereby capturing business opportunities in a wide spectrum of application fields.

Building on our accumulated technology and execution strengths, we have expanded into numerous emerging applications. Currently, our products are widely deployed across automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors, forming our “1+1+N” business model.

- **One Pillar Business:** Automotive electronics is our pillar business, where we have accumulated broad technical capabilities and production management experience. Our automotive electronics PCB products are widely applied in ADAS, infotainment systems, body electronics systems, BMS, lighting systems, and power charging and distribution. Leveraging our comprehensive PCB product portfolio, we provide diverse and highly reliable PCB products for the automotive electronics sector, meeting the requirements for stable operation of automotive electronics PCB under complex conditions such as wide temperature and humidity ranges and continuous vibration. At the same time, we continuously strengthen our R&D and supply of HDI, high-frequency high-speed, heavy copper, and embedded PCB products to adapt to the ever-increasing demands for PCB performance driven by the trends of electrification and intelligentization, and higher power and thermal dissipation requirements of automobiles. We have established strategic partnerships with numerous key suppliers to promptly respond to the application needs of new materials and new equipment in automotive electronics PCB.
- **One Strategic Priority Business:** We position telecommunication and data infrastructure as our strategic priority business. We continue to develop our core technologies in material applications, manufacturing processes, and product architecture to meet the stringent requirements of AI infrastructure for high-speed signal transmission, ultra-low loss, and ultra-high wiring density in PCB. Starting with multilayer PTFE FPC products, of which we have established a technical advantage, we constantly explore new business opportunities and have made several critical advancements. For example, we expect to supply high-build-up HDI PCB and HLC PCB used in the next-generation AI servers of a leading global AI computing infrastructure company, where our products have already received customer certification.
- **Numerous High-Potential Businesses:** We also have built a solid business foundation in multiple high potential fields, including smart devices, industrial control, medical devices, and energy. According to CIC, seven of the top ten global smartphone brands are our customers. With the continuous development of edge AI applications, these sectors are expected to experience an increase in both total demand for PCB and demand for high-end PCB. As a well-recognized global PCB manufacturer, we enjoy a first-mover advantage in product reliability, timely delivery, technological development, and end customer base, positioning us to benefit from the trend of edge AI applications. For example, we supply PCB for AI glasses.

Our Market Opportunities

The PCB industry continues to benefit from a global wave of technological advancement, presenting opportunities for both breakthroughs in innovation and expansion. As the AI era accelerates, data centers, high-speed Internet communications and other AI infrastructure are experiencing a rapid build-out. Catalyzed by AI technology, downstream applications, such as automotive electronics, smart devices, and industrial control, are advancing in intelligent upgrades

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and evolving into edge AI applications. Together, these trends are injecting strong growth momentum into the PCB sector, diversifying demand and expanding the overall market. According to CIC, in terms of revenue, the global PCB market is expected to grow from US\$85.2 billion in 2025 to US\$123.3 billion in 2030, representing a CAGR of 7.7%.

- **Explosive Investment Cycle of AI Infrastructure:** Driven by the rapid development of technologies such as AI, cloud computing, and the Internet of Things, global demand for data communication and computing power is surging, accelerating the construction, iteration, and upgrading of data infrastructure. As AI servers increasingly demand high-end PCB featuring high speed, multilayer, and HDI capabilities, the data infrastructure PCB industry is shifting toward high end and high value-added products. In addition, to meet the data exchange requirements of large-scale GPU clusters with high bandwidth and low latency, the port density and bandwidth of switches continue to increase, which will further drive the demand for high-end PCB. According to CIC, the size of the global AI server PCB market size, in terms of revenue, is expected to grow from US\$6.2 billion in 2025 to US\$18.5 billion in 2030, with a CAGR of 24.3% from 2025 to 2030. In terms of revenue, the global switch PCB market is expected to grow from US\$6.8 billion in 2025 to US\$14.2 billion in 2030, with a CAGR of 16.0% from 2025 to 2030.
- **Wave of Automotive Electrification and Intelligence:** The global automotive industry is rapidly transitioning towards electrification and intelligence. Coupled with ongoing technological upgrades and product mix optimization, this transition is providing continuous growth momentum for automotive electronics PCB. High-power application scenarios brought by electrification are driving the demand for high-reliability PCB such as heavy copper multilayer PCB and ceramic substrates PCB. Such high-reliability PCB features higher resilience to high and low temperature as well as high voltage. For example, some of these high-reliability PCB products show a resistance value change of less than 10% after 1,000 cycles of testing under a temperature range of -40°C to 150°C. Certain high-reliability PCB products maintain insulation resistance of above 100MΩ after undergoing the conductive anodic filament resistance test under 85°C/85RH/1,000V conditions for 1,000 hours. At the same time, increasing levels of intelligent driving are driving greater PCB value in core components — such as millimeter-wave radar and domain controllers — providing additional demand for HLC PCB and HDI PCB. According to CIC, the global automotive electronics PCB market, measured by revenue, is expected to reach US\$13.0 billion by 2030, with a CAGR of 6.2% from 2025 to 2030.
- **Penetration of AI Technology in Smart Devices:** As AI and flexible display technologies advance, smart devices are moving towards higher intelligence, thinness, flexibility, and integration, spurring continuous product iteration and upgrade cycles. This is steadily driving demand for higher value-added PCB, particularly HDI PCB and rigid-flex PCB, and prompting manufacturers to shift product portfolios toward premium products. According to CIC, the global smart device PCB market, measured by revenue, is expected to reach US\$51.0 billion by 2030, with a CAGR of 5.1% from 2025 to 2030.

With a long-standing, comprehensive presence across automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors, we have built leading technical capabilities and long-term oriented high-end production capacity. We believe that we are well prepared to capture the broad market opportunities ahead.

Our Financial Performance

We achieved rapid revenue and profit growth in 2023, 2024 and 2025. Our revenue was RMB10,757.3 million, RMB12,659.4 million and RMB15,308.1 million in 2023, 2024 and 2025, respectively. Our profit for the year was RMB911.0 million, RMB1,160.2 million and RMB1,244.0

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million in 2023, 2024 and 2025, respectively. Our revenue continued to increase to RMB5,341.4 million for the four months ended April 30, 2026 from RMB4,533.6 million for the four months ended April 30, 2025, while our profit for the period decreased to RMB316.9 million from RMB424.3 million over the same periods, primarily due to the rising prices of raw materials. We maintain healthy cash flow, with net cash from operating activities of RMB2,115.5 million, RMB2,289.6 million, RMB1,931.2 million and RMB493.4 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

We have achieved ongoing progress in high-end products and key applications. Revenue from our HDI PCB reached RMB1,237.7 million in 2025, representing a year-on-year growth of 45.8%, with its contribution to total revenue increasing to 8.1%. In 2025, our revenue from the telecommunication and data infrastructure sector reached RMB1,590.7 million, representing a year-on-year increase of 70.7%, with its share of total revenue rising to 10.4%. As we continue to make progress in areas such as AI, we expect the revenue contribution of the telecommunication and data infrastructure sector to further increase.

We have delivered shareholder returns. We paid dividends of RMB423.6 million, RMB420.9 million and RMB740.4 million in 2023, 2024 and 2025, respectively. Our dividend payout ratio was 45.0%, 64.0% and 44.0% in 2023, 2024 and 2025, respectively.

OUR COMPETITIVE STRENGTHS

Strong Market Reputation, Comprehensive Product Portfolio and Continuous Technological Innovation

We are a globally recognized PCB manufacturer and a leader in the global automotive electronics PCB industry, which enables us to build competitive advantages in supply chain management and business development. According to CIC, in terms of revenue in 2025, we were the eleventh largest PCB manufacturer worldwide and the fifth largest PCB manufacturer in Chinese mainland, and the world’s largest automotive electronics PCB manufacturer. We enjoy a prestigious reputation in the global PCB market and thus have substantial competitive edges. We have built stable strategic partnerships with suppliers, continuously improving supply chain stability and our bargaining power. Moreover, we are trusted by global customers and actively participate in the new product development of key customers to seize emerging business opportunities.

We have a broad product portfolio, enabling us to customize PCB products with diverse substrate structures for customers in various application fields. We are committed to providing PCB products to global customers across automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors. We possess a deep understanding of PCB products with different substrate structures, offering RPCB, FPC, rigid-flex PCB and MPCB. We also have cross-category design capabilities, providing customized PCB solutions based on customer needs. Through our broad product portfolio, we meet the needs of customers in various fields, and by leveraging our cross-category design capabilities, we create differentiated value for our customers, thereby enhancing our business potential and customer loyalty.

We advance both our own development and that of the broader PCB industry through technological development. We have contributed to the formulation of international industry standards, including the “Sectional Design Standard for Flexible Printed Boards” and the “Specification for Printed Circuit Board with Buried or Embedded Copper Core”. Our “R&D of Key Technologies for 800G Ultra-High-Speed Optical Module PCB” and “Overall Manufacturing Technology for High-speed Interconnect Cables and High-build-up HDI PCB Products for Data Centers” have been recognized as internationally leading technologies, while several of our other key technologies have reached the internationally advanced level. In addition, some of our products and technologies have been awarded the China Patent Excellence Award and the First Prize of China Machinery Industry Science and Technology Award.

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Leveraging a Precise Strategic Layout to Seize Multi-dimensional Growth Opportunities

We have consistently focused on our core PCB business, using a precise strategic layout to expand product boundaries, scale production capacity prudently and sustain steady growth for our “1+1+N” business model. This approach has allowed us to capture opportunities across consumer electronics, automotive electronics and telecommunication, successfully delivering sustainable development throughout market cycles. In 2004, we strategically entered into the FPC field, successfully seizing the market opportunities that emerged during the transition from feature phones to smartphones. Based on the anticipated development trends in the automotive industry, we established a production base in Jiangxi as early as 2014 to manufacture PCB products for automobiles. In 2017, we began developing products such as fifth-generation millimeter-wave radar boards, successfully capitalizing on the opportunities presented by the trends of automotive electrification, electrification, and intelligentization, becoming a global leader in automotive electronics PCB. According to CIC, we are among the first PCB manufacturers worldwide to develop fifth, sixth and seventh generation millimeter-wave radar boards. In 2019, we proactively established a new production base for HLC PCB and high-build-up HDI PCB, laying the foundation to seize opportunities in AI. We have achieved 14 consecutive years of revenue growth, with a 14-year CAGR of 20.2%.

The rapid penetration of AI and development of cloud computing are driving the growth in global demand for computing power, ushering the data-infrastructure PCB market into a new growth cycle. Beyond computing power, continuous AI enablement is accelerating the development of edge AI applications, creating substantial growth potential.

We will continue to leverage our strengths in strategic planning, and uphold our core value of being “customer-centric”. Leveraging ongoing progress in advanced electronic hardware and long-term oriented production capacity deployment, we are well positioned to capture market opportunities.

- **AI Computing Power:** Leveraging our material application know-how and processing capabilities in telecommunication and adjacent areas, we have achieved mass production capabilities for M7-to-M9 high-speed material-based products and have mastered the multilayer PTFE FPC processing capabilities, which are uncommon in the industry. We have the capability to manufacture HLC PCB with over 70 layers. We also have the manufacturing capability to manufacture 9-build-up 28-layer HDI PCB, offering wiring density two to three times that of traditional HDI PCB to meet the requirements of advanced AI chips for ultra-high routing density, high-speed signal integrity and high integration interconnectivity. We are also accelerating the R&D of 11-build-up HDI PCB, upgrading product specifications such as line width, line spacing, and blind-hole diameter to the industry forefront and positioning ourselves for the next generation of AI computing products. According to CIC, we are one of the few suppliers of multilayer PTFE PCB for leading global AI computing infrastructure companies’ advanced GPU products, and as of April 30, 2026, we were one of only two FPC suppliers for their AI server liquid cooling systems.
- **Edge AI Applications:** AI is catalyzing growth in humanoid robots and drones. We are building on our customer base and technical capabilities in automotive electronics, and we further extend our business layout to cultivate new growth engines. The sensor technology, control systems, and algorithms for target recognition and path planning accumulated by players in the automotive manufacturing field provide meaningful technical references for humanoid robots and drones in the three core areas of perception, decision-making, and execution. Leading automotive players are accelerating their expansion into these emerging sectors which share common technological root and have overlapping supply chain, driving the industry-wide evolution. As a leading PCB supplier within the automotive industry value chain, we hold the distinctive advantages in edge AI applications.

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Robust R&D Capabilities, Achieving Technological Evolution in Multiple Aspects

We place a high emphasis on R&D and innovation, and have built strong technical and R&D capabilities through sustained investment. Our R&D expenses were RMB600.7 million, RMB757.6 million and RMB929.9 million in 2023, 2024 and 2025, respectively. For the four months ended April 30, 2025 and 2026, our R&D expenses amounted to RMB272.3 million and RMB280.7 million, respectively. As of April 30, 2026, our R&D team consisted of 2,582 members, with expertise comprehensively covering material applications, manufacturing processes, and product architecture. As of April 30, 2026, we held 409 patents, with several core patents commercialized for advanced applications, including those for AI computing, automotive intelligent driving, satellite communication, and smart devices. Our technical and R&D capabilities offer leading advantages in the following areas:

- **Comprehensive R&D System:** We have implemented the IPD process to drive efficient cross-functional collaboration throughout the R&D lifecycle. Each R&D project is jointly advanced by cross-departmental teams. This end-to-end coordination — from project initiation to mass production — enhances our development efficiency and commercial implementation capabilities.
- **Advanced Testing Capabilities:** We have established a central testing center, with industry-leading testing capabilities. This testing center is certified by the China National Accreditation Service for Conformity Assessment (CNAS) and meets the requirements of the ISO/IEC 17025 standard, providing strong technical support for the validation of new technologies and the monitoring of product producing process.
- **Cross-Category Design Capability:** With comprehensive expertise in RPCB, FPC, rigid-flex PCB and MPCB technologies, we benefit from cross-category PCB development synergies. We customize PCB products with differentiated substrate stack-up to meet customers’ specific structural and functional requirements. For example, when a customer faced high PCB design complexity due to limited internal product space, we utilized our cross-category design capability to customize a heterogeneous integrated PCB combining “RPCB + FPC + aluminum-based board”, resolving the spatial design challenge and reducing supply chain management costs for the customer through our comprehensive design support.

Through continuous R&D investment, we pursue comprehensive technological development across material applications, manufacturing processes, and product architecture to enhance product value:

- **Material Application:** We have advanced material application capabilities and maintain a comprehensive materials database that enables rapid material selection during product design and development. We conduct systematic research on materials that support high-frequency, high-speed transmission and high thermal dissipation, allowing us to deliver PCB products for core AI applications. We have achieved mass-production level processing capabilities for M7-to-M9-grade and PTFE materials based PCB products. In addition, we are conducting research and validation on higher-performance materials according to customer needs, including next-generation ultra-low-loss high-speed materials such as M9+ grade materials.
- **Manufacturing Process:** We have developed advanced processing capabilities, including 0-4 mil stub back-drilling technology, dynamic current density/waveform high-aspect-ratio plating technology, and Z-axis interconnect technology, that meet stringent requirements for high-speed signal transmission and ultra-low loss in AI infrastructure PCB. We are also conducting in-depth research in key areas such as high-build-up HDI processing, ultra-high-layer alignment control, back-drilling stub control, high-precision impedance control, signal simulation, and signal integrity

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control. Building on these processes, we have established industry-leading, mass-production-ready manufacturing systems for HLC PCB, high-build-up HDI PCB, and other advanced and prospective products, supporting product introduction, customer development, and order acquisition in high-end application fields.

- **Product Architecture:** Our architecture capabilities are at an advanced industry level and support designs that meet the performance and integration needs of advanced scenarios such as AI computing power. Our embedded process integrates copper coins within the board, enabling effective system integration, sufficient thermal dissipation, and efficient space saving. Our embedded ceramic and embedded magnetics technologies enhance PCB space utilization, signal transmission efficiency, and reliability. We have conducted extensive research on rigid-flex PCB stack-up and have achieved mass production of any-layer rigid-flex PCB and multilayer rigid-flex PCB.

Strategic Partnerships with Global Customers Who Are Industry Leaders

With stable operations of over 30 years, we have developed a substantial base of high-quality customers across multiple downstream markets, which has reinforced our industry reputation and broadened our commercial reach. Our stable, long-term partnerships with customers contribute to revenue visibility and enhance our ability to capture incremental opportunities as end markets evolve.

Our deep partnerships with global customers who are industry leaders have strengthened our business foundation. With our exceptional technical capabilities and stringent quality standards, we have earned the long-term trust of numerous blue-chip customers worldwide and established long-term strategic relationships with them. According to CIC, eight of the top ten global Tier 1 automotive suppliers and seven of the top ten global smartphone brands are our customers. The average duration of our collaboration with the top ten customers of each year of the Track Record Period exceeds ten years, which reflects our high customer retention rate. Given that our downstream end markets generally feature extended qualification cycles, high technical barriers and stringent quality requirements, customers will face significant cost if switching suppliers.

Working with industry leaders gives us strong competitive advantages driving our innovation and expanding our addressable opportunities. Industry leaders typically maintain high technical requirements and long-term oriented product roadmaps. Through our long-standing partnerships across multiple sectors, we continuously enhance our execution capability by elevating service quality, aligning R&D investments with industry trends and customer needs, collaborating on new product development and proactively scaling production capacity. This virtuous cycle enables us to extend our solutions into adjacent applications and serve a broader range of customers.

We maintain deep collaborative relationships with customers to co-develop advanced products. With global customers who are industry leaders, we participate in joint R&D programs that include signal simulation, material performance benchmarking and reliability testing, and we help address critical design and manufacturing challenges. This engagement allows us to contribute during the early phase of product definition and design, and supports consistency, quality reliability and delivery stability through trial and mass production. In addition, joint R&D programs help us gain priority access to opportunities for mass introduction of new products. We have collaborated with customers on the development of ultra-high-layer high-speed PCB and ultra-heavy copper ($\geq 60Z$) ultra-high layer count PCB.

Production Capacity Closely Aligned with Market Trends, Covering Global Markets

We pursue a long-term oriented production capacity strategy that is tightly aligned with demand in high-potential, high-end segments. We have built a scalable production capacity system spanning our full product portfolio and multiple geographies, enabling reliable global delivery. This differentiated footprint positions us to capture emerging opportunities as technology roadmaps accelerate.

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We have established high-end production capacity reserves to meet ultra-high performance requirements for AI PCB. At our Jinwan production base (Zhuhai City, Guangdong Province), we have upgraded the process technologies of our existing HLC and HDI facilities and are constructing a new high-end HDI plant to further expand our high-build-up HDI and HLC PCB production capacity for applications such as AI servers. In parallel, we are accelerating the construction of our Thailand production base to enhance our “glocalization” capability with additional high-end production capacity. Against a backdrop of global undersupply for ultra-high aspect-ratio and ultra-high layer count PCB and high-build-up HDI PCB used in AI computing, our high-end production capacity positions us to serve the rapidly growing demand driven by AI adoption.

We are well equipped with industry-leading critical tools to meet stringent AI computing application’s requirements. Leveraging strong supply-chain management and strategic partnerships with top-tier global equipment suppliers, we have outfitted key sites such as Jinwan production base (Zhuhai City, Guangdong Province) with advanced equipment, including laser drilling machines, PLB horizontal plating lines, CT penetration tester, and CCD back-drilling machines. Such equipment, which typically entails extended supplier lead time, is strategically configured to support the material performance, precision processing and reliability standards required in AI computing, thereby reinforcing our competitiveness in high-end AI PCB manufacturing.

We have built broad production capacity deployment with full-product, cross-regional coverage. Domestically, our six production bases in Jinwan (Zhuhai City, Guangdong Province), Longchuan (Heyuan City, Guangdong Province), Jishui (Ji’an City, Jiangxi Province), Xinfeng (Ganzhou City, Jiangxi Province), Shenzhen (Guangdong Province), and Fushan (Zhuhai City, Guangdong Province) span a wide-range product set, including single and double-sided PCB, MLPCB, HDI PCB, FPC, MPCB and rigid-flex PCB. Internationally, we are advancing production capacity in Thailand to enhance global delivery capability and resilience. The result is a full-product, cross-regional and sustainable supply platform designed to support customers worldwide and to scale with next-generation technology cycles.

Advanced Intelligent Manufacturing System Ensuring Efficient, Flexible and High-Quality Delivery

We have built an intelligent manufacturing system centered on digitalization and automation to achieve efficient, flexible and high-quality delivery. Our full stream digitalized production management architecture spans production planning, equipment parameterization, in-process quality inspection, and logistics execution, enabling closed-loop, data-driven process control and materially improving operating efficiency. We introduced a planning and control system centered on TOC to achieve precise production scheduling and bottleneck management, ensuring continuous and stable precision delivery. Across multiple bases, automated guided vehicles (AGVs) and other intelligent logistics equipment, automated high-bay warehouse, customized equipment, and real-time data services are deployed at scale, advancing our operations toward highly automated, intelligently coordinated production. Aligned with our “carbon neutrality by 2050” vision, we have embedded ESG considerations into our manufacturing design and daily operations. In 2025, we received an AA rating from Wind ESG and a BB rating in our debut MSCI ESG assessment.

We adhere to a “quality-first” philosophy and have established a comprehensive quality assurance framework to drive stability and consistency. Our facilities hold leading international certifications, including ISO9001, IATF16949, ISO14001, ISO45001, ISO27001, ISO13485, the RBA Code of Conduct, ANSI/ESD S20.20 for electrostatic discharge control, covering process discipline, operation safety, and compliance. Quality control is embedded end-to-end — from design verification and process control to reliability testing — with extensive application of automated inspection and intelligent traceability. We leverage AI-based image recognition and Statistical Process Control to reduce error rates and enhance process stability. We have deployed IoT platform with increasing connectivity to our core equipment. Our digital-twin capabilities are applied to critical processes to support full-process traceability and rapid anomaly diagnosis, improving risk identification and response speed. For the inspection stage, we deploy advanced

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instrumentation, including dual-beam focused ion beam microscopes, computed tomography, and ultrasonic scanners. We are also equipped with a 110GHz vector network analyzer, enabling high-frequency signal integrity analysis.

Visionary Management Team and Established Corporate Culture

Our management team combines strategic foresight with disciplined execution, serving as the engine of our sustained advancement. Mr. Liu Shaobai, our founder and the chairman of the Board, has been deeply involved in the PCB industry for over three decades. With his profound industry insights and long-term oriented strategic vision, Mr. Liu Shaobai has played a key role in driving our industrial layout and business development, and established a high-standard management system for us in terms of capital, quality and talent, laying a solid foundation for our continued success. Mr. Liu Yu, our CEO, has served the Company for 14 years. He carries out our long-term strategy forward by accelerating our global footprint and upgrading our technology stack. Through leading the high-end production capacity expansion and overseas customer development, he has enhanced our competitive edge in high end PCB markets, accelerated growth in AI infrastructure, and extended our leadership in edge AI applications — opening new, high-quality growth pathways.

Depth of experience and organizational continuity are hallmarks of our leadership bench. The majority of our executives have risen from frontline roles to core decision-making positions, with an average tenure exceeding 15 years. This sustained commitment preserves organizational continuity, strengthens alignment with our strategic direction and values, and enhances the foresight and execution behind key decisions. In parallel, we continuously refine our promotion framework to support dual-track development in both managerial and professional pathways. We place strong emphasis on incentive mechanisms designed to share the Company’s long-term value creation with employees to drive performance.

We operate through coordinated, cross-functional teams supported by mature management mechanisms that enable rapid resource integration, reuse of technical know-how across products, and timely execution from solution design to mass production. This model supports effective delivery across multiple business lines.

Our culture is grounded in the core value of “customer oriented, caring value creators, self-reflection, integrity, responsibility, cooperation, innovation”, together with the operation philosophy of “people foremost, manufacturing competitive products, expanding the enterprise, repaying the society”, to support sustainable, long-term growth.

OUR GROWTH STRATEGIES

We will continue to embrace the “AI+” industry trend, stick to customer-centric philosophy, and proactively adapt to industry change through ongoing product innovation and technology upgrades. We will prioritize customers who are industry leaders and high value-added solutions, further consolidating and enhancing our market position through executing the following growth strategies:

Capture Industry Opportunities and Prioritize Investment in AI Business

As the AI era accelerates, we will further increase strategic investment in our AI businesses to strengthen overall competitiveness across the AI value chain. Our plan includes the following priorities.

- **Enhance Business Model to Address Demand from AI Infrastructure:** We will enhance our technical capabilities and high-end production capacity in PCB products for AI servers and high-end interconnection applications, with an emphasis on expanding production capacity for high-layer, high-speed PCB to meet the needs of AI servers, high-end switches, and data centers. We will also expand our high-end HDI production

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capabilities to produce PCB for high-reliability AI servers, thereby increasing our share of supply to AI customers who are industry leaders and raising the proportion of high-end products in our PCB product portfolio.

- **Build a Cloud-to-Edge, Full-Scenario AI Product Matrix:** We will extend our diversified AI layout and advance a dual-track product strategy spanning cloud and edge, encompassing a complete product line from cloud computing and small workstations to intelligent driving and AI consumer terminals. In tandem, we will upgrade our high-end multilayer PCB production lines, strengthen our product innovation, and establish a closed-loop AI product ecosystem that underpins the industry-wide upgrades in the intelligent connectivity era.
- **Deepen Collaboration with Industry Leaders:** We will actively collaborate with global AI infrastructure (such as computing chips, servers and data centers, and network equipment) customers who are industry leaders. By engaging early in product roadmapping and pre-research, we will be able to respond rapidly to customer requirements and reinforce our strategic partnerships to jointly capture fast-growing market opportunities.

Focus on Automotive Intelligent Driving as a High-Potential Edge AI Application Scenario

Advances in large models and end-to-end algorithms are making automotive intelligent driving a prime deployment scenario for AI, with substantial market potential. We will pursue the following strategies.

- **Leverage Automotive Customer Advantages:** As the world’s largest automotive electronics PCB provider, we serve eight of the top ten global Tier 1 automotive suppliers, according to CIC. We will maintain close engagement with these customers, proactively shape solutions, and deepen collaboration models. We will prioritize PCB demand upgrades driven by intelligent driving — covering perception systems (such as radar and cameras) and computing units (such as in-vehicle systems and intelligent driving controllers). Our deep, stable relationships across the automotive value chain provide us with a first-mover advantage.
- **Repurpose Reusable Underlying Technologies:** We have accumulated know-how in material applications, manufacturing processes and product architecture. As edge AI applications, such as automotive intelligent driving, demand higher standards for PCB, automotive electronics PCB will trend towards having more layers, higher build-ups, and the extensive application of high-speed materials. We will leverage our existing technologies to quickly and efficiently position ourselves to take advantage of these developing application scenarios.

Increase R&D Investment to Consolidate Our Technological Leadership

We will continue to increase our R&D investment in core underlying technologies, progressively expand our research institute, and attract and cultivate more R&D talents. This will provide a solid foundation for expanding high-end markets, winning orders, and accelerating product introduction.

- **Material Application:** We plan to closely follow market trends and conduct R&D and verification on PCB using next-generation ultra-low loss, high-speed materials to meet the requirements of advanced computing power. We plan to drive the development of the applications of low-loss, high-voltage-resistant, high thermal conductivity, and high-reliability materials, focusing on the electrification and intelligentization of automobiles. This initiative aims to meet the evolving demands for high reliability, thermal dissipation and high integration in automotive electronics.

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- **Manufacturing Process:** We will advance key process technologies, including high-end HDI processing, ultra-high-layer alignment, back-drilling stub control, high-precision impedance control, signal simulation and signal integrity control, signal transmission line manufacturing precision and consistency, improvement on layers alignment, dielectric uniformity, and embedded process technologies.
- **Product Architecture:** We will track product iterations of global leaders in AI computing infrastructure and develop PCB architectures that cater to their performance and integration requirements, enabling more efficient interconnects, higher bandwidth, and higher reliability.

Strategically Deploy High-End Production Capacity to Meet Rapid Demand Surges

To serve accelerating demand for HLC PCB, high-build-up HDI PCB, and other products across AI computing power, high-speed networking, intelligent driving, and edge AI applications, we will reinforce our production capacity advantages.

- **Accelerate High-End Production Capacity Expansion and Upgrade Product Mix:** We will focus on the upgrade of HLC PCB and high-build-up HDI PCB production lines, as well as the construction of related new facilities at our Jinwan production base (Zhuhai City, Guangdong Province), enhancing both the production capacity and technical capability of our high-end PCB portfolio.
- **Advance Digital Transformation and Operational Excellence:** Through “digital twin” applications, we will drive intelligent upgrades across the production lifecycle to develop highly automated, high-yield, fully traceable smart factories. We will comprehensively upgrade our equipment, information systems, and quality control systems to set a new benchmark for digital manufacturing in the industry.
- **Strengthen Talent Foundation to Underpin Advanced Production Capacity:** We will center on building advanced production capacity and uphold a people-centric philosophy. Through diversified mechanisms — including talent acquisition, internal development, and equity-based incentives — we will ensure a precise match between talent capabilities and the needs of advanced manufacturing, thereby laying a solid talent foundation for our production capacity upgrades.

Promote Global Footprint and Improve International Competitiveness

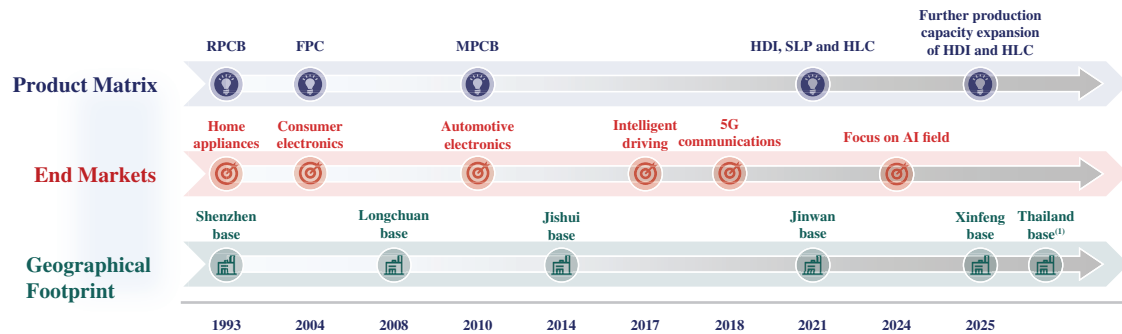
To capture global opportunities, we will push forward our strategy of internationalization to build up cross-regional, differentiated, and sustainable global operation and presence, that improve our global competitiveness and influence.

- **Expand Overseas Production Bases:** We will expedite the construction and commissioning of overseas production facilities in Thailand, focusing on the production of HLC and HDI PCB for overseas customers in automotive electronics, AI servers and data centers, and high-end smart devices to improve the local capabilities of delivery and service.
- **Integration of Global Customer Service Management:** We will establish a global leadership system centered on our headquarters and implement a consistent management system of global customer service and relationship management. This will enhance the professionalism and responsiveness of our regional teams and ensure we provide a high-standard, integrated service and delivery, continuously improving global customer satisfaction and loyalty.

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- **Global Talent Acquisition:** To support the implementation of our strategies, we will prioritize talent acquisition in core overseas markets. We will implement systematic training programs for international talent in key regions to build a robust foundation for global talent integration and cross-cultural collaboration.

OUR EVOLUTION



Note:

(1) Under construction

Our development, manufacturing and sales of PCB products date back to our inception in 1990s. Our long journey features expansion in terms of the product matrix, end markets and geographical footprint.

Product Matrix

We started our business in Shenzhen with a focus on RPCB products in 1993, which was followed by a series of strategic expansions in terms of product portfolio. We commenced production of FPC products in 2004 and MPCB products in 2010, profoundly expanding our product matrix and customer reach by additional product offering. In 2021, we further marched into the field of high-end PCB products by launching production of HDI, SLP and HLC products in our Jinwan production base (Zhuhai City, Guangdong Province). In August 2025, we announced that we planned to invest additional RMB5.0 billion in the high-end production capacity expansion of our Jinwan production base (Zhuhai City, Guangdong Province), particularly the high-end HDI production capacity, so as to better cover the downstream fields, particularly AI servers. This expansion is expected to be completed in 2027. Today we have expanded our product matrix to a comprehensive portfolio of PCB products, including (i) RPCB comprising single- and double-sided PCB, MLPCB and HDI PCB, (ii) FPC, and (iii) other PCB comprising MPCB and rigid-flex PCB.

End Markets

We have closely monitored the market trend to explore and capture new opportunities ushered in by emerging end markets and applications. At our inception in 1993, we were focused on addressing the demand for PCB from the home appliances market. In 2004, our end-market reach expanded to cover consumer electronics, particularly mobile phones, in response to the emerging demand for PCB from this industry. In 2010, we further marched into the automotive electronics industry and have since developed premium products to meet customer demand. For example, in 2017 we developed fifth-generation millimeter-wave radar boards to capitalize on the development trend of intelligent driving. According to CIC, we were the world's largest automotive electronics PCB provider in terms of revenue in 2025. Furthermore, we achieved end-market expansion to cover 5G communications in 2018 to leverage the rapid development of this market. In light of the enormous growth opportunities brought by the rise of AI and high-performance computing in recent

BUSINESS

years, we have well established our position as one of the few suppliers of AI computing infrastructure core components with our products and intelligent manufacturing capabilities, thereby fully capitalizing on the significant AI market opportunities.

Geographical Footprint

Since our inception, we have continuously expanded our geographical presence and are committed to building a diversified footprint. Our Longchuan production base (Heyuan City, Guangdong Province) commenced operation in 2008, Jishui production base (Ji’an City, Jiangxi Province) commenced operation in 2014, Jinwan production base (Zhuhai City, Guangdong Province) commenced operation in 2021, and Xinfeng production base (Ganzhou City, Jiangxi Province) commenced operation in 2025, further expanding our domestic geographical coverage. We launched our international expansion by constructing our Thailand production base, which is mainly intended to satisfy the demand of our overseas customers for high-end products. Its construction commenced in October 2024 and it is expected to commence operation in 2026. As of April 30, 2026, we had a diversified geographical footprint comprising six production bases in Guangdong and Jiangxi Provinces in Chinese mainland, and one additional production base under construction in Thailand. Our geographical footprint has enabled us to expand our customer base and deliver products more reliably, sustainably, and efficiently by leveraging a geographically diversified supply chain.

OUR PRODUCTS

We develop, manufacture and sell a comprehensive range of PCB products to meet diverse customer needs, including: (i) RPCB comprising single- and double-sided PCB, MLPCB and HDI PCB, (ii) FPC, and (iii) other PCB comprising MPCB and rigid-flex PCB. According to CIC, we were the world’s largest automotive electronics PCB provider with a market share of 10.6%, and rank eleventh among all PCB providers worldwide with a market share of 2.5% in terms of revenue in 2025. Eight of the top ten global Tier 1 automotive suppliers are our customers, and our PCB products are widely applied in the vehicle products of all the top ten global automotive groups, according to CIC. We serve customers spanning a range of downstream sectors, including the automotive electronics, smart devices, industry control and medical devices, and telecommunication and data infrastructure sectors.

The following table presents a breakdown of our revenue by end markets of our products, both in absolute amounts and as percentages of our total revenue, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Sales of PCB products . . .	10,240,933	95.2	11,984,837	94.7	14,372,625	93.9	4,284,750	94.5	4,920,632	92.1
Automotive electronics . . .	4,374,962	40.7	5,814,180	45.9	6,952,940	45.4	2,081,155	45.9	2,357,219	44.1
Smart devices	3,258,094	30.3	3,672,758	29.0	3,705,202	24.2	1,142,521	25.2	1,051,002	19.7
Industrial control and medical devices	1,835,758	17.0	1,565,880	12.4	2,123,800	13.9	672,846	14.8	679,341	12.7
Telecommunication and data infrastructure	772,119	7.2	932,019	7.4	1,590,683	10.4	388,228	8.6	833,070	15.6
Others ⁽¹⁾	516,369	4.8	674,536	5.3	935,427	6.1	248,863	5.5	420,760	7.9
Total	10,757,302	100.0	12,659,373	100.0	15,308,052	100.0	4,533,613	100.0	5,341,392	100.0

Note:

(1) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

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Automotive Electronics

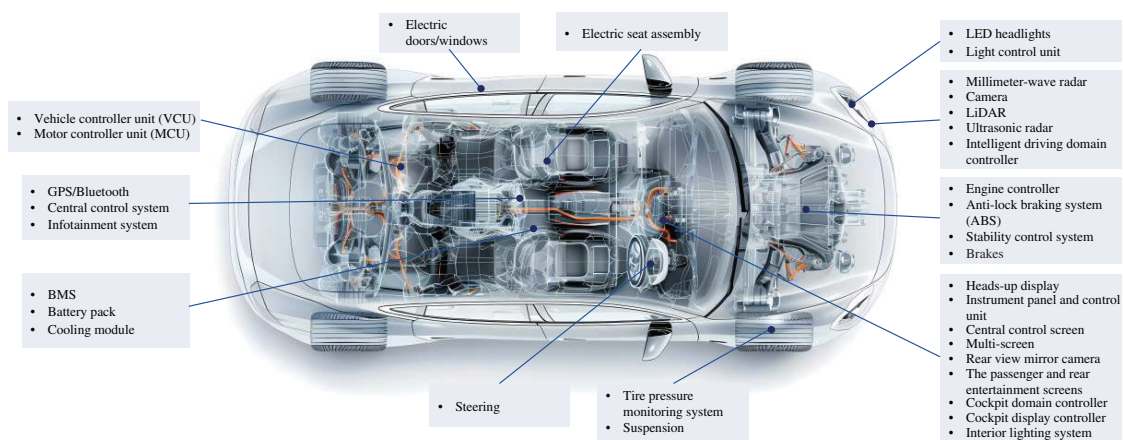
Automotive electronics rely heavily on PCB to interconnect and power electronic components across the vehicle. PCB underpins various key domains of automotive systems spanning from electrification to sensitive sensing and high-performance computing.

PCB products for automotive electronics are our core business, where we have accumulated broad technical capabilities and extensive experience in production management. Our automotive electronics PCB products are widely applied in intelligent driving, infotainment systems, body electronics systems, BMS, lighting systems, and power charging and distribution. We can manufacture PCB products with different technologies (such as HDI, high frequency and high speed, heavy copper and embedded PCB products) to meet the technological development needs of automobiles for intelligent driving, electrification, high power and thermal dissipation requirements. We have established strategic partnerships with numerous key suppliers, enabling us to respond promptly to the application needs of automotive electronics PCB for new materials and equipment.

The table below sets forth details of the applications and our key products with corresponding key features in terms of automotive electronics:

End Market	Applications	Key Products	Key Features
Automotive Electronics	Primarily used in the millimeter-wave radar, cameras, LiDAR, infotainment systems, lighting systems, ADCU, power charging and distribution, electric drive, advanced driver assistance systems, body electronics systems, and BMS	(i) MLPCB with 4 to 18 layers (ii) HDI PCB (up to 5 build-ups) (iii) FPC	(i) MLPCB with line width and spacing of 75/75 μm (ii) HDI PCB with minimum line width and spacing of 60/60 μm (iii) FPC with 1-4 layers

The following diagram shows the key components and systems of an automobile, in which our PCB products are applied:



Telecommunication and Data Infrastructure

Telecommunication and data infrastructure encompasses applications that enable efficient data transmission among components within facilities such as data centers as well as wireless telecommunication networks. We prioritize telecommunication and data infrastructure as our strategic focus.

BUSINESS

We strive to ensure we are well-positioned to capture the tremendous market opportunities ushered in by the rapid development of AI technologies. At present, we focus on meeting demand for high-performance PCB driven by certain leading domestic and North American AI companies seeking to enhance computing power. We continuously accumulate core technologies in material applications, manufacturing processes, and product architecture to meet the stringent requirements of AI infrastructure for high-speed signal transmission, ultra-low loss, and ultra-high wiring density in PCB. Starting with our technologically advanced multilayer PTFE FPC products, we are constantly expanding into new business opportunities and have achieved several exciting advancements. For example, we anticipate supplying high-end HDI and HLC products for next-generation AI servers used by certain leading global AI computing infrastructure companies, and these products have already obtained customer certification. Moreover, we are among the few manufacturers supplying PCB to global leading AI computing infrastructure companies. We have achieved mass production of various high-end PCB for AI computing infrastructure and other applications, such as HLC PCB with over 40 layers, 6-build-up 22-layer HDI PCB, 14-layer HDI PCB using the mSAP process, and multilayer PTFE FPC. In addition, we have the capability to manufacture HLC PCB with over 70 layers, 9-build-up 28-layer HDI PCB, 12-layer any-layer rigid-flex PCB and high-speed FPC, and have initiated the R&D certification for 11-build-up HDI PCB. Our 9-build-up HDI PCB obtained customer certification within merely 90 days, which demonstrates our technological maturity and product reliability in the field of AI infrastructure.

Our revenue generated from the telecommunication and data infrastructure sector increased by 20.7% from RMB772.1 million in 2023 to RMB932.0 million in 2024, and increased by 70.7% to RMB1,590.7 million in 2025. Our revenue generated from the telecommunication and data infrastructure sector also increased by 114.6% from RMB388.2 million for the four months ended April 30, 2025 to RMB833.1 million for the same period in 2026. Moreover, the percentage of our revenue generated from the telecommunication and data infrastructure sector of our total revenue increased from 7.2% in 2023 to 7.4% in 2024, and further increased to 10.4% in 2025. Such percentage also increased from 8.6% in the four months ended April 30, 2025 to 15.6% in the same period in 2026. Such significant growth demonstrates our remarkable progress in acquiring and serving AI-related customers.

The table below sets forth details of the applications and our key products with corresponding key features in terms of telecommunication and data infrastructure:

End Market	Applications	Key Products	Key Features
Telecommunication and Data Infrastructure	Primarily used in the AI accelerator cards, general servers, AI servers, 400G and 800G AI server switches, 56G and 112G communication switches, satellite communication, communication antennas, 400G and 800G optical modules, storage devices, switching routers, fiber optic equipment, and communication base stations	(i) HLC PCB with 20 or above layers (ii) HDI PCB (up to 11 build-ups) (iii) Server and data center heavy copper power supply PCB	(i) HLC PCB with board thickness up to 10mm and aspect ratio up to 40:1 (ii) HDI PCB with minimum blind via diameter of 60 μm , pitch of 150 μm , and minimum line width and spacing of 30/30 μm (iii) Through-hole, any-layer design, inner copper layer thickness of 2 to 6 oz, partially embedded, and copper-based or gold finger design

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Smart Devices

PCB is the backbone of smart devices, providing compact and reliable interconnects as well as enabling integration of computing, connectivity, and power. Our PCB is widely used in a range of smart devices such as mobile phones, AI glasses, foldable screens and tablets. The table below sets forth details of the applications and our key products with corresponding key features in terms of smart devices:

End Market	Applications	Key Products	Key Features
Smart Devices	Primarily used in mobile phones, AI glasses, foldable screens, tablet, wearables, headphones, laptops, AR and VR devices, smart televisions, smart speakers, and smart home control systems	(i) AR/VR FPC (ii) Foldable screen through-axis FPC (iii) Any-layer FPC (iv) Any-layer HDI	(i) AR/VR FPC with alignment accuracy of 75 μm, and minimum blind via diameter of 50 μm (ii) Foldable screen through-axis FPC with minimum line width and spacing of 40/40 μm, and a maximum number of bends of 350,000 (iii) Any-layer FPC with line width and spacing of 35/35 μm, and minimum blind via diameter of 50 μm (iv) Any-layer HDI with minimum blind via diameter of 60 μm, pitch of 165 μm, and minimum line width and spacing of 40/40 μm

Industrial Control and Medical Devices

Industrial control products need to operate under the challenging working environment. PCB meets these requirements by mechanical stability and controlled interconnects. Medical devices must protect patients and operators while delivering precise measurements and reliable therapy. PCB enables tightly controlled electrical performance, isolation, and miniaturization under rigorous quality systems. Our PCB is widely used in a range of industrial control and medical devices such as drones, industrial robots, photovoltaic products and medical monitors. The table below sets forth details of the applications and our key products with corresponding key features in terms of industrial control and medical devices:

End Market	Applications	Key Products	Key Features
Industrial Control and Medical Devices . . .	Primarily used in drones, industrial robots, photovoltaic products, industrial automation equipment, power control systems, and medical monitors	(i) PCB for axial flux motors (ii) PCB for robot joints and dexterous hands (iii) PCB for drone phased array radars and main control units	(i) High-strength copper plate, 26-layer, inner layer of 6 oz, and layer-to-layer misalignment ≤ 0.15 mm (ii) Any-layer design (iii) 24G high-frequency radar, PPO and FR4 multilayer design, and line width tolerance ± 15 μm

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Our Product Portfolio

The following table sets forth our revenue breakdown by product types in absolute amounts and as percentage of our total revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentage)										
(Unaudited)										
Sales of PCB products . . .	10,240,933	95.2	11,984,837	94.7	14,372,625	93.9	4,284,750	94.5	4,920,632	92.1
RPCB	6,865,983	63.8	7,930,865	62.6	9,645,202	63.0	2,907,093	64.1	3,568,222	66.8
Single- and double-sided PCB . . .	1,228,030	11.4	1,271,205	10.0	1,297,494	8.5	408,481	9.0	435,365	8.2
MLPCB	5,131,599	47.7	5,810,971	45.9	7,110,033	46.4	2,147,004	47.3	2,759,691	51.6
HDI PCB	506,354	4.7	848,689	6.7	1,237,675	8.1	351,608	7.8	373,166	7.0
FPC	2,752,799	25.6	3,447,173	27.2	4,068,978	26.6	1,195,270	26.4	1,160,951	21.7
Other PCB ⁽¹⁾	622,151	5.8	606,799	4.8	658,445	4.3	182,387	4.0	191,459	3.6
Others ⁽²⁾	516,369	4.8	674,536	5.3	935,427	6.1	248,863	5.5	420,760	7.9
Total	10,757,302	100.0	12,659,373	100.0	15,308,052	100.0	4,533,613	100.0	5,341,392	100.0

Notes:

- (1) Include MPCB and rigid-flex PCB.
- (2) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

The table below sets forth a breakdown of sales volume and average selling price of our PCB products by product category for the periods indicated:

	Year ended December 31,						Four months ended April 30,	
	2023		2024		2025		2026	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	(sq.m.)	(RMB per sq.m.)	(sq.m.)	(RMB per sq.m.)	(sq.m.)	(RMB per sq.m.)	(sq.m.)	(RMB per sq.m.)
RPCB	7,207,648	953	8,198,876	967	9,533,250	1,012	3,285,683	1,086
– Single- and double-sided PCB	1,878,293	654	1,984,623	641	2,074,779	625	683,904	637
– MLPCB	5,068,280	1,012	5,851,790	993	7,034,296	1,011	2,482,314	1,112
– HDI PCB ⁽¹⁾	261,075	1,939	362,463	2,341	424,175	2,918	119,465	3,124
FPC ⁽²⁾	1,855,671	1,483	2,088,135	1,651	2,329,689	1,747	593,112	1,957
Other PCB ⁽³⁾	472,403	1,317	474,341	1,279	528,518	1,246	140,238	1,365
Total	9,535,722	1,074	10,761,351	1,114	12,391,457	1,160	4,019,033	1,224

Notes:

- (1) The average selling price of our HDI PCB increased from RMB1,939 per sq.m. in 2023 to RMB2,341 per sq.m. in 2024, primarily due to the optimization of our HDI PCB product mix as the sales of high-priced products in the automotive electronics and telecommunication and data infrastructure sectors increased. The average selling price of our HDI PCB further increased to RMB2,918 per sq.m. in 2025, primarily because we increased sales of high-priced products to new customers in the telecommunication and data infrastructure as well as industrial control and medical devices sectors. The average selling price of our HDI PCB further increased from RMB2,918 per sq.m. in 2025 to RMB3,124 per sq.m. in the four months ended April 30, 2026 as we further optimized the product mix by introducing more high-priced products.

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- (2) The average selling price of our FPC increased from RMB1,483 per sq.m. in 2023 to RMB1,651 per sq.m. in 2024, primarily due to the recovery in the consumer electronics market leading to the higher demand for our FPC products. The average selling price of our FPC increased from RMB1,747 per sq.m. in 2025 to RMB1,957 per sq.m. in the four months ended April 30, 2026, primarily due to the optimized product mix with more high-priced products.
- (3) Include MPCB and rigid-flex PCB.

RPCB Products

RPCB is made of a rigid substrate that is not easily bent and has a certain degree of strength and toughness, which can provide support for the electronic components attached to it. Our offering covers a wide spectrum of RPCB products, for applications in the automotive electronics, smart devices, industry control and medical devices, and telecommunication and data infrastructure industries. Our long-standing expertise enables us to serve a diverse range of leading domestic and overseas brands.

Our RPCB mainly comprise single- and double-sided PCB, MLPCB and HDI PCB.

- *Single- and double-sided PCB.* The single-sided PCB has a single side of substrate materials, accompanied by a conductive layer (usually made of copper). This conductive layer includes traces that establish electrical connections between components. In addition to a substrate layer and a conductive metal layer, the structure of the single-sided PCB also includes a protective solder mask and a silkscreen. Our single-sided PCB is typically used in simple electrical devices. The double-sided PCB has copper traces on both the top and bottom surfaces of an insulating substrate, with vias to connect the two sides electrically. This structure provides more routing flexibility and better electrical performance than the single-sided PCB, while remaining relatively cost-effective compared to multilayer designs. Our double-sided PCB is used in consumer electronics devices and power and analog circuits with moderate complexity.
- *MLPCB.* MLPCB has four or more copper layers stacked together, typically including dedicated internal power and ground planes. This structure enables high-density routing, controlled impedance for high-speed signals, and superior power integrity and electromagnetic interference performance compared to single- and double-sided PCB. MLPCB allows complex interconnects, tight component placement, and efficient breakout of fine-pitch packages. Particularly, HLC PCB is a special type of MLPCB with at least eight conductive layers, which is mainly used for high-performance applications like automotive electronics and data centers, requiring special low-loss materials and precision manufacturing for advanced signal integrity in compact spaces. Our MLPCB is mainly used in complex application scenarios in the automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors.
- *HDI PCB.* HDI PCB is a multilayer board built with fine features, including very small traces, pads, and vias, using technologies such as microvias, blind and buried vias, via-in-pad, and sequential lamination. HDI PCB enables compact layouts, dense BGA breakout, improved signal integrity, and smaller, lighter products compared to conventional MLPCB. Our HDI PCB is mainly used in complex consumer electronics and telecommunication and data infrastructure. Our HDI PCB used in telecommunication and data infrastructure has a minimum blind via diameter of 60μm, pitch of 180μm, and minimum line width and spacing of 30/30μm. We have successfully mass-produced 6-build-up 22-layer HDI PCB and 14-layer HDI PCB using the mSAP process for AI servers and related applications, and have the capability to manufacture 9-build-up 28-layer HDI PCB. We have also initiated the R&D certification for 11-build-up HDI PCB. Our 9-build-up HDI products obtained customer certification within merely 90 days. The percentage of our revenue generated from HDI PCB of our total revenue increased from 4.7% in 2023 to 6.7% in 2024, and further increased to 8.1% in 2025, demonstrating our business growth in terms of high-end products.

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Set forth below are the illustrative pictures of our key RPCB products:

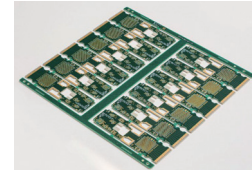
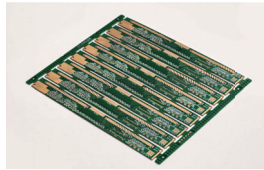
Products

MLPCB

HLC PCB

HDI PCB

Illustrative Pictures



FPC Products

FPC is a type of PCB that uses a flexible substrate laminated with conductive copper foil to form circuit patterns. Unlike RPCB, FPC is bendable, foldable and flexible, which can be twisted and flexed repeatedly without breaking. This characteristic allows it to fit into tight or irregular spaces and bend during operation, offering greater design flexibility and weight reduction and making it suitable for compact devices or applications involving movement. FPC has become a common component of electronic products due to its lightness and flexibility performance, which is widely applied in the smart devices, wearable electronics, consumer, automotive, industrial and medical fields. The miniaturization and integrated function of electronics product development is driving FPC to the fine line and multilayer design.

We provide a comprehensive portfolio of FPC products, designed to meet diverse requirements across multiple application scenarios. For example, our FPC is used in EV batteries, automotive displays, OLEDs, mobile phones and tablets. We have expanded the application of our FPC products into emerging fields such as foldable screens and AI glasses. As electronic products move towards being lighter, thinner, and multi-modular, the application of FPC is becoming more common, underscoring significant growth potential for our FPC product sales.

According to CIC, as of April 30, 2026 we had become one of the only two FPC suppliers for AI server liquid cooling systems of globally leading AI computing infrastructure companies.

Set forth below are the illustrative pictures of our key FPC products:

Products

FPC

Illustrative Pictures



Other PCB Products

Our other PCB products mainly comprise MPCB and rigid-flex PCB.

MPCB comprises a metal substrate, thermal dissipating dielectric and copper circuit. Due to its superior thermal dissipation feature, MPCB is used for a wide array of applications such as power supplies and LED lighting. Capitalizing on the growing market demand and leveraging our robust R&D capabilities, we provide a broad spectrum of MPCB products, including aluminum-based, copper-based, iron-based, and stainless steel-based boards, with aluminum-based boards as the core offering. The primary application areas of our MPCB include LED lighting, LED displays, automotive and power modules.

BUSINESS

The rigid-flex PCB is a hybrid PCB that combines rigid parts and flexible parts into a single, permanently laminated structure. This enables three-dimensional packaging, reduced connectors and wiring, and improved reliability in devices that require both compactness and controlled movement or folding. We have conducted extensive research on rigid-flex PCB stack-up and have achieved mass production of any-layer rigid-flex PCB and multilayer rigid-flex PCB. Our rigid-flex PCB is widely used in automotive electronics, industrial control and medical, and consumer electronics devices.

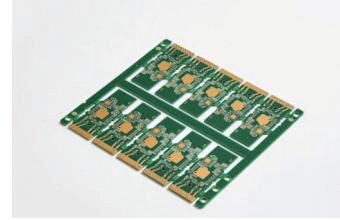
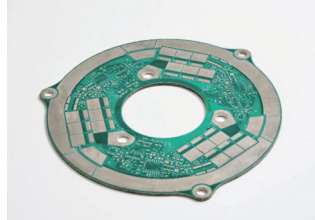
Set forth below are the illustrative pictures of our other PCB products:

Products

MPCB

Rigid-flex PCB

Illustrative Pictures



OUR CORE TECHNOLOGIES

With over three decades of dedicated R&D, we have developed a range of technologies for PCB product design, manufacturing, quality control, and supply chain management. Leveraging our robust reserves of process technology and material application technology as well as our industrial insights, we have also proactively participated in our customers’ R&D, underscoring their trust in our solid technological capabilities. Based on our deep technological development and long-term oriented R&D layout, we are capable of delivering industry-leading products at competitive costs, addressing outstanding demands in our end markets.

We are dedicated to building core competitive edge in the high-end PCB market by exploring and developing challenging technologies, with a focus on high-end HDI and SLP technologies, high-frequency and high-speed materials and hybrid lamination technology, as well as any-layer rigid-flex PCB and HLC PCB manufacturing capabilities. Our core technologies cover three key areas of material applications, manufacturing processes and product architecture:

- *Material Application.* We have developed advanced material application expertise and maintained a comprehensive materials database, enabling efficient material selection throughout product design and development. Our systematic research focuses on materials supporting high-frequency, high-speed transmission and superior thermal dissipation, allowing us to provide PCB products tailored for core AI applications. We have established mass production capabilities for M7-to-M9-grade and PTFE materials based PCB products and are conducting advance research and validation of higher-performance materials, including next-generation ultra-low-loss, high-speed options such as M9+ grade materials, empowering us to meet customer needs.
- *Manufacturing Process.* We have developed advanced processing capabilities, including 0-4 mil stub back-drilling technology, dynamic current density/waveform high-aspect-ratio plating technology, and Z-axis interconnect technology, that meet stringent requirements for high-speed signal transmission and ultra-low loss in AI infrastructure PCB. For example, stub back-drilling technology uses secondary controlled-depth drilling to remove residual portions of the via walls in multilayer boards that connect to non-target layers. This eliminates signal reflections and losses caused by these residual stubs, improving high-speed signal transmission quality, impedance matching, and

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channel performance. Compared to the traditional 2-8 mil stub back-drilling technology, our 0-4 stub back-drilling technology has achieved technological progress with better performance. Moreover, Z-interconnect technology enables PCB to be vertically stacked and interconnected with high precision. The resulting integrated system has very short signal paths, which not only reduces power consumption but also increases transmission speed. We are also engaged in comprehensive research across critical domains including high-build-up HDI processing, ultra-high-layer alignment control, back-drilling stub management, high-precision impedance regulation, signal simulation, and signal integrity control. Leveraging these advanced processes, we have developed industry-leading, mass-production manufacturing systems for HLC PCB, high-build-up HDI PCB, and other advanced and prospective products. These capabilities enable us to support product launches, foster customer relationships, and secure orders within high-end application sectors.

- *Product Architecture.* Our architecture capabilities are at an advanced industry level and support designs that meet the performance and integration needs of advanced scenarios such as AI computing power. Our embedded process integrates copper coins within the board, enabling effective system integration, sufficient thermal dissipation, and efficient space saving. Our embedded ceramic and embedded magnetics technologies directly integrate ceramic substrates or components with magnetic materials into multilayer or HDI board structures, thereby achieving high performance, high reliability, miniaturization, and special functions (such as thermal management). These solutions are commonly used in radio frequency, microwave, high-power, and high-speed communication fields, enhancing PCB space utilization, signal transmission efficiency, and reliability. We have also conducted extensive research on rigid-flex PCB stack-up and have achieved mass production of any-layer rigid-flex PCB and multilayer rigid-flex PCB.

We advance both our own development and that of the broader PCB industry through technological development. We have contributed to the formulation of industry standards, including the “Sectional Design Standard for Flexible Printed Boards” and the “Specification for Printed Circuit Board with Buried or Embedded Copper Coin”. We have passed the appraisal of 48 scientific and technological achievements, including the “Plasma Treatment Technology for Inner Layer Surface of Rigid-Flex PCB”. Our “R&D of Key Technologies for 800G Ultra-High-Speed Optical Module PCB” and “Overall Manufacturing Technology for High-speed Interconnect Cables and High-build-up HDI PCB Products for Data Centers” have been recognized as internationally leading technologies, while our “R&D of Key Technologies for High-end HDI PCB for High-speed Interconnect Cables for Data Centers”, “R&D of Sixth-Generation In-Vehicle Radar PCB Manufacturing Technology” and “Research on Key Manufacturing Technologies for Foldable Screen FPC for Smart Terminals” have been recognized as internationally advanced technologies. Our project “High-efficiency and High-reliability Microfabrication Technology for Heterogeneous Multi-layer High-end PCB” received the First Prize of China Machinery Industry Science and Technology Award, our project “MLPCB Manufacturing Methods and MLPCB” received the China Patent Excellence Award, our project “Development and Industrialization of Key Technologies for Ultra-High-Speed Optical Module PCB in Optical Communication” was awarded the Science and Technology Award (First Prize for Scientific and Technological Progress) by Guangdong Electronics and Information Industry Association, our project “Research and Application of Key Technologies for Metal-Based Insulated Vias with High Thermal Conductivity PCB” was awarded the Second Prize of the Guangdong Provincial Science and Technology Award, and our project “Development and Industrialization of Key Technologies for High-Density Flexible and Rigid-Flex PCB for Smart Terminals” received the First Prize of the Shenzhen Science and Technology Progress Award. Our six products were recognized as “Renowned High-tech Products” by Guangdong Hi-tech Enterprise Association.

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RESEARCH AND DEVELOPMENT

Our industry features fast technological development and rapid product iterations. We are committed to continuously advancing our technologies so as to maintain our market competency and share. As such, we place significant emphasis on strengthening our R&D capabilities. In 2023, 2024 and 2025, our R&D expenses amounted to RMB600.7 million, RMB757.6 million and RMB929.9 million, respectively, accounting for 5.6%, 6.0% and 6.1% of our revenue in these respective periods. For the four months ended April 30, 2025 and 2026, our R&D expenses amounted to RMB272.3 million and RMB280.7 million, respectively, accounting for 6.0% and 5.3% of our revenue in the respective periods.

Our R&D investment has yielded remarkable achievements in terms of (i) material applications, such as the mass production capabilities for M7-to-M9-grade and PTFE materials based PCB products; (ii) manufacturing processes, such as the 0-4 mil stub back-drilling technology, dynamic current density/waveform high-aspect-ratio plating technology, and Z-axis interconnect technology; and (iii) product architecture, such as our embedded process technologies. For more information, please refer to “— Our Core Technologies” in this section.

R&D Team

We have established a comprehensive R&D team comprising talents specializing in material performance study, new product development, and manufacturing process design and optimization. As of April 30, 2026, our R&D team had 2,582 members, representing approximately 11.6% of our total workforce. Our core R&D personnel have an average of more than 18 years of experience in the PCB industry. As of April 30, 2026, 1,199 members of our R&D team held a bachelor’s degree or higher, representing 46.4% of our total R&D workforce.

We have a R&D institute that primarily focuses on meeting customer demands and the R&D of core products, pre-research on advanced technologies and the R&D and capability development of fundamental manufacturing process. We deploy R&D staff across all production bases. We believe this arrangement enhances our innovation capabilities, enabling our R&D personnel to gain timely insights into product development and improvement by leveraging the manufacturing expertise of our production team.

To further promote technical exchange among business segments, we have also formed a group-level technology management team to centrally coordinate and oversee all R&D activities within our Group. In addition, we have built a leading central testing center, which became one of the few in our industry that had received the CNAS certification and met the requirements of the ISO/IEC 17025 standard in January 2017, certifying its capability to independently perform professional testing and validation. This accreditation supports our R&D progress and ensure the high-quality of our R&D outcome.

We have established long-term collaborations with leading research institutions, universities as well as industry experts and specialized external partners to provide additional technical proficiency to advance our R&D efforts. For example, we successfully established a national-level postdoctoral research station in Jiangxi Province, showcasing our solid R&D capabilities. Moreover, we have been collaborating with a leading university for the study on the key features of FPC materials, which has proceeded to an advanced stage.

We also proactively participate in our customers’ R&D initiatives to deepen and enhance our corporations with them, which enables us to earn significant leverage to obtain more customer orders and explore more potential cooperation opportunities with such customers. For certain structurally complex, innovative high-end products, customers invite us to provide ideas for their PCB designs. Leveraging on our domain knowledge in PCB, we offer optimization suggestions for customers’ designs and thus customers are able to refine and improve their PCB designs. We normally do not charge separate design or R&D fees for such R&D cooperations.

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Product Design and Development

We have established detailed protocols and standard operating procedures for our product design and development processes, which are essential for the success of our final products. Our product design and development processes could vary due to different product specifications and customer requirements. The average development cycle for most of our products is normally one to six months.

To standardize the R&D process, we have formulated a comprehensive system. All R&D projects are required to undergo oversight and review at each stage. We have set several technical review points for key technical nodes during the product development process. Through early detection of product defects and risks in deliverables, problems and risks can be identified as early as possible, and countermeasures and operational recommendations can be formed to ensure that the entire product development process is effectively controlled.

The key steps of our product development process are set out below:

- (i) *Pre-research Phase*: In the pre-research phase, we are focused on exploring and developing optimal solutions for key product technologies or modules which are in line with our development strategies and represent significant market potential, even where the relevant market prospects are still subject to uncertainty and there are significant technical challenges. This lays a solid foundation for us to enter the product development phase leveraging such optimal solutions, once other conditions allow so.
- (ii) *Validation Phase*: When the relevant market outlook becomes clearer and key technologies are preliminarily realized, we initiate the dedicated R&D on challenging technical issues in the relevant field and implemented validation with test boards or dummy boards. Through such testing, we can identify and resolve potential issues that could affect product development.
- (iii) *Prototyping Phase*: After verifying the feasibility of product development, we use validated technical solutions to carry out prototype production. We assess the manufacturability of these solutions in actual production processes, promptly identifying and addressing various potential manufacturing problems. Based on such assessment, we can update and refine relevant technical solutions to ensure smooth transition to small-batch and mass production phases.
- (iv) *Small-batch Production Phase*: After customers complete prototype certification, we gradually expand production batches according to established technical solutions. We use small-batch production to assess the stability of product manufacturing and institutionalize accumulated experience in documentation and staff implementation procedures.
- (v) *Mass Production Phase*: In the mass production phase, our staff are capable of implementing the production process independently according to relevant manufacturing protocols. Our focus is continuously monitoring the mass production process, actively identifying and resolving issues to optimize our production process, thereby significantly enhancing our core competitive edges in terms of the product yield, quality, delivery cycles, and cost control.

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Future R&D Focus

We continuously refine our R&D roadmap to align with emerging industry trends and anticipated growth areas. In the coming years, our R&D efforts will focus on several strategic priorities to reinforce our advanced PCB technologies.

- *Material Applications.* We plan to closely follow customer needs and conduct R&D and verification on PCB using next-generation ultra-low loss, high-speed materials, including M9+ grade materials, to address advanced computing demands, especially those related to the AI sector. Moreover, we plan to keep pace with the development of electrification and intelligentization in automobiles, and conduct research and verification of the applications of low-loss, high-voltage-resistant, and high-reliability materials to meet the development needs of automotive electronics for high thermal conductivity, high integration and high reliability.
- *Manufacturing Process.* We will advance key process technologies, including high-end HDI processing, ultra-high-layer alignment, back-drilling stub control, high-precision impedance control, signal simulation and signal integrity control, signal transmission line manufacturing precision and consistency, improvement on layers alignment, dielectric uniformity, and embedded process technologies. These process technologies enhance our manufacturing capabilities for HLC PCB, high-build-up HDI PCB, and other advanced products.
- *Product Architecture.* We will monitor advancements in product iterations from leading global AI computing infrastructure providers and design PCB architectures that align with their performance and integration specifications, achieving more efficient interconnects, increased bandwidth, and higher reliability.

SALES AND MARKETING

Our sales model is based on direct sales, as supplemented by sales to trading partners to effectively reach and serve a diverse range of customers. Our multiple sales channels provide us with flexibility to meet the needs of various markets while building strong customer relationships and ensuring efficient product sales. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB192.1 million, RMB245.6 million and RMB288.2 million, respectively, accounting for 1.8%, 1.9% and 1.9% of our total revenue, respectively, for the same periods. In 2023, 2024 and 2025, our aggregate sales volume reached 9.5 million, 10.8 million and 12.4 million sq.m., respectively. For the four months ended April 30, 2025 and 2026, our selling and marketing expenses amounted to RMB85.7 million and RMB84.9 million, respectively, accounting for 1.9% and 1.6% of our total revenue, respectively, for the same periods.

The following table sets forth the revenue contribution from direct sales and sales to trading partners, in absolute amounts and as percentages of our total revenue, during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Direct sales	10,273,117	95.5	12,084,134	95.5	14,745,067	96.3	4,346,290	95.9	5,154,964	96.5
Sales to trading partners . . .	484,185	4.5	575,239	4.5	562,985	3.7	187,323	4.1	186,428	3.5
Total	10,757,302	100.0	12,659,373	100.0	15,308,052	100.0	4,533,613	100.0	5,341,392	100.0

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The following table sets forth the movement of the number of our direct sales customers and trading partners as well as the customer retention rates during the Track Record Period:

	Year Ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
Number of direct sales customers	575	570	572	468
Number of trading partners . .	70	58	32	27
Customer retention rate ⁽¹⁾ . . .	79.3%	81.9%	77.6%	81.2%

Note:

- (1) “Customer retention rate” refers to the number of customers (comprising both direct sales customers and trading partners) from whom we generated revenue in both a given year/period and the previous year/period in a given year divided by the number of customers (comprising both direct sales customers and trading partners) from whom we generated revenue in the previous corresponding year/period and multiplied by 100%.

The number of our trading partners decreased from 70 in 2023 to 58 in 2024, 32 in 2025 and 27 in the four months ended April 30, 2026, mainly due to our strategic adjustment to focus on cooperation with outstanding trading partners and eliminate underperforming ones.

Direct Sales

Direct sales are our primary sales channel, and we generated the vast majority of our revenue from this channel during the Track Record Period. We believe direct sales are essential for engaging customers, showcasing product capabilities, and building our brand. Our direct sales customers consist mainly of (i) end-product brands, as the brand-owning companies that design, brand and market their electronic products, and (ii) EMS providers, which manufacture and assemble products based on specifications and designs from the end-product brands.

Our end customers are typically industry leaders and strategic clients with strict quality standards, long product validation cycles and high entry barriers. These customers often require large-scale, stable procurement and tailored solutions. By integrating our products into their supply chains, we secure long-term, stable orders that support consistent growth. Our dedicated sales and marketing personnel assigned for each direct sales customer possess extensive knowledge and expertise, enabling them to provide pre-sale consultations and tailored recommendations. We acquire new direct sales customers mainly through (i) customer referrals, (ii) participation in exhibitions, conferences and other activities, and (iii) direct marketing efforts such as our own official website. We may also acquire orders through a tender process including bid publication by potential customers, our bid evaluation and pre-bid communications, bid preparation and submission and where our bidding is successful, contract finalization and execution. Our customers typically provide us with their product designs and specific technical requirements, and then we implement technical validation and make tailored adjustments to our PCB to meet their requirements. We will then offer our fee quote accordingly and a product prototype for them. Once our quote and prototype are confirmed by customers, we will proceed to the production stage. In 2023, 2024 and 2025, our sales generated from direct sale customers amounted to RMB10,273.1 million, RMB12,084.1 million and RMB14,745.1 million, respectively, accounting for 95.5%, 95.5% and 96.3% of our total revenue for these periods. For the four months ended April 30, 2025 and 2026, our sales generated from direct sale customers amounted to RMB4,346.3 million and RMB5,155.0 million, respectively, accounting for 95.9% and 96.5% of our total revenue, respectively, for the same periods.

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Contractual Arrangements with Direct Sales Customers

For our direct sales customers, we sell products to them in accordance with the terms outlined in our master sales agreements with them. Below is a summary of key terms with our direct sales customers:

- *Order Placement:* The product name, specification, quantity and purchase price are specified in purchase orders based on the demand of our customers. We generally do not impose minimum purchase order quantity requirements on our direct sales customers.
- *Shipment and Delivery:* We assume the costs and risks associated with the shipment of ordered products until delivery to the buyer’s designated location. The buyer assumes these risks upon their acceptance of the products.
- *Product Return and Warranty:* We generally do not allow product return except for product defects. We offer a warranty period ranging from one to three years, depending on the product type. We are responsible for losses or damages incurred due to our product quality issues within the warranty period. In 2023, 2024 and 2025 and the four months ended April 30, 2026, the product return rates for our direct sales customers were 0.3%, 0.2%, 0.2% and 0.1%, respectively.
- *Payment and Credit Terms:* We typically offer a credit period ranging from 30 to 120 days to our customers. For new customers, we normally require payment in advance.
- *Intellectual Property:* We generally assure buyers that our products do not infringe upon any third-party intellectual property rights, and we are responsible for legal liabilities and costs caused by such kind of disputes.
- *Buyer Compliance Requirement:* Transaction parties are required to comply with anti-bribery laws and regulations, and both parties shall not offer any form of benefits that could directly or indirectly have a substantial impact on the signing or execution of this agreement.
- *Termination:* Generally, the contract can be terminated upon mutual agreement.

Our Trading Partners

We sell our PCB products to reputable trading partners to extend our market reach and efficiently serve smaller-scale end customers and certain end customers from certain regions. According to CIC, engagement of trading partners for the sales of products are in line with the PCB industry norm. Trading partners will typically place orders with PCB manufacturers after they obtain orders from end customers. In 2023, 2024 and 2025, our sales generated from sales to trading partners amounted to RMB484.2 million, RMB575.2 million and RMB563.0 million, respectively, accounting for 4.5%, 4.5% and 3.7% of our total revenue for these periods. For the four months ended April 30, 2025 and 2026, our sales to trading partners amounted to RMB187.3 million and RMB186.4 million, respectively, accounting for 4.1% and 3.5% of our total revenue, respectively, for the same periods.

Relationship with Trading Partners

The relationships between trading partners and us are categorized as seller-buyer relationships. However, we typically do not enter into distribution agreements with trading partners. Instead, we transact on an order-by-order basis through individually received purchase orders. Revenue is recognized upon the transfer of control of our products, which occurs when the products are delivered to and accepted by our trading partners.

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To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our trading partners were Independent Third Parties. To the best of our knowledge, besides the ordinary course sales arrangement with us, there is no other relationship between the trading partners and each of our Company, our subsidiaries, our Shareholders who own 5% or more of the total issued Shares, Directors or senior management or any of their respective associates. As of the Latest Practicable Date, we were not aware of any potential abuses or improper use of our name by our trading partners which could adversely affect our reputation, business operation or financial condition.

Management of Trading Partners

Due to the nature of our relationship with trading partners, we cannot control their operations or sales activities. We do not assign sales targets, enter into long-term distribution agreements, or grant exclusive territories under our sales agreements with trading partners.

Under our sales model with trading partners, we believe that we are subject to limited exposure to risks associated with channel stuffing or cannibalization:

- *Limited Channel Stuffing Risk:* We do not impose sales targets or minimum purchase obligations on trading partners. Orders are placed on an as-needed basis and reflect specific end customer requirements with different product specifications. Trading partners are generally not permitted to return unsold inventory, and we do not engage in consignment or speculative sales arrangements.
- *Limited Cannibalization Risk:* Our products are highly customized PCB products built to meet individual end customer requirements. Products ordered through trading partners are generally not interchangeable or resalable to other end customers, which mitigates the risk of internal sales displacement or price competition with our direct sales channel or sales through other trading partners.

Accordingly, considering that (i) we do not set sales targets or minimum purchase obligations, (ii) our trading partners are generally not permitted to return unsold products, (iii) our products are largely customized and not interchangeable, and (iv) we did not identify any material channel stuffing or cannibalization risks during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view that we do not have any material channel stuffing or cannibalization risks.

Transactional Arrangements with Trading Partners

We typically do not enter into fixed-term framework distribution agreements with our trading partners. Instead, our commercial engagement is conducted on a transaction-by-transaction basis based on purchase order. The key terms of our transactional arrangements with trading partners are set out below:

- *Term and Termination:* Our transactions with trading partners are typically conducted through individual purchase orders without a fixed contractual term. Either party may cease business by discontinuing future purchase orders.
- *Risk Transfer:* Risks are transferred to our trading partners once the products are shipped to the designated locations specified in the purchase orders, following their inspection and confirmation.
- *Pricing Policy:* We sell our products to trading partners at mutually agreed price as specified in the purchase orders. We negotiate prices with trading partners on a per-order basis, taking market conditions and specific requirements from end customers into account.

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- *Sales Target:* We do not impose sales targets or minimum purchase obligations on our trading partners. Purchase order reflects actual end customer demand, and we do not encourage speculative stocking.
- *Payment and Credit Terms:* We typically offer a credit period ranging from 30 to 120 days to our trading partners. For new trading partners, we normally require payment in advance.
- *Product Return and Warranty:* We generally do not allow product return except for product defects. We offer a warranty period ranging from one to three years, depending on the product type. We are responsible for losses or damages incurred due to our product quality issues within the warranty period. In 2023, 2024 and 2025 and the four months ended April 30, 2026, the product return rates for our trading partners were 0.5%, 0.4%, 0.5% and 0.6%, respectively.
- *Confidentiality:* The trading partners agree to strictly protect the information and proprietary know-how it has gained access to under the agreement.
- *Buyer Compliance Requirement:* Transaction parties are required to comply with anti-bribery laws and regulations, and both parties shall not offer any form of benefits that could directly or indirectly have a substantial impact on the signing or execution of this agreement.
- *Dispute Resolution:* Both parties agree to amicable negotiation for any disputes arising out of performance of the purchase order. If the dispute cannot be resolved, either party can proceed to court proceedings.

Pricing of Our Products

Effective product pricing is critical to our results of operations. In determining our product pricing, we consider a range of factors, including market price, our costs, technological advantages and overall market conditions. We strategically adjust prices based on market dynamics, considering factors like competition intensity to ensure competitiveness and profitability.

Sales Network

We have established a globalized sales network, which enables us to quickly respond to customer needs around the world. As of April 30, 2026, we had a sales and marketing team of 313 personnel, focusing on business development, customer service and industry coverage. We maintain sales teams responsible for our sales efforts in different areas domestically and globally in accordance with our sales strategy. Aligning with our overseas market expansion strategy, we plan to hire more sales staff who are capable of contributing to our global sales. Our sales personnel are entitled to a fixed salary as well as performance-based compensation, which is intended to motivate them to continuously improve their sales efforts. Throughout the Track Record Period and as of the Latest Practicable Date, we had six and four sales points in Chinese mainland and overseas, respectively.

Our sales and marketing staff regularly contact our existing and potential customers about our current offerings and development plans. Our sales and marketing staff also communicate and collaborate with the R&D, production and procurement staff to obtain technical product information for better customer presentations, ensure timely order delivery, and address special customer needs and supplier-related issues. Additionally, our sales and marketing staff proactively identify market opportunities and tailor sales strategies according to the differentiated customer needs.

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Marketing

We enhance the awareness of our brand and promote our new and existing products through both offline and online channels. We participate in various offline events, such as industry conferences and forums, product launches and industry salons to showcase our technological advancements and develop relationships with industry participants. We also promote our products through various digital marketing activities and channels such as website and social media marketing.

Customer Service

We are committed to offering a comprehensive suite of customer services that support the entire product lifecycle. We continuously improve our global customer service quality through staff training and development, and have established an efficient customer service response mechanism to ensure that customer issues can be resolved promptly to meet the expectation of customers worldwide. We offer ongoing technical support through multiple channels, including online and on-site support. By offering reliable, responsive, and cost-effective after-sales support, we help customers minimize disruptions and maximize our product value. Our focus is on customer satisfaction, ensuring our products consistently meet evolving needs. Our customer services have been highly appreciated and widely recognized, earning us numerous awards from customers for excellent services.

OUR CUSTOMERS

We have established long-standing business relationships with leading enterprises across a wide range of industries, including automotive electronics, smart devices, industry control and medical devices, and telecommunication and data infrastructure sectors. These relationships underscore our role as a trusted supplier to certain prominent global companies across a variety of industries.

In each of 2023, 2024 and 2025 and the four months ended April 30, 2026, revenue contributed from our five largest customers amounted to RMB1,943.4 million, RMB2,769.8 million, RMB3,605.6 million and RMB1,394.0 million, respectively, accounting for 18.0%, 22.0%, 23.6% and 26.1% of our total revenue, respectively, for each of the same periods, while the largest customer contributed RMB583.2 million, RMB626.2 million, RMB1,024.5 million and RMB371.7 million, respectively, accounting for 5.4%, 4.9%, 6.7% and 7.0% of our total revenue, respectively, for each of the same periods. Our five largest customers in each period of the Track Record Period were direct sales customers. During the Track Record Period, we generally granted a credit term of 30 to 120 days to our direct sales customers. The credit terms we granted to different customers may vary significantly within this relatively long range in light of various factors, including the customers' purchase amount, duration of cooperation with us and our strategic priority.

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The following tables set forth the details of our five largest customers based on their revenue contribution in each period during the Track Record Period:

For the Four Months Ended April 30, 2026

Ranking	Customer	Transaction amount	Percentage of total revenue	Year of commencing business relationship with us
		<i>RMB'000</i>		
1	Customer B	371,684	7.0%	2018
2	Customer A	365,569	6.8%	2012
3	Customer C	253,045	4.7%	2009
4	Customer H	225,788	4.2%	2015
5	Customer F	177,908	3.4%	2018
		<u>1,393,994</u>	<u>26.1%</u>	

For the Year Ended December 31, 2025

Ranking	Customer	Transaction amount	Percentage of total revenue	Year of commencing business relationship with us
		<i>(RMB'000)</i>		
1.	Customer A	1,024,524	6.7%	2012
2.	Customer B	790,127	5.2%	2018
3.	Customer C	720,090	4.7%	2009
4.	Customer D	569,219	3.7%	2018
5.	Customer E/Supplier E	501,659	3.3%	2015
		<u>3,605,619</u>	<u>23.6%</u>	

For the Year Ended December 31, 2024

Ranking	Customer	Transaction amount	Percentage of total revenue	Year of commencing business relationship with us
		<i>(RMB'000)</i>		
1.	Customer A	626,224	4.9%	2012
2.	Customer C	595,444	4.8%	2009
3.	Customer B	550,759	4.4%	2018
4.	Customer E/Supplier E	522,407	4.1%	2015
5.	Customer F	474,932	3.8%	2018
		<u>2,769,766</u>	<u>22.0%</u>	

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For the Year Ended December 31, 2023

Ranking	Customer	Transaction amount (RMB'000)	Percentage of total revenue	Year of commencing business relationship with us
1.	Customer A	583,224	5.4%	2012
2.	Customer C	424,897	3.9%	2009
3.	Customer G	344,752	3.2%	2015
4.	Customer D	313,784	2.9%	2018
5.	Customer F	276,780	2.6%	2018
		1,943,437	18.0%	

Notes:

- (1) Customer A is a company headquartered in Shenzhen, Guangdong Province, the PRC, mainly engaged in the business of ICT infrastructure, cloud computing, digital energy, smart devices and intelligent vehicle solutions. Customer A purchased RPCB, FPC and other PCB products from us during the Track Record Period.
- (2) Customer B is a company headquartered in Germany, mainly engaged in the business of mobility solutions, industrial technology, consumer goods, and energy and building technology. Customer B purchased RPCB, FPC and other PCB products from us during the Track Record Period.
- (3) Customer C is a company headquartered in France, mainly engaged in the business of designing and manufacturing automotive parts and systems. Customer C is listed on the Euronext Paris Stock Exchange. Customer C purchased RPCB, FPC and other PCB products from us during the Track Record Period.
- (4) Customer D is a company headquartered in Shanghai, the PRC, mainly engaged in the development, production and sales of gasoline engine management systems, transmission control systems, vehicle body electronics, hybrid and electric drive control systems. Customer D purchased RPCB, FPC and other PCB products from us during the Track Record Period.
- (5) Customer E/Supplier E is a company headquartered in Suzhou, Jiangsu Province, the PRC, mainly engaged in the supply of new display overall solutions. Customer E/Supplier E is listed on the Shenzhen Stock Exchange. Customer E/Supplier E purchased FPC and other PCB products from us during the Track Record Period.
- (6) Customer F is a company headquartered in Ireland, mainly engaged in the business of automotive technology and components. Customer F is listed on the New York Stock Exchange. Customer F purchased RPCB and FPC products from us during the Track Record Period.
- (7) Customer G is a company headquartered in Huizhou, Guangdong Province, the PRC, mainly engaged in the semiconductor display and new energy photovoltaic business. Customer G is listed on the Shenzhen Stock Exchange. Customer G purchased FPC and other PCB products from us during the Track Record Period.
- (8) Customer H is a company headquartered in Taiwan, China, mainly engaged in the electronics manufacturing business. Customer H is listed on the Taiwan Stock Exchange. Customer H purchased RPCB, FPC and other PCB products from us during the Track Record Period.

To the best of our knowledge, for each period during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each period were Independent Third Parties, and to the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of the Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers. For each period during the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned customers, nor did we receive any material complaints from such customers.

RAW MATERIALS AND SUPPLY CHAIN MANAGEMENT

The main raw materials for our products include electronic raw materials, which primarily consist of copper clad laminates, copper anode balls, copper foils, prepregs, gold salt, dry films and solder masks. We source substantially all raw materials from Chinese mainland with limited exceptions, which mainly comprise a small portion of copper clad laminates and prepregs procured from overseas suppliers designated by customers. Most of our raw materials sourced from overseas countries are readily available in Chinese mainland and we do not expect any material obstacles for us to switch to the domestic supply for such raw materials if needed. To improve our supply chain stability and maintain bargaining power, we generally retain multiple suppliers for our principal raw

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materials. In 2023, 2024 and 2025, our cost of raw materials accounted for 60.4%, 60.5% and 61.4% of our total cost of sales, respectively. For the four months ended April 30, 2025 and 2026, our cost of raw materials accounted for 60.4% and 62.9% of our total cost of sales, respectively.

Our procurement process involves several key steps to ensure efficient supply management. Initially, we engage in demand planning and supply strategy development, using rolling forecasts to assess product demand and define strategies for managing supply volumes. This is followed by procurement planning and ordering, where we create detailed plans and issue purchase orders to suppliers. Suppliers then fulfill these orders, schedule shipments, and deliver the materials to designated warehouses. Upon arrival, we inspect the raw materials and store them in stock warehouses for production use.

Our procurement strategy combines on-demand purchasing with strategic stockpiling. Using historical data and demand forecasting, we maintain safety stock levels to ensure a stable supply chain and uninterrupted production. In addition, we monitor market trends, price fluctuations of raw materials, inventory, customer orders and capital allocation to make informed decisions about stockpiling. This approach effectively addresses the risks of price volatility and ensures we stay agile in a competitive and rapidly changing market. Based on demand forecasts, supplier pricing trends and production capacity planning, we create rolling procurement plans. These plans guide our purchasing team in requesting quotes, placing orders and coordinating material deliveries. By maintaining close relationships with qualified suppliers and ensuring clear communication, we are able to achieve efficient procurement cycles while maintaining flexibility in responding to changes in market demand.

We have maintained a sizable pool of reliable suppliers and implemented a rigorous supplier qualification and dynamic management system to monitor the supplier admission, qualification audits, and performance evaluations. We evaluate suppliers on multiple criteria such as their technical capability, quality, delivery performance, service levels and cost-effectiveness as well as their compatibility with our development strategies. We uphold stringent requirements for supplier admission, assessment, and auditing throughout the supplier lifecycle. We also employ a tiered management strategy, incorporating rewards for excellence, supervised improvement plans, and the removal of underperforming suppliers, thereby optimizing our supplier base and maintaining our competitiveness.

OUR SUPPLIERS

We have developed and maintained relationships with some leading suppliers for our raw materials and manufacturing equipment. Our key raw materials include copper clad laminates, copper anode balls, copper foils, prepregs, gold salt, dry films and solder masks. These suppliers provide us with high-quality materials for our products and key equipment for our production. Their advanced technologies and reliable production capabilities enable us to maintain consistent product quality and meet the evolving needs of our customers. We work closely with our suppliers to ensure timely availability and delivery of materials and equipment. Our well-established global network of material sources enables us to maintain competitive pricing and offer a reliable supply chain for our customers. In each of 2023, 2024 and 2025 and the four months ended April 30, 2026, and our purchases from our five largest suppliers amounted to RMB2,037.2 million, RMB2,680.8 million, RMB3,383.7 million and RMB1,466.8 million, respectively, accounting for 36.4%, 38.5%, 38.2% and 40.5% of our total purchase, respectively, for each of the same periods, while our purchase from the largest supplier amounted to RMB1,013.4 million, RMB1,212.0 million, RMB1,517.5 million and RMB554.8 million, respectively, accounting for 18.1%, 17.5%, 17.2% and 15.3% of our total purchases, respectively, for each of the same periods. During the Track Record Period, our suppliers generally granted us a credit term of 90 to 120 days.

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The following tables set forth the details of our five largest suppliers based on our purchases from them in each period during the Track Record Period:

For the Four Months Ended April 30, 2026

Ranking	Suppliers	Purchase amount	Percentage of total purchase	Year of commencing business relationship with us
		<i>RMB'000</i>		
1	Supplier A	554,802	15.3%	1999
2	Supplier B	280,055	7.7%	2017
3	Supplier C	234,861	6.5%	2018
4	Supplier H	219,556	6.1%	2007
5	Supplier I	177,558	4.9%	2025
		1,466,832	40.5%	

For the Year Ended December 31, 2025

Ranking	Supplier	Purchase amount	Percentage of total purchase	Year of commencing business relationship with us
		<i>(RMB'000)</i>		
1.	Supplier A	1,517,453	17.2%	1999
2.	Supplier B	607,248	6.8%	2017
3.	Supplier C	596,747	6.7%	2018
4.	Supplier D	418,056	4.7%	2017
5.	Supplier G	244,165	2.8%	2016
		3,383,669	38.2%	

For the Year Ended December 31, 2024

Ranking	Supplier	Purchase amount	Percentage of total purchase	Year of commencing business relationship with us
		<i>(RMB'000)</i>		
1.	Supplier A	1,211,982	17.5%	1999
2.	Supplier B	493,538	7.0%	2017
3.	Supplier C	447,103	6.4%	2018
4.	Supplier E/Customer E	271,194	3.9%	2019
5.	Supplier D	256,954	3.7%	2017
		2,680,771	38.5%	

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For the Year Ended December 31, 2023

Ranking	Supplier	Purchase amount (RMB'000)	Percentage of total purchase	Year of commencing business relationship with us
1. . . .	Supplier A	1,013,411	18.1%	1999
2. . . .	Supplier B	357,766	6.4%	2017
3. . . .	Supplier C	318,109	5.7%	2018
4. . . .	Supplier D	178,017	3.2%	2017
5. . . .	Supplier F	169,939	3.0%	2006
		2,037,242	36.4%	

Notes:

- Supplier A is a company headquartered in Dongguan, Guangdong Province, the PRC, mainly engaged in the development, production and sales of copper clad laminates, bonding sheets, and electronic materials. Supplier A is listed on the Shanghai Stock Exchange. We mainly purchased copper clad laminates and prepreps from Supplier A during the Track Record Period.
- Supplier B is a company headquartered in Taiwan, China mainly engaged in the business of plastic processing, plastic raw materials, electronic materials and polyester fiber products. Supplier B is listed on the Taiwan Stock Exchange. We mainly purchased copper clad laminates and prepreps from Supplier B during the Track Record Period.
- Supplier C is a company headquartered in Yingtian, Jiangxi Province, the PRC, mainly engaged in the development, production and sales of new copper-based materials for electronic circuits. Supplier C is listed on the Shanghai Stock Exchange. We mainly purchased copper plates and balls from Supplier C during the Track Record Period. As of the Latest Practicable Date, we held 0.3% of the equity interest in Supplier C.
- Supplier D is an enterprise based in Nanchang, Jiangxi Province, the PRC, mainly engaged in the supply of chemical raw materials, industrial gold and silver products, and electronic component processing. We mainly purchased gold salts from Supplier D during the Track Record Period.
- Supplier E/Customer E is a company headquartered in Suzhou, Jiangsu Province, the PRC, mainly engaged in the supply of new display overall solutions. Supplier E/Customer E is listed on the Shenzhen Stock Exchange. We mainly purchased electronic components from Supplier E/Customer E during the Track Record Period.
- Supplier F is a company headquartered in Taiwan, China mainly engaged in the supply of MLPCB substrates and copper foil substrates. Supplier F is listed on the Taiwan Stock Exchange. We mainly purchased copper clad laminates and prepreps from Supplier F during the Track Record Period.
- Supplier G is a company headquartered in Yantai, Shandong Province, the PRC, mainly engaged in the supply of electronics chemical materials. We mainly purchased gold salts from Supplier G during the Track Record Period.
- Supplier H is a company headquartered in Zhongshan, Guangdong Province, the PRC, mainly engaged in the supply of electronics materials and components. We mainly purchased copper clad laminates and prepreps from Supplier H during the Track Record Period.
- Supplier I is a company headquartered in Nanchang, Jiangxi Province, the PRC, mainly engaged in the supply of electronics materials and components. We mainly purchased gold salts from Supplier I during the Track Record Period.

To the best of our knowledge, for each period during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each period were Independent Third Parties, and to the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of the Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contracts on the part of our suppliers or significant delay in delivery of our orders from our suppliers, nor did we have any material disputes with our suppliers.

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Contractual Agreements with Suppliers

The typical salient terms and conditions of our agreements with suppliers are set out below:

- *Order Placement:* Procurement orders, which include the product name, quantity, unit price, total purchase amount, delivery date and location, and payment terms and conditions will be placed separately.
- *Shipment and Delivery:* Suppliers are typically responsible for delivering ordered products to our designated location in accordance with the agreed delivery schedule and assume the costs and risks associated with the shipment.
- *Credit Terms:* Our suppliers typically grant us a credit term of 90 to 120 days.
- *Quality Control and Product Returns:* All raw materials must comply with applicable national and industry standards as well as our technical specifications. We conduct inspections upon delivery and reserve the right to reject or return non-compliant goods.
- *Product Warranty:* Our suppliers normally provide a product quality warranty period for the supplied raw materials ranging from three months to two years after acceptance, depending on the specific types of materials.
- *Intellectual Property:* Suppliers shall ensure that their products do not infringe upon any third-party intellectual property rights, and they shall bear all legal responsibilities and costs incurred by such kind of dispute.
- *Termination:* Generally, the contract can be terminated upon mutual agreement.

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 was also our customer, details of which are explained below.

Customer E/Supplier E, one of our five largest customers in each of 2024 and 2025, was also one of our five largest suppliers in 2024, because Customer E/Supplier E requires its suppliers, including us, to purchase designated electronic components used in their products from certified vendors, including, in some cases, the Customer E/Supplier E itself, to better control quality. This is commonly referred to in the industry as the buy-and-sell model. Due to this reason, we also sold various PCB products of RMB256.8 million and RMB110.1 million, primarily FPC, to Customer E/Supplier E in 2023 and the four months ended April 30, 2026, respectively, and purchased electronic components of RMB151.8 million, RMB234.4 million and RMB55.2 million from it in 2023, 2025 and the four months ended April 30, 2026, respectively. Our sales to and purchases from Customer E/Supplier E were conducted in the ordinary course of business and on commercial terms negotiated on an arm’s length basis.

Customer G, one of our five largest customers in 2023, was also our supplier in each of 2023, 2024, 2025 and the four months ended April 30, 2026 under the aforementioned buy-and-sell model. We sold various PCB products, primarily FPC, to Customer G and purchased electronic components from it, and the relevant purchase amounts were RMB96.6 million, RMB91.5 million, RMB95.6 million and RMB3.9 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Our sales to and purchases from Customer G were conducted in the ordinary course of business and on commercial terms negotiated on an arm’s length basis.

To the best of our knowledge, for each period during the Track Record Period and up to the Latest Practicable Date, both Customer E/Supplier E and Customer G in each period were Independent Third Parties.

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According to CIC, in the FPC sector, it is common industry practice for a PCB manufacturer to both sell to and purchase from the same customer/supplier. Due to the technical characteristics of FPC processing and the need for supply chain control, FPC customers often supply electronic components to PCB manufacturers. After completing the SMT process on the FPC products, the PCB manufacturers then deliver the finished products back to those customers.

TARIFF, TRADE RESTRICTION AND EXPORT CONTROL IMPLICATIONS

U.S. Tariff Implications

Section 301 Tariffs

In August 2017, the Office of the U.S. Trade Representative (“**USTR**”) initiated a Section 301 investigation into China’s acts, policies, and practices related to technology transfer, intellectual property, and innovation. In March 2018, USTR concluded that China had engaged in practices that were found to burden U.S. commerce and justified remedial action. Following such findings, the U.S. imposed tariffs on various goods of Chinese origin under four lists, most of which are subject to a 25% Section 301 tariff. USTR established a product exclusion process allowing companies to seek temporary relief from tariffs. In January 2020, the U.S. and China signed the “Phase One” Economic and Trade Agreement. Despite such agreement, most of these Section 301 tariffs remained in place. The Group’s products imported into the U.S. are subject to a 25% Section 301 tariff, which are borne by our customers.

IEEPA and Section 122 Tariffs

Starting in February 2025, the U.S. government imposed a series of tariff increases on imports from China, including two sets of tariffs under IEEPA. IEEPA tariff rates fluctuated between February 2025 and November 1, 2025, when the U.S. and China announced their agreement to relax certain tariff and other trade controls, and the United States lowered the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate of 20%. On February 20, 2026, the U.S. Supreme Court ruled that the reciprocal tariffs and fentanyl tariffs were unlawful and were no longer effective as of January 20, 2026. In response to the U.S. Supreme Court’s decision, the Trump Administration imposed a 10% tariff under Section 122 of the Trade Act effective from February 24, 2026 with a period of no more than 150 days. The Group’s products are not covered by the Section 122 tariffs. The Trump Administration will likely seek to impose additional tariffs under other statutory authorities, including Section 301, when the Section 122 tariffs lapse after 150 days.

As advised by our U.S. export control and sanctions counsel, considering that (i) in each year/period during the Track Record Period, we only had limited sales to U.S. customers, which accounted for approximately 3% of our total revenue; and (ii) since the imposition of the various U.S. tariffs, although some affected customers reduced orders, we have not experienced any material adverse changes in our order volume, product price, customer payment or logistics arrangements due to the U.S. tariffs issue, our Directors are of the view that the U.S. tariffs during the Track Record Period did not, and going forward will not, have any material adverse impact on our business operations or financial performance. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to disagree with the Directors’ foregoing view.

Given the ongoing uncertainty surrounding U.S. tariff policies and their potential impacts, we are closely monitoring relevant developments, strengthening communication with customers, and proactively adjusting our operational and sourcing strategies. Our key measures include:

- ***Diversified Customer and Market Base:*** Expanding sales across multiple regions to reduce exposure to any single market and mitigate the potential impact of country-specific tariffs;

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- **Localized Supply Chain Optimization:** Enhancing cooperation with local suppliers for raw materials and equipment to ensure stable production and delivery in the event of tariff escalation;
- **Close Customer Coordination:** Maintaining regular communication with major customers to understand their global supply chain adjustments and jointly plan production, pricing and logistics arrangements; and
- **Scenario Monitoring and Contingency Planning:** Continuously assessing trade policy developments, including the relevant U.S. tariffs, and preparing contingency measures such as alternative supply routes, adjusted shipment destinations and flexible contractual pricing mechanisms.

U.S. Export Control Implications

Under the U.S. Export Administration Regulations (“**EAR**”), a license from the U.S. Department of Commerce, Bureau of Industry and Security (“**BIS**”) may be required for the export, re-export or in-country transfer of any items (including commodities, software, and technology) subject to the EAR. Items subject to the EAR include not only those made in or located within the United States, but also certain non-U.S.-made items. In addition, recent developments under the EAR, including the “Supercomputer and Semiconductor Manufacturing End-Use” restrictions, among others, are designed to limit China’s access to advanced computing and semiconductor manufacturing technologies. Effective from October 2022, Section 744.23 of the EAR imposes license requirements where an exporter, re-exporter, or transferor knows or has reason to know that certain items subject to the EAR are intended for supercomputer or semiconductor manufacturing end-uses, with implementation phased in over time.

We do not procure and incorporate any U.S.-origin items into our products. During the Track Record Period, we had only procured a limited number of U.S.-origin manufacturing equipment, which are all low-control items under the EAR and generally do not require a license for export, re-export, or transfer except when destined for an embargoed or sanctioned country, an end user of concern, or a prohibited end use. As advised by our U.S. export control and sanctions counsel, we are eligible to receive such U.S.-origin manufacturing equipment without a BIS license.

In addition, as advised by our U.S. export control and sanctions counsel, our Group was not included on the U.S. Entity List or any other U.S. export control restriction lists as of the Latest Practicable Date. During the Track Record Period, we did not experience any significant difficulties in procuring production materials from the U.S. or other jurisdictions. Our suppliers have not notified us of any changes or disruptions to supply arrangements. The Group’s procurement, R&D and expansion activities have proceeded normally. In addition, we continue to advance our efforts to identify and qualify alternative suppliers for most U.S.-origin inputs to further mitigate potential supply risks. During the Track Record Period, certain of our customers were listed on the Entity List. As advised by our U.S. export control and sanctions counsel, the products we manufactured for these customers during the Track Record Period were not subject to the EAR and therefore an U.S. export license is not required for us to supply our products to these customers. Specifically, the *De Minimis* Rule, and Foreign Direct Product (“**FDP**”) Rules are the two principal rules for determining whether our products are subject to the EAR. Pursuant to the *De Minimis* Rule under the EAR, a non-U.S. made item (such as our products) that incorporates controlled U.S.-origin commodities or that is bundled with controlled U.S.-origin software, in quantities exceeding the de minimis levels, is subject to the EAR under the *De Minimis* Rule. As advised by our U.S. export control and sanctions counsel, our products are not subject to the EAR under the *De Minimis* Rule when exported or re-exported to, or transferred within, China because our products only contain Chinese-origin content and do not incorporate any U.S.-origin items. Separately, under the FDP Rules, a non-U.S.-made item (such as our products) is subject to the EAR if it is the direct product of specified U.S.-origin technology or software, or is produced by a plant or major component of a plant that is itself the direct product of such technology or software, and if other applicable

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regulatory conditions (such as end user or end use) are met. As advised by our U.S. export control and sanctions counsel, our products sold to the Entity List customers are not subject to the EAR under the applicable FDP Rule because (i) none of our component suppliers has informed us, and we otherwise have no reason to suspect, that any of the items being supplied that are incorporated into the products that we manufacture for such customers are subject to the EAR pursuant to the applicable FDP Rule; (ii) no U.S.-origin equipment was used in the manufacture of such products; and (iii) when subsequently manufacturing products for such customers, we did not use any equipment (including production or testing equipment) that is a direct product of U.S.-origin software or technology based on prior information provided by our suppliers. Therefore, our Directors are of the view the U.S. export control during the Track Record Period did not, and going forward will not, have any material adverse impact on our business operations or financial performance. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to disagree with the Directors’ foregoing view.

International Sanctions Implications

The U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) administers regulations imposing economic sanctions on countries and designated individuals and entities. The principal sanctions list maintained by the OFAC is the Specially Designated Nationals and Blocked Persons List (“**SDN List**”), which includes persons determined by the U.S. government to be involved in activities that threaten or undermine U.S. national security or foreign policy objectives. Assets of persons designated on the SDN List are blocked, and U.S. persons are generally prohibited from dealing with them.

The European Union and United Kingdom maintain sanctions regimes that include both country-specific programs (such as Russia, Belarus, Iran and Syria) and thematic regimes targeting activities (such as cyber-attacks, terrorism and human rights violations). Sanctions measures under these regimes may include asset freezes, restrictions on trade in goods and technology, financial and investment restrictions, trade bans, travel restrictions, among others.

Our U.S. export control and sanctions counsel is of the view that our Group’s business, especially dealings with our counterparties, including customers and suppliers, during the Track Record Period did not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities, as:

- No members of the Group are located, incorporated, organized, or domiciled in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities;
- Neither our Company nor any of our subsidiaries is a Sanctioned Target or located in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities;
- None of our shareholders is located in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities or would be deemed as a Sanctioned Target;
- Our Company is not owned 50% or more or controlled by any nationals of the Relevant Jurisdictions; and
- Except for limited customers on the Entity List, the Group does not have any customers or suppliers on any sanctions lists maintained by the Relevant Sanctions Authorities.

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Therefore, our Directors are of the view the U.S. sanctions during the Track Record Period did not, and going forward will not, have any material adverse impact on our business operations or financial performance. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to disagree with the Directors’ foregoing view.

OUTBOUND INVESTMENT RULE

On October 28, 2024, the U.S. Department of the Treasury (the “**Treasury**”) issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”). The Final Rule, effective on January 2, 2025, is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China and introduces new hurdles and uncertainties for cross-border collaborations, investments and funding opportunities of entities with ties to China. It targets investments involving entities associated with “countries of concern,” currently defined as only China (including Hong Kong and Macau), and imposes investment prohibition or notification requirements on a wide range of U.S. person investment transactions in entities in countries of concern engaged in “covered activities” relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) certain artificial intelligence systems. Under the Final Rule, entities with meaningful ties to China and engaged in covered activities are defined as “covered foreign persons.” Subject to certain exceptions, equity investments (a “covered transaction”) by a U.S. person in a covered foreign person are subject to prohibition or notification requirements.

As advised by our U.S. export control and sanctions counsel, we believe that although the Company is a “Person of a Country of Concern” as defined under the Final Rule, none of the Group’s business activities fall under the definition of “Covered Activities” because the Group is primarily engaged in the research and development, production and sales of PCB, and does not engage in the design, fabrication or packaging of integrated circuits or other activities covered by “prohibited transactions” and “notifiable transactions” in the semiconductors and microelectronics sector under the Final Rule. In addition, the Group does not engage in any “Covered Activities” with respect to artificial intelligence systems, supercomputers, quantum computers and systems as specified in the Final Rule. Therefore, the Group is not deemed as a “Covered Foreign Person” under the Final Rule. Accordingly, an investment by a “U.S. person” in the H Shares of the Company is not a “Covered Transaction”, and neither prohibited nor subject to the notification requirements under the Final Rule. However, we cannot assure you that the U.S. authorities will not take a different view on the applicability of the Final Rule. Furthermore, persist changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

PRODUCTION

Our manufacturing system is primarily built around self-owned production capacity, deeply integrating global supply resources with a localized manufacturing and delivery network, and developing a vertical capability loop that covers R&D, production and quality control. Relying on our self-managed facilities, we ensure high product quality while maintaining highly flexible configuration capabilities, allowing us to quickly customize production processes according to customers’ unique needs and support efficient delivery from technical solutions to products.

The key competitive advantages of our production are summarized as set out below:

- *Strategic Planning and Supply Chain Resilience:* In line with our strategic development direction, we develop medium- and long-term production capacity and resource planning, proactively explore emerging areas, and ensure stable supply of key resources such as equipment and materials. We have built a robust supply chain network by building strong vertically integrated end-to-end capabilities.

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- *Smart Production Preparation and Scheduling:* Based on market demand and resource availability, we use the smart scheduling system for intelligent production scheduling and material allocation to ensure efficient resource utilization.
- *Robust Multi-base Manufacturing Network:* As of April 30, 2026, we had six production bases comprising 12 modernized plants in Guangdong and Jiangxi Provinces in Chinese mainland, and one additional production base under construction in Thailand. This robust network of manufacturing facilities is crucial to ensuring the resilience of our production capabilities and our capacity to promptly meet the fluctuating customer demand. In particular, we are proactively expanding our production capacity for AI-related products to capture the enormous market opportunity created by the AI investment boom.
- *Quality Control:* We have implemented consistent and stringent manufacturing and quality control standards across all production bases and facilities. Our highly automated production lines and standardized work capabilities are built based on industry standards and reflect customers’ requirements to ensure high product quality. We rigorously perform quality control on raw materials purchased, in-process quality control with multi-step inspections and outgoing quality control on finished goods to ensure our products meet stringent quality standards. We also implement real-time quality monitoring during delivery to ensure delivery satisfaction.

Production Process

Our manufacturing model is designed to accommodate the diverse requirements of our product portfolio. Depending on the product type, our production processes incorporate a range of advanced workflows, including:

- *Planning and Procurement.* We use rolling forecasts to assess the demand for our diverse PCB products. Our OMS system efficiently handles orders and coordinates scheduling. Leveraging a digital collaboration system deeply integrating MRP and SRM, we streamline the entire order-procurement-inventory chain, accurately matching the differentiated demand for different material categories and ensuring multi-product line supply. Moreover, we have annual resource planning and monthly production capacity and inventory planning, coupled with regular factory inspections and inventory checks to optimize our production planning and procurement process.
- *Production Preparation.* We use MRP as the core system for our production scheduling, coordinating material allocation and preparation of specialized tools, and presetting equipment parameters to achieve precise allocation of production resources. Through digital ID-based equipment integration and following a solid process protocol, we are able to efficiently address the production characteristics of multiple PCB, empowering differentiated production work streams.
- *Manufacturing.* Leveraging a robust supply chain network comprising six production bases, we focus on targeted production for core product lines. Our MES system serves as the central hub, enabling automatic distribution of process parameters and real-time data collection. It integrates automated manufacturing processes with material and process testing, constructing a closed-loop quality control system that combines manufacturing and testing; and
- *Quality Inspection and Delivery.* We have established a comprehensive quality control and inspection system covering the entire production process, strictly implementing incoming quality control on raw materials, in-process quality control with multi-step inspections and outgoing quality control on finished goods. Seamlessly integrating work-in-process management, intelligent warehousing, and logistics, we ensure

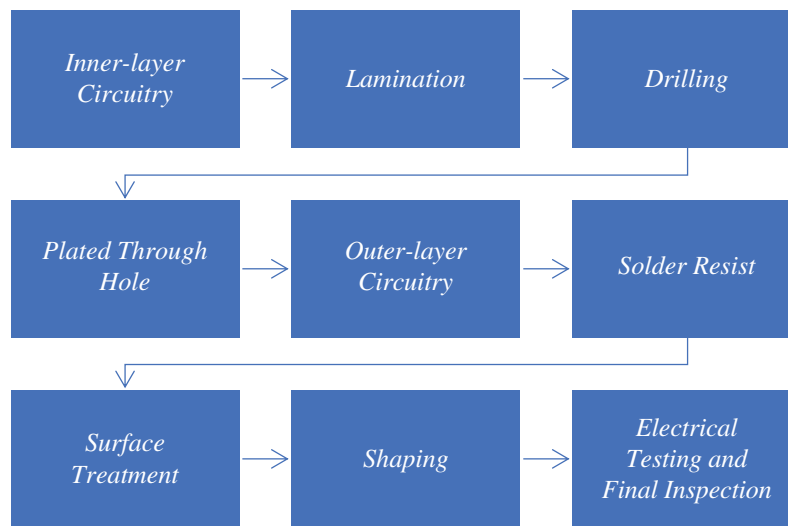
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compliance with stringent quality standards through end-to-end traceability and efficient transportation mechanisms. This enables high-quality delivery of multiple product categories, precisely adapting to diverse downstream application scenarios.

With the continuous construction and improvement of our independent production capabilities, our manufacturing strength is steadily increasing. Our manufacturing layout not only reflects our strategic control over supply chain resilience and technological autonomy, but also provides customers with delivery assurances that combine flexibility, reliability, and continuity, thereby laying a solid foundation for the long-term growth of our core business.

The production processes of our diverse PCB products vary slightly. The following flowcharts illustrate the key steps in our production processes of RPCB and FPC products:

RPCB

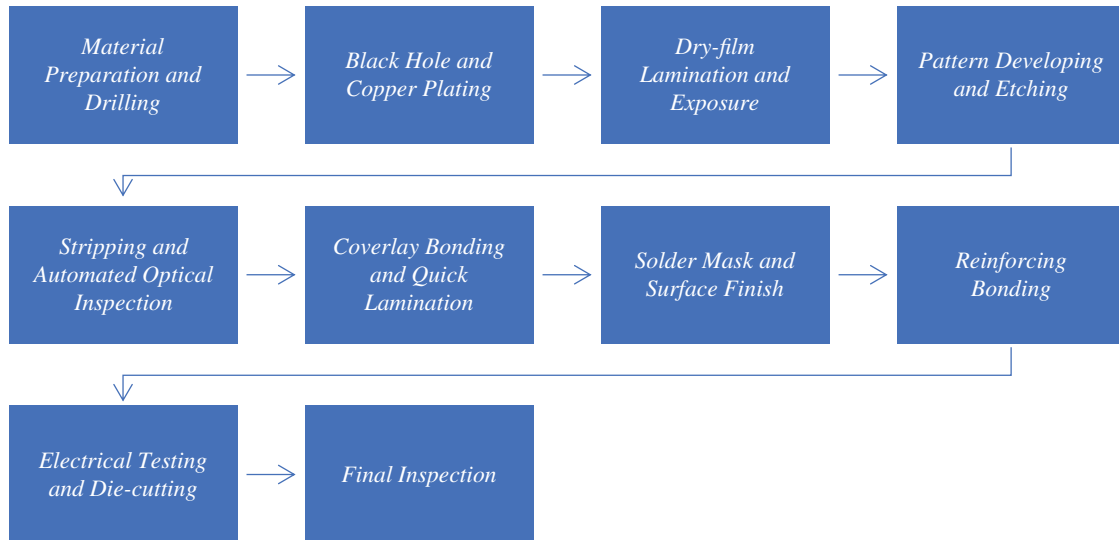


- *Inner-layer Circuitry.* The PCB inner-layer graphic images are transferred to the copper-clad laminate. By coating the surface of the copper-clad laminate with a photosensitive material, the CAM pattern is transferred to the board surface via LDI, and finally the inner layer circuitry is fabricated through a development and etching process.
- *Lamination.* Under high temperature and pressure, the inner core board and the prepreg are laminated together to form a stable multi-layer structure.
- *Drilling.* Through holes are processed using mechanical drilling, while micro blind holes are processed using laser ablation. The desmear process removes residual copper shavings from the hole edges caused by drilling using mechanical brushes.
- *Plated Through Hole.* This is electroless or chemical copper plating, where copper is deposited onto the wall of a drilled hole through a redox reaction, creating conductivity within the hole. After chemical copper plating, electroplating is performed to achieve the required copper thickness inside and on the surface of the hole, forming a strong conductive interconnect.
- *Outer-layer Circuitry.* A photosensitive film is applied to the processed copper surface, and LDI laser imaging technology is used to transfer the CAM pattern to the board surface to form the required circuit pattern.

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- *Solder Resist.* After cleaning and roughening the PCB behind the outer circuitry, a layer of photosensitive ink is coated on the surface by screen printing or spraying. After LDI exposure and development, the pads and vias that need to be soldered are exposed. The ink is then cured by high-temperature baking, forming an insulating protection and solder resist for the circuitry.
- *Surface Treatment.* After cleaning the exposed copper surface, pads, and metal holes after solder resist, a solder base and metal protective layer (such as nickel layer and gold layer, tin layer, silver layer and organic solderability preservative) are formed on the exposed metal surface by chemical or electroplating methods.
- *Shaping.* The work-in-progress PCB is processed into the unit shape required by the customer.
- *Electrical Testing and Final Inspection.* The PCB undergoes electrical testing to detect short circuits and open circuits, and a visual and dimensional inspection and reliability test are performed before shipment to ensure that the product quality meets the quality standards.

FPC



- *Material Preparation and Drilling.* Flexible copper-clad laminates with materials such as polyimide as substrates are precisely cut into panels of the required size. Drilling operations are then performed to create alignment holes, vias, and openings for mounting components.
- *Black Hole and Copper Plating.* The drilled holes undergo a “blackening” process, where carbon particles are deposited as a seed layer to provide conditions for copper plating and improve the adhesion of subsequent plating layers.
- *Dry-film Lamination and Exposure.* A dry film photoresist layer is laminated onto a FPC panel. The circuit pattern is then transferred to the copper foil surface by ultraviolet exposure.
- *Pattern Developing and Etching.* After exposure to ultraviolet light, the dry film enters the development stage to remove unexposed areas. Etching then removes the unprotected copper foil, leaving the designed circuit traces on the FPC.

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- *Stripping and Automated Optical Inspection.* The remaining dry film photoresist on the panel is peeled off. Then, automated optical inspection is performed to verify the accuracy of the formed circuit and detect defects such as short circuits, open circuits, or irregularities in the circuit geometry.
- *Coverlay Bonding and Quick Lamination.* Polyimide coverlay films are laminated onto FPC panels. Through rapid hot laminating, these films protect the complex circuit traces.
- *Solder Mask and Surface Finish.* In the FPC assembly process, areas that do not require soldering are coated with a solder resist layer. At the same time, exposed copper pads undergo surface treatments such as electroless nickel immersion gold plating, electroless nickel-palladium immersion gold plating, organic solderability protectants, or gold plating.
- *Reinforcing Bonding.* If the design requires additional mechanical support, reinforcing materials such as polyimide, FR-4, or stainless steel can be glued to designated areas of the FPC, typically on the back of the connector or component mounting points.
- *Electrical Testing and Die-cutting.* FPC undergoes electrical testing to ensure there are no short circuits or open circuits. After passing the electrical test, the FPC is cut into its final shape and size according to design requirements by mechanical stamping or laser cutting.
- *Final Inspection.* A comprehensive final inspection is conducted on the finished FPC to verify dimensional accuracy, circuit integrity, and surface quality.

The production lead time of our RPCB, FPC and MPCB products typically range from approximately 17 to 22 days, 18 to 20 days, and 15 days, respectively. Our production leverages various key machineries such as laser drilling machines, PLB horizontal plating lines, CT penetration testers, and CCD back-drilling machines. We do not rely on specific suppliers for such key machineries, and thus there is no relevant concentration risk. During the Track Record Period, we had procured a limited number of U.S.-origin manufacturing equipment. See “— Tariff, Trade Restriction and Export Control Implications — U.S. Export Control Implications” in this section for further details.

Our Production Facilities

As of April 30, 2026, we had six production bases comprising 12 modernized plants in Guangdong and Jiangxi Provinces in Chinese mainland, and one additional production base under construction in Thailand. In January 2026, our Jingjia Intelligent Manufacturing Building (景嘉智能製造大廈) officially commenced operation, which is located in Bao'an District, Shenzhen and serves as our headquarters factory. This factory has consolidated the production capacity of old factories in Shenzhen, and focuses on the R&D and manufacturing of multi-category, high-tech, high-value-added RPCB and FPC products. The following table sets forth detailed information relating to our established production bases as of April 30, 2026:

Production Bases	Location	GLA (m ²)	Main Products	Year of Establishment
Jinwan (金灣)	Zhuhai, Guangdong, PRC	157,381	• HDI, SLP, HLC	2021
Longchuan (龍川) . .	Heyuan, Guangdong, PRC	273,592	• RPCB, FPC, MPCB	2008
Jishui (吉水)	Ji'an, Jiangxi, PRC	243,676	• RPCB	2014
Xinfeng (信豐)	Ganzhou, Jiangxi, PRC	219,106	• RPCB	2025
Shenzhen (深圳) . . .	Shenzhen, Guangdong, PRC	92,466	• RPCB, FPC	1993
Fushan ⁽¹⁾ (富山) . . .	Zhuhai, Guangdong, PRC	85,542	• FPC	2004

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Note:

- (1) The Fushan production base (Zhuhai City, Guangdong Province) is operated by Zhuhai Kinwong Flexible, in which we hold 51.0% equity interest and Luxshare Precision holds 49.0% equity interest. Luxshare Precision is a company listed on the Shenzhen Stock Exchange (stock code: 002475).

We have been upgrading and expanding our production facilities, including the expansion of Jinwan production base (Zhuhai City, Guangdong Province), details of which are set forth in “— Production — Our Production Facilities — Expansion of Jinwan Production Base” in this section. In addition, in the following five years, we plan to upgrade our production capacity in Longchuan production base (Heyuan City, Guangdong Province) for multilayer FPC for edge AI and smart device applications with investments totaling approximately RMB2.7 billion. For further details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED]” in this document.

The following table sets forth the total designed production capacity, total output and utilization rate for our main product categories during the Track Record Period:

	For the Year Ended December 31,									For the Four Months Ended April 30,		
	2023			2024			2025			2026		
	Designed Production Capacity ⁽¹⁾	Total Output	Utilization Rate ⁽²⁾ (%)	Designed Production Capacity ⁽¹⁾	Total Output	Utilization Rate ⁽²⁾ (%)	Designed Production Capacity ⁽¹⁾	Total Output	Utilization Rate ⁽²⁾ (%)	Designed Production Capacity ⁽¹⁾	Total Output	Utilization Rate ⁽²⁾ (%)
	('000 sq.m., except for percentages)											
RPCB ⁽³⁾	7,421.0	6,816.4	91.9	7,686.9	7,673.4	99.8	9,853.1	9,148.0	92.8	3,410.4	3,051.1	89.5
FPC ⁽³⁾	2,043.1	1,812.8	88.7	2,413.7	2,140.2	88.7	2,488.8	2,365.7	95.1	851.3	638.1	75.0
MPCB	538.0	462.3	85.9	550.9	476.6	86.5	570.0	517.8	90.8	208.9	139.8	66.9
Total	10,002.1	9,091.6	90.9	10,651.5	10,290.2	96.6	12,911.9	12,031.5	93.2	4,470.6	3,829.0	85.6

Notes:

- (1) The designed production capacity is calculated based on the following assumptions: (i) 300 operational days per year (the operational days for the four months ended April 30, 2026 are derived on a pro rata basis), and (ii) 24 operating hours per day. The calculation of production capacity excludes production lines which were suspended for maintenance/technical upgrades.
- (2) The utilization rate is calculated by dividing the total output by the designed production capacity for the relevant period.
- (3) It is our normal practice to categorize rigid-flex PCB into either RPCB or FPC depending on specific product parameters for the purpose of calculating production capacity and utilization rate. The results presented in the table above also followed this practice.
- (4) The fluctuations of our utilization rates mainly reflected our customer orders on hand and sales forecast as well as our corresponding production scheduling. The utilization rates for the four months ended April 30, 2026 were generally lower mainly due to the impact of the Spring Festival holiday during the first quarter.

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Expansion of Jinwan Production Base



The Jinwan production base (Zhuhai City, Guangdong Province) is our core base for high-end product manufacturing, focusing on high-end HDI, SLP and HLC fields. Our Jinwan production base covered a GLA of 157,381 sq.m. as of April 30, 2026. Equipped with industry-leading HDI and HLC manufacturing equipment and production management systems, our Jinwan production base has achieved highly automated production throughout its whole operation process, reducing the demand for labor input and manual intervention.

Leveraging our funds from operation and financing activities, we announced in August 2025 that we planned to invest additional RMB5.0 billion in the high-end production capacity expansion of our Jinwan production base, particularly the high-end HDI and HLC production capacity, so as to better cover the downstream fields, particularly AI servers. The expansion is expected to be completed in 2027. As the core production base to implement our “AI+” strategy, we believe the expansion of the Jinwan production base will empower our high-end manufacturing and strengthen our market position.

Our Intelligent Manufacturing Process

The PCB market is developing rapidly, especially in the data-driven era, which requires us to continuously enhance the digitization and automation of the manufacturing process. We focus on master data governance and end-to-end integrated collaboration, continuously deepening the standardized management of materials, suppliers, and customer data. By integrating demand forecasting, intelligent scheduling, precise procurement, and smart logistics across the entire manufacturing chain, and by adopting advanced intelligent manufacturing technologies and automated equipment in the manufacturing process, we continually advance the application of big data analytics, unlock data value, improve operations and manufacturing efficiency, and enhance market competitiveness.

For instance, our MES and EAP systems monitor the operational status of numerous devices in real time and automatically issue production instructions to improve intelligent manufacturing and end-to-end quality traceability, significantly reducing manual intervention. Moreover, our

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material procurement requirements are calculated automatically through the MRP system and purchase orders are automatically issued by the SRM system. Our customer orders are automatically retrieved and placed by RPA robots for manufacturing, which significantly shortened our customer order response cycle. Our ERP system achieves integrated business and financial management, and our BI tools drive real-time decision-making management across multiple factories and production workshops, effectively reducing costs and improving overall operational efficiency.

In 2025, we established our Xinfeng production base (Ganzhou City, Jiangxi Province), which currently features advanced production processes, digital manufacturing management platform and efficient management solutions and intelligent logistics system. It has become our MLPCB production base with the industry-leading level of automated and intelligent manufacturing as well as cost efficiency.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material production disruption due to unexpected failure of production flows or equipment.

QUALITY MANAGEMENT

We have established a comprehensive multi-dimensional quality control management system and have successively obtained more than ten certifications, including ISO9001 and IATF16949. Our full-process quality control and assurance mechanism systematically monitors the quality of all aspects of product development, manufacturing, delivery, and after-sale service to ensure compliance with applicable laws and regulations and quality standards. By establishing a quality traceability system, we have achieved full-chain traceable management from raw material procurement to finished product delivery and dynamically monitored key process quality parameters. In the production process, we use a systematic management approach to collect and analyze data in real time, combined with automated testing equipment, to ensure product quality and stability. From incoming material inspection to final product outgoing inspection, we conduct comprehensive testing of product functions, performance and reliability to ensure that our delivered products meet customer requirements and industry standards.

We strictly implement rigorous quality control measures and establish a comprehensive customer feedback and complaint handling process to promptly and effectively address customer concerns. We have mainly implemented the following procedures for quality control:

- *Quality Early Planning:* We use customer requirements, standards, and specifications as inputs to fully identify potential quality risks, and develop preventive control plans.
- *Raw Material Inspection and Selection:* We have established a strict qualification process for selecting qualified suppliers and a comprehensive evaluation process of new raw materials introduction, along with rigorous material inspection standards.
- *Production Process Monitoring:* We have set up key quality control checkpoints throughout the production process to enable on-site inspections and monitoring so that we can identify and address potential issues promptly.
- *Product Inspection and Testing:* We have implemented a comprehensive product quality inspection standard, along with nonconforming product and abnormality management standards. Every product undergoes 100% inspection to guarantee the quality of outgoing shipments.
- *Employee Skill Training:* All employees must undergo pre-job training and assessments, and we have established and implemented an occupational competency assessment mechanism. Additionally, we regularly organize professional skills and quality awareness training to continuously improve employees' quality consciousness and technical proficiency.

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- *Quality Records and Management:* We maintain a robust quality record system to ensure data integrity, accuracy and traceability. We conduct statistical analysis of quality data to identify potential issues for improvement timely, fostering continuous improvement of product quality.
- *Internal Review and Auditing:* We actively monitor the performance of each manufacturing facility in terms of quality management and conduct regular internal reviews. We carefully analyze product deficiencies identified and objectively allocate liability internally accompanied by corresponding disciplinary actions. In particular, we are dedicated to continuously strengthening our management team’s awareness of quality and responsibility to motivate them to improve quality control by proactive leadership.

During the Track Record Period and up to the Latest Practicable Date, we did not receive (i) any fines, product recall orders or other penalties from the relevant competent authorities regarding material product quality issues, (ii) any material product returns from our customers, or (iii) any material complaints from consumers. As of the Latest Practicable Date, our Directors and management were not aware of any potential material product returns or any pending product recalls, investigations or actions by relevant authorities or consumer groups which may lead to a product recall. Moreover, we have been recognized by many customers as their outstanding suppliers due to our outstanding quality control.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We leverage our own warehouses mainly for storing raw materials and finished goods. We primarily engage reputable third-party logistics service providers to provide delivery services. Finished products that have passed quality inspections are delivered by the logistics service providers from our own production bases directly to our customers or to our designated warehouses and ultimately to locations specified by our customers. We select logistics service providers based on their reputation, scale of operations, track record and price. We typically enter into long-term strategic agreements with our logistics service providers. We have established long-term strategic partnerships with international shipping giants. Our logistics network covers multimodal transport channels including sea, land, air, and rail, and we achieve end-to-end data synchronization and traceability based on our EDI system, ensuring the reliability and efficiency of delivery to our global customers.

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

Our inventories mainly comprises raw materials and consumables, work in progress, finished goods and goods in transit. As of December 31, 2023, 2024 and 2025, the balance of our inventories was RMB1,364.0 million, RMB1,742.4 million and RMB2,515.6 million, respectively, and the increases of our inventory balance were due to the increase in production volume in line with higher sales during the same period. Our inventories further increased to RMB3,216.6 million as of April 30, 2026, primarily due to the higher levels of raw materials and consumables held by us, driven by increased production volume and rising raw material price. In 2023, 2024 and 2025 and the four months ended April 30, 2026, our inventory turnover days were 61 days, 58 days, 65 days and 79 days, respectively.

To maintain our competitive position and align our products with evolving market demands, we have implemented various measures to optimize our inventory levels. These measures include minimizing inventory backlog and optimizing our inventory management processes. In terms of procurement, we standardize the purchase order approval process through the ERP system and formulate procurement plans based on a safety stock model and dynamic demand forecasting. In terms of warehousing, we monitor the inflow and outflow of materials in real-time and conduct

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on-site inventory checks to ensure consistency between the books and actual stock. In terms of sales, we use the BI tools to promptly track inventory aging, automatically distinguish inventory based on its age, and synchronize shipping plans to ensure finished goods deliveries match orders. These measures enable us to respond more quickly to fluctuations in upstream and downstream demand while reducing the risk of inventory backlog.

By interconnecting and integrating data from the MES system, we have established a BI visual electronic intelligent dashboard, constructing an end-to-end intelligent supply chain control tower to achieve full-link visual monitoring from raw materials, work-in-process, finished products to logistics in transit. This system dynamically optimizes inventory structure, inventory age, and safety levels, effectively accelerating asset turnover and improving accounts receivable and inventory turnover rates.

We conduct inventory checks periodically to ensure efficient warehouse operations. We carry out annual on-site inventory audits and inspections at the end of each year, during which inventory inspection reports are prepared. These reports guide the timely management of obsolete and slow-moving inventories. A dedicated working group leads our finance team in conducting inventory audits and inspections, with findings and discrepancies reported to senior management. Our Directors confirm that our inventory control systems and policies have been effective, with no significant supply shortages or inventory overstock issues experienced during the Track Record Period and up to the Latest Practicable Date.

INFORMATION TECHNOLOGY

We believe that information technology is essential to maintain our competitive position. We utilize a number of information technology systems to manage all aspects of our operations, including but not limited to sales management, procurement, production, quality control, inventory management and financial reporting. The following information technology systems are the most critical to our business among our collective integrated information systems:

ERP (Enterprise Resource Planning) System	Our ERP system is employed to provide a unified business and finance platform that enables cross-departmental collaboration and enhances overall operational efficiency. It provides real-time operational data for all business modules, standardizes business processes, accurately controls costs, and assists in overall decision-making.
MRP (Material Requirements Planning) System	Our MRP system is employed to identify necessary raw materials, estimate the quantities of required raw materials and determine when raw materials will be required to meet the production schedule, and manage raw materials delivery timing, with the goal of meeting production demands and improving the inventory structure.
SRM (Supplier Relationship Management) System	Our SRM system is employed to facilitate seamless collaboration and communication with suppliers, and monitor supplier performance and risk to improve procurement effectiveness and supply chain reliability.
RPA (Robotic Process Automation) System	Our RPA system automates end-to-end business processes across systems and platforms by simulating human-computer interaction with high precision. It uses software robots to perform tasks such as retrieving and placing customer orders, thereby automating repetitive tasks.

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Big Data Business Analysis Platform	Leveraging a solid data warehouse, our big data business analysis platform can provide us with business intelligence (BI) tools for business analytics, data mining and data visualization.
MES (Manufacturing Execution System)	Our MES system can digitally connect, monitor and control the manufacturing process in real time, enabling transparent and traceable production, connecting ERP and EAP, supporting flexible production and improving overall equipment efficiency.
EAP (Equipment Automation Program) System	Our EAP system is employed to automatically and remotely control and monitor manufacturing equipment to improve production efficiency and ensure smooth operation, communicate with upper-level applications such as MES to parse production information, and integrate with other systems to collect process data and equipment parameters to enhance production efficiency and reduce errors.

The capabilities and the stability of our IT infrastructure are vital to our business operations. Our IT department has built a 24/7 business continuity assurance system by implementing preventative inspections, automated data backup strategies, full lifecycle system maintenance, and intelligent monitoring and early warning mechanisms to ensure the continuous operation of critical IT infrastructure. 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.

INTELLECTUAL PROPERTY

Intellectual property rights are critical in safeguarding our business. We protect our intellectual property rights through a combination of patents, trade secrets, know-how, trademarks, copyrights, unfair competition laws and contractual rights, such as confidentiality agreements. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property as well as proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the intellectual property rights of external parties. We have a dedicated team responsible for intellectual property-related matters, which conducts comprehensive planning for the layout of intellectual properties. Regarding intellectual property infringement, we have established procedures specifically to identify potential infringement.

As of April 30, 2026, we held (i) 409 granted patents, comprising 406 in Chinese mainland (including 273 invention patents) and three in overseas jurisdictions, and (ii) 63 trademarks, comprising 58 in Chinese mainland and five in overseas jurisdictions. We also had 207 patent applications pending, comprising 206 in Chinese mainland and one in overseas jurisdictions. See the section headed “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights” in this document for more information of intellectual property rights that are material to our business. Much of our intellectual property consists of know-how and trade secrets, and we often rely on the technological skills and innovation of our personnel rather than solely on patent protection. We believe that much of our business success is attributable to our design, manufacturing and testing capabilities, customer relationships, supply chain management and the technical expertise which we have developed in our business operation. We protect these aspects of our business through a comprehensive framework of legal protections, contractual safeguards and rigorous internal controls.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement disputes or claims which had any material adverse impact on our Group. Please see the section headed “Risk Factors — Risks Related to Our Business and

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Our Industry — We may face claims of intellectual property infringement, which could be time-consuming and costly to defend or settle, result in the loss of significant rights, harm our relationships with our customers, or otherwise materially adversely affect our business, financial condition and results of operations” in this document.

DATA PRIVACY AND SECURITY

Due to our business needs, 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 primarily brand companies rather than individuals.

We have followed the ISO27001 international standard to establish a comprehensive data security and information management system, to ensure the integrity of our systems and the privacy of our data. We have implemented several security measures, including firewalls, intrusion prevention systems, regular penetration tests, vulnerability scans, and disaster recovery plans. We also encrypt data and utilize email security protection systems. We have also adopted rigorous encrypted algorithm to store sensitive data and strictly execute a data accessing and transmitting policy to ensure the confidentiality of our data. We have developed strict internal control and data accessing mechanisms as well as detailed approval and operation procedures regarding data storage and processing, and established a set of internal protocols on data security, which set forth detailed and stringent requirements in relation to the use, disclosure and protection of confidential information. We conduct regular maintenance, inspections and technical upgrades on computers, servers, and information technology infrastructure. We have a comprehensive data backup system to encrypt and store data on servers in different locations in order to minimize the risk of data loss. We also conduct data restoration tests to examine the status of the backup system on a regular basis.

Looking forward, we remain dedicated to strengthening our data security framework optimization and enhancing the cybersecurity and data compliance standards, prioritizing innovation and adaptability in our practices to meet the growing expectations of data protection in global markets.

Our PRC Legal Advisor is of the view that we have been in compliance with the relevant PRC laws and regulations relating to cybersecurity and data protection in all material aspects during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

According to CIC, the global PCB industry where we operate and compete is relatively fragmented and features intense competition. In 2025, the combined market share of the top 15 global PCB providers reached 48.8% in terms of revenue. Generally, the competitive landscape of the global PCB industry features (i) continuously increased industry concentration as customers tend to establish long-term and stable cooperative relationships with certified large-scale PCB providers; (ii) accelerated domestic substitution as leading PCB providers in Chinese mainland and Taiwan, China have gradually captured the market share from European, American, and Japanese competitors; and (iii) prominent economies of scale and technological synergy advantages as leading PCB providers can achieve technological sharing and optimal resource allocation across product lines, and effectively control costs by integrating supply chain resources and conducting large-scale procurement.

To maintain and enhance our competitive edge, we will endeavor to maintain and expand our domestic and international customer base by a competitive product portfolio featuring continuous innovation and iteration, coupled with excellent customer services. Moreover, we will continue to scale up our operation to fully leverage economies of scale to optimize our operation efficiency and control of costs. See “Industry Overview” for details relating to our competitive landscape.

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SEASONALITY

Demand for and sales of our products generally follow the same seasonality pattern as end customers that incorporate our PCB products. For PCB products applied in AI infrastructure and automotive electronics, the seasonal pattern is less pronounced. For PCB products used in smart devices, we typically experience higher sales in the second half of the year due to the new product launch cycles of downstream end markets and increased shopping activities during the holiday season. Moreover, we typically record relatively lower sales and revenue in the first quarter due to the impact of the Spring Festival holiday.

EMPLOYEES

As of April 30, 2026, we had 22,278 full-time employees. The following table sets forth the number of our employees by function as of April 30, 2026:

Function	Number of Employees	% of Total
Manufacturing	13,944	62.6
Technical	6,222	27.9
Administrative and management	1,706	7.7
Sales	313	1.4
Finance	93	0.4
Total	22,278	100.0

As of April 30, 2026, approximately 99.2% of our employees were based in Chinese mainland.

We believe that our ability to attract, retain and motivate employees is critical to our success. We offer employees competitive salaries and performance-based cash bonuses. In addition to salaries and bonuses, we also provide extra welfare and special incentives such as the annual health check and meal allowance, and for certain high-level talent, free housing and share incentives.

We have designed various recruiting programs targeted at potential talent meeting our operational needs. We believe that our reputation, work environment, training system, remuneration package and employee share incentive plan are advantageous that attract qualified candidates. We primarily recruit our employees through internal referrals, headhunters, our website and social networking platforms and on-campus job fairs. We believe that we offer our employees competitive compensation and that we are able to attract and retain qualified personnel and maintain a stable core management team. To support our overseas expansion strategy, we have endeavored to hire more experienced staff who can handle cross-border business matters.

As required by the PRC laws and regulations, we participate in various employee social security plans and housing provident funds for our employees that are administered by local governments. The social security plans include pension insurance, work-related injury insurance, basic medical insurance, maternity insurance and unemployment insurance. Bonuses are generally discretionary and based on employee performance and the overall performance of our business.

We enter into standard labor agreements with our employees. For employees with access to trade secrets and core technologies, particularly our core R&D staff, we have implemented stringent confidentiality and non-compete agreements. We currently have a labor union, and we believe that we maintain a good working relationship with our employees. We had not experienced any material strikes or work stoppages during the Track Record Period and up to the Latest Practicable Date.

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PROPERTIES

We own and lease certain properties in Chinese mainland and overseas countries and regions. The properties we own and lease are primarily used for manufacturing, office, staff dormitory, warehousing, and R&D purposes.

These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of April 30, 2026, each of our property interests had a carrying amount less than 15% of our combined total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), 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 require a valuation report with respect to all our interests in land or buildings.

Owned Land and Properties

As of April 30, 2026, we had the right to use 13 parcels of land with a GLA of approximately 1,044,455 sq.m. located in Chinese mainland. As of the same date, we owned 166 properties, with an aggregate area of approximately 1,083,886 sq.m. primarily used for manufacturing, office, staff dormitory, warehousing, and R&D purposes.

As of April 30, 2026, we owned three properties in Hong Kong, with an aggregate area of approximately 354 sq.m. primarily used for office and warehousing purposes. As of the same date, we owned five parcels of land in Thailand covering an aggregate area of over 110,000 sq.m. primarily used for manufacturing, warehousing and office purposes.

As of April 30, 2026, we had obtained all ownership certificates and necessary title documents with respect to the aforementioned land and properties.

Leased Properties

As of April 30, 2026, we leased eight properties in Chinese mainland mainly for our manufacturing, office, staff dormitory, and R&D purposes, with an aggregate area of approximately 55,895 sq.m.

INSURANCE

As required by PRC laws and regulations, we maintain government-mandated insurance and benefits for our employees in Chinese mainland, including the medical, pension, unemployment, occupational injury and maternity insurance as well as housing provident funds. We also maintain statutorily required insurance coverage for overseas employees. From an operational risk perspective, we have procured various commercial insurance policies, including property all-risk insurance, cargo transportation insurance, trade credit insurance and commercial general liability insurance covering product liability and premises liability. We believe that our insurance coverage is in line with the industry practice. We procured insurance policies by type and amount that we consider sufficient and evaluated such insurance policies from time to time based on our past experience, changes in manufacturing and industry developments. However, there is no assurance that the insurance policies we maintain are sufficient to cover all of our operational risks. Our management will evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. For more information, please refer to “Risk Factors — Risks Related to Our Business and Our Industry — We may not have sufficient insurance coverage to cover our business risks” in this document.

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During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

AWARDS AND RECOGNITIONS

During the Track Record Period and as of the Latest Practicable Date, we received numerous awards and recognitions for our technologies and products. Some of the significant awards and recognition we received are set forth below:

Award Year	Award/Recognition	Awarding Institution/Authority
2025	Science and Technology Award (First Prize for Scientific and Technological Progress) (科學技術獎(科技進步一等獎))	Guangdong Electronics and Information Industry Association (廣東省電子信息行業協會)
2025	Ranked 42nd among Top 500 Manufacturing Enterprises in Guangdong Province (廣東省製造業企業500強第42位)	Guangdong Manufacturing Association (廣東省製造業協會) Guangdong Provincial Academy of Development and Reform (廣東省發展和改革研究院) Institute of Industrial Economics of Jinan University (暨南大學產業經濟研究院)
2025	Jiangxi Province Digital Leading Enterprise (江西省數字領航企業)	Jiangxi Provincial Department of Industry and Information Technology (江西省工業和信息化廳)
2025	Jiangxi Enterprise Standard Forerunner Certificate (江西省企業標準“領跑者”證書)	Industrial Product Inspection and Testing Institute of Jiangxi Provincial Institute of Inspection, Testing and Certification (江西省檢驗檢測認證總院工業產品檢驗檢測院)
2024	Ranked Third among the Top 100 Chinese Domestically-owned PCB Companies (中國內資PCB百強)	China Printed Circuit Association (中國電子電路行業協會)
2024	Ranked 59th among Top 100 Enterprises in Guangdong’s Electronic Information Manufacturing Industry (廣東省電子信息製造業綜合實力百強企業)	Guangdong Electronics and Information Industry Association (廣東省電子信息行業協會)
2024	National-level Postdoctoral Research Station (國家級博士後科研工作站)	National Administrative Committee of Post-doctoral Researchers (全國博士後管理委員會)
2023	Shenzhen Baoan District Smart Manufacturing Benchmark Enterprise (深圳市寶安區智能製造標桿企業)	Shenzhen Baoan District Bureau of Industry and Information Technology (深圳市寶安區工業和信息化局)

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LICENSES, CERTIFICATES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisors, we had obtained all requisite licenses, certificates and permits from the relevant authorities that are material to our operations in Chinese mainland. We are required to renew such licenses, permits, approvals and certificates from time to time. As advised by our PRC Legal Advisors, we do not expect any material legal obstacles in such renewal once the relevant documents are submitted as required by the relevant government authorities. In addition, during the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, certificates and permits necessary to conduct our business in all relevant jurisdictions. We do not expect any material legal obstacles in renewing our licenses, certificates and permits, as necessary, from time to time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are dedicated to following our ESG strategic guideline of adhering to value orientation and technological development, continuously providing high-quality products and services for customers, and building a green, low-carbon, and modernized enterprise. We incorporate the ESG principles of lean production, technological development, environmental protection, sustainable development, and social responsibility into both our business strategy and daily operations. By focusing on technological development, we consistently improve our products and services, aim for sustainable and high-quality growth, and contribute to advancing broader sustainability objectives.

ESG Governance and Risk Management

We incorporate ESG management responsibilities into the highest level of our corporate governance and have established a top-down three-tier governance structure comprising the Board of Directors, the Board’s Strategy and ESG Committee, and the ESG Executive Group. We consider ESG risk management an important part of our overall risk management, and identify and rate ESG risks by using a risk list. We identified the following material issues and ESG risk factors, and established the corresponding risk mitigation measures:

Categories	Material Issues	ESG Risk Factors	Risk Mitigation Measures
Environment . . .	Climate change and carbon emissions management	Extreme weather events or long-term natural environmental changes impacting corporate operations	Continuously conducting corporate greenhouse gas emission verification, improving carbon management performance, enhancing the carbon management system, and strengthening carbon emission information disclosure
		High carbon emissions from production and operation activities negatively impacting the environment	

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Categories	Material Issues	ESG Risk Factors	Risk Mitigation Measures
	Energy management	Failure in energy management leading to increased energy consumption pressure	Carrying out multiple energy efficiency improvement projects, and implementing the optimization and upgrade of energy-saving equipment and energy-saving technological transformation
	Waste management	Improper handling of waste generated during production, which could negatively impact the environment	Establishing a comprehensive waste classification, recycling, and treatment system to reduce waste emissions and pollution
	Resource utilization and circular economy	Low resource utilization efficiency and excessively high technology upgrade costs leading to increased operating costs	Improving water resource and material usage management requirements, achieving resource utilization of solid and liquid wastes
Society	Product quality	Quality management projects for products, materials, manufacturing, packaging and other aspects failing to meet standards	Optimizing process flows, strengthening quality control, introducing advanced technologies, and enhancing training for quality-related personnel
	Product safety	Trust crisis triggered by product safety incidents and a perceived lack of social responsibility	Regulating product safety management and clearly designating responsible persons for product safety
Governance	Corporate governance	Inadequate internal compliance management processes, which may lead to inaccurate or non-compliant information disclosure, resulting in regulatory penalties and lawsuits	Comprehensively promoting legal and compliant corporate governance, ensuring the standardized and efficient operation of our shareholders’ meeting and Board of Directors, enhancing the transparency of information disclosure, and protecting investors’ rights and interests

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Emissions Management

We strictly adhere to the environmental regulations and emission standards of each operating location, conduct qualitative and quantitative analysis of pollutants in the raw and auxiliary materials involved in the entire production process. Based on this, we have introduced advanced treatment facilities for wastewater, exhaust gas, and solid waste to ensure effective control before discharge. During the operation phase, we continuously promote waste reduction at the source through process optimization and cleaner production. We also regularly entrust CMA-certified third-party organizations to monitor emission data, verify the continuous stability of our treatment facilities and effectively reduce the negative environmental impact of our production and operation activities.

We systematically advance resource recycling efforts. By continuously increasing the recovery, reuse, and resource-based production of etching waste liquid, in 2025 and the four months ended April 30, 2026, we used recovered etching waste liquid to produce 43,300 and 13,971 tons, respectively, of products such as copper sulfate and ammonium chloride, effectively improving resource utilization efficiency.

For hazardous waste, we strictly comply with relevant regulations for classification, storage, and treatment, and entrust specialized treatment companies or facilities for safe disposal to prevent harm to the environment and human health. For general industrial solid waste, we implement classification, storage, and treatment, and encourage waste reduction, resource utilization, and recycling to minimize negative environmental impact. Concurrently, we make every effort to promote zero waste to landfill initiatives in accordance with the UL 2799 standards. As of April 30, 2026, Longchuan Kinwong obtained the UL 2799 Gold Level Validation for zero waste to landfill, while the Company, Zhuhai Kinwong and Zhuhai Kinwong Flexible obtained the UL 2799 Platinum Level Validation for zero waste to landfill.

During the Track Record Period, our pollutant emissions were as follows:

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023	2024	2025	2026
Waste				
Total hazardous waste (tons)	84,940	86,144	130,221	52,128
Total non-hazardous waste (tons) . .	22,930	17,957	29,166	9,212
Exhaust gas				
Total exhaust gas emissions (10,000 cubic meters).	3,391,268	3,916,606	4,846,817	1,766,364
Wastewater				
Total wastewater discharge (10,000 cubic meters).	374	459	702	241

Resource Utilization

The energy we primarily consume includes diesel, natural gas, purchased electricity, and clean energy. With energy efficiency improvement as our core strategy, we promote energy management system certification across the Group. Zhuhai Kinwong Flexible and Jiangxi Kinwong obtained the energy management system certification in 2025. We actively adopt various energy-saving technological transformation measures to reduce fossil fuel consumption and greenhouse gas emissions. Our production bases implement multiple energy-saving improvement projects, actively promote the optimization and upgrade of energy-saving equipment and energy-saving technological renovation projects to enhance energy utilization efficiency. Meanwhile, we continuously advance clean energy substitution through photovoltaic construction, energy storage development, and green electricity and green electricity certificate procurement, gradually reducing our reliance on traditional energy sources.

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We strictly adhere to the requirements of the Water Law of the PRC (《中華人民共和國水法》), the National Water Saving Action Plan (《國家節水行動方案》), and local laws and regulations. We have established a comprehensive system of water-saving management, statistical, and reward and punishment policies to promote the development of water-saving enterprises in an overall manner. We enhance water resource utilization efficiency through various management initiatives, including conducting water consumption surveys, inspecting water supply and drainage networks, maintaining and upgrading water-using fixtures, performing water balance tests, improving water-saving management systems, enriching water-saving publicity, and strengthening daily inspections.

In terms of forest resource protection, we successfully obtained certification from the Forest Stewardship Council (森林管理委員會) in 2025.

During the Track Record Period, our resource utilization was as follows:

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023	2024	2025	2026
Energy				
Total energy consumption (<i>tons of standard coal equivalent</i>)	90,516	108,307	111,662	46,635
Water resources				
Total water consumption (<i>cubic meters</i>)	9,600,141	12,137,719	15,813,482	5,204,041

Addressing Climate Change

We integrate climate change into our strategy and decision-making, and enhance corporate carbon emissions and climate change risk management through data testing and information disclosure. We have formulated strategic goals for achieving carbon peaking and carbon neutrality, submitted near-term target commitments to the SBTi (科學碳目標倡議組織), actively participated in Carbon Disclosure Project (碳信息披露項目), and identified and addressed challenges and opportunities presented by climate change to reduce greenhouse gas emissions, and strengthen our climate resilience.

In 2025, to continuously enhance our internal greenhouse gas management capabilities and advance the work deployment for carbon peaking and carbon neutrality in the supply chain, we launched a special carbon peaking and carbon neutrality system and supply chain empowerment training program, which was conducted strictly in accordance with the ISO 14064/ISO 14067/ISO 14068 standards.

To effectively address the risks associated with climate change, we identify potential risks from strategic planning, operations, R&D, finance, marketing, legal, and credit perspectives. In response to these risks, we are committed to preventing adverse impacts, improving carbon management performance, and continuously enhancing our carbon management system to address the challenges posed by climate change. The relevant specific risk types, risk descriptions and impact and mitigation strategies are set out below:

Risk Types			Risk Descriptions and Impact	Mitigation Strategies
Physical risks . .	Chronic risks	Sea level rise	Operating entities in coastal areas may need to be relocated inland, leading to increased production costs due to damaged or prematurely scrapped fixed assets.	When selecting expansion sites, avoiding low-lying areas to the extent possible

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Risk Types			Risk Descriptions and Impact	Mitigation Strategies
		High temperatures	More cooling equipment needs to be set up due to rising temperatures, which may increase operating costs.	Tackling the increased cooling energy consumption and operational costs by improving the energy efficiency of air conditioning systems
		Acute risks	Extreme weather	Identifying potential asset damage and purchasing necessary insurance
Transition risks	Policy and legal risks	Stricter carbon emission management policies and regulations	The government may introduce stricter policies and regulations to mitigate climate change, increasing corporate operational compliance efforts.	Monitoring the dynamics of carbon emission policies and regulations in operating locations
				Actively carrying out energy-saving and emission-reduction efforts and increasing the proportion of clean energy
	Technological risks	Transition to low-carbon emission technologies	Failure of investment in low-carbon technology R&D, and failure to identify and apply low-carbon technologies in a timely manner, leading to product low-carbon transition lagging behind peers.	Enhancing the Company’s R&D capabilities through measures such as talent cultivation and retention

We formulate the following clear climate goals by tracking and analyzing national policies for carbon peaking and carbon neutrality, referring to the near-term greenhouse gas emission reduction targets validated by SBTi, and integrating internal and external carbon audit results:

- *Near-term Science-based Targets.* Using 2024 as the base year, we target to reduce absolute Scope 1 and Scope 2 emissions by 58.8% by 2034, and reduce Scope 3 emissions related to sold PCB per sq.m. by 63.8%, which arise from purchased goods and services, upstream transportation and distribution, and business travel and employee commuting; and
- *Strategic Goal for Carbon Neutrality.* We target to achieve carbon neutrality (Scope 1 and Scope 2) in our operations by 2050.

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We use internationally recognized standards such as the GHG Protocol, ISO 14064, and ISO 14067 for greenhouse gas emission measurement, and have independently developed the Kinwong Carbon Footprint Digital Accounting Tool (景旺碳足跡數字化核算工具), which has been certified by international authoritative bodies. During the Track Record Period, our greenhouse gas emissions were as follows:

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023 ⁽¹⁾	2024 ⁽¹⁾	2025 ⁽¹⁾	2026 ⁽¹⁾
Greenhouse Gas Emissions				
– Greenhouse gas emissions (Scope 1) (<i>tons of carbon dioxide equivalent</i>)	18,782	20,850	27,157	10,226
– Greenhouse gas emissions (Scope 2) (<i>tons of carbon dioxide equivalent</i>)	399,141	401,222	367,351	170,858
– Greenhouse gas emissions (Scope 3) (<i>tons of carbon dioxide equivalent</i>)	368,370	959,994	1,004,966	368,639
Total greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) (<i>tons of carbon dioxide equivalent</i>)	786,293	1,382,067	1,399,474	549,724

Note:

(1) The data for the Track Record Period have been verified by external third parties.

We are actively exploring multi-channel emission reduction efforts and promoting the use of clean energy. We have successively launched photovoltaic, energy-storage, and consumption integrated projects, as well as photovoltaic power generation projects, and will gradually promote distributed photovoltaic projects. Furthermore, in accordance with our strategic development plan and considering actual electricity consumption and customers’ carbon reduction demands, we have centrally purchased domestic green electricity certificates and increased the proportion of green electricity used from 17.5% in 2024 to 40.9% in 2025 with a goal of 50.0% in 2026. In the fourth months ended April 30, 2026, the proportion of green electricity used had reached approximately 20.0%.

Compliant Employment

We strictly adhere to labor laws and regulations such as the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》). We have established and improved our employment management system to ensure compliant management in terms of employee rights and interests, benefits, protection, and career development. Regarding equal employment, we strictly prohibit child labor and forced labor, and provide equal development opportunities for all employees. We prohibit discrimination against vulnerable groups and ensure equal employment for such groups and people with disabilities. We strictly comply with relevant laws and regulations throughout the conclusion, performance, and termination of all labor contracts, and implement standardized employment practices.

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As of April 30, 2026, the distributions of our employees by gender, age and geographical region were as follows:

	Number	Percentage
Total number of employees	22,278	100%
By gender		
– Male	13,297	59.7%
– Female	8,981	40.3%
By age		
– Below 30	6,680	30.0%
– 30 to 39	8,486	38.1%
– 40 to 49	6,422	28.8%
– 50 to 59	670	3.0%
– 60 and above	20	0.1%
By region		
– Chinese mainland	22,099	99.2%
– Hong Kong, Macau, and Taiwan Region	24	0.1%
– Other countries and regions	155	0.7%

Employee Training and Development

By following the principle that everyone is responsible, we build employee skills and motivation using a thorough training program, objective performance assessments, and well-defined career paths. Concurrently, we actively promote industry-academia-research collaboration to ensure that sustainable development is driven by performance management and professional skill enhancement.

Employee Benefits

In terms of employee benefits, in addition to safeguarding basic entitlements such as statutory holidays, social insurance, and housing provident funds, we also provide commercial insurance, health check-ups, commuter shuttles, employee dormitories, and electricity subsidies. Additionally, to support female employees during pregnancy and lactation periods, we offer benefits such as maternity leave, paid parental leave, termination-of-pregnancy leave, as well as nursing breaks and rest periods during work hours.

Occupational Health and Workplace Safety

We have established a series of rules and regulations, including the Safety Manual (《安全手冊》) and Occupational Health and Safety Management Manual (《職業健康安全管理手冊》), and have built a safety management system with the Company’s president and president’s office as the core decision-making body. As of April 30, 2026, we obtained the ISO 45001:2018 occupational health and safety management systems certification.

We consistently adhere to the principles of safety first, prevention-oriented, comprehensive governance, and harmonious development in promoting occupational health protection. In accordance with national regulations and our practical conditions, we have established systems covering safety production management, safe operating procedures, status evaluation, and special inspections. To ensure continuous effectiveness, we regularly conduct publicity campaigns for occupational disease prevention and control, and organize multiple environmental emergency drills to enhance the emergency response capabilities of all employees, verify the scientific validity and feasibility of emergency plans, and ensure a safe and orderly production environment. We ensure 100% coverage of occupational health examinations for employees exposed to occupational hazards and 100% coverage of employee safety education, achieving zero work-related fatality.

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Sustainable Supply Chain

We have built a full-lifecycle supplier management system and promote continuous improvement in ESG among our suppliers. We simultaneously implement sustainable procurement policies, strictly control conflict mineral risks, and strengthen supplier integrity building to ensure supply chain compliance and transparency. We have formulated policies such as the Procurement Management Procedures (《採購管理程序》) and Supplier Quality Management Procedures (《供應商品質管理程序》), covering supplier qualification management, quality management, information security management, performance evaluation, and exit, to ensure suppliers meet our standards in all aspects. Furthermore, we conduct conflict mineral investigations annually and require suppliers to sign a Statement on Not Using Minerals from Areas of Conflict (《不使用衝突地區礦物質聲明書》). After supplier qualification is approved, we sign agreements related to environmental and social responsibility, such as the Supplier Social Responsibility, Environmental, Health and Safety Commitment Letter (《供應商社會責任、環境健康安全承諾書》), Quality Assurance Agreement (《品質保證協議》), Integrity Agreement (《廉政協議》), Confidentiality Agreement (《保密協議》), Environmental Protection Agreement (《環保協議》), and Statement on Not Using Prohibited Substances (《不使用禁止物質聲明書》), to ensure the effective management of our sustainable supply chain.

Community Investment

We actively fulfill our social responsibilities by engaging in diversified practices in philanthropy and charity, covering various aspects such as disaster relief, healthcare, education support, and cultural heritage preservation. In the field of supporting the disadvantaged and people with disabilities, we provided donations to the Federation for People with Disabilities of Longchuan County (龍川縣殘疾人聯合會), Heyuan City, Guangdong Province, to support the construction of local disability service systems. In the field of rural revitalization, we participated in relevant assistance projects in Bao'an District, Shenzhen, and contributed to the development and construction of areas such as Longchuan County, Chenghai District in Shantou City, and Huanjiang Maonan Autonomous County in Guangxi. In terms of education support, we donated stationery to primary school students in Huangtao Village, Xishui County, Guizhou Province, helping to improve local educational conditions. Furthermore, we promote employee involvement in public welfare initiatives by arranging participation in activities such as volunteer tree planting, blood donation, and similar endeavors.

Business Ethics and Anti-corruption

We strictly adhere to domestic and international anti-monopoly, anti-unfair competition, and relevant business conduct regulations. We have established a comprehensive business ethics and compliance governance system and formulated internal policies such as the Kinwong Employee Code of Business Conduct, Anti-Fraud Management Measures, and Anti-Corruption and Anti-Bribery Control Procedures to regulate employee behavior and business activities. We are committed to upholding the principles of fair competition in all our operations, and eliminating monopolistic and unfair competitive practices. As of April 30, 2026, we had obtained the ISO 37001 anti-bribery management systems certification.

We have formulated the Regulations on Audit and Supervision Reporting and Clues Management (《審計監察類舉報及線索管理規定》) and the Reporting and Complaint Management Measures (《舉報及投訴管理辦法》) to encourage employees to report various illegal, non-compliant, or improper behavior through multiple channels, and strictly protect the confidentiality of whistleblower information. We also require our suppliers to jointly adhere to integrity commitments, uphold principles of honesty and fairness in cooperation. We regularly send letters to our business partners emphasizing the requirements for transparent and fair transactions and advocating anti-fraud and anti-corruption.

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During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any significant litigation cases concerning corruption or unfair competition.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Related to Our Business and Our Industry — Legal proceedings and claims could have a material adverse effect on our business, results of operations, or financial condition” in this document.

During the Track Record Period and up to the Latest Practicable Date, there had been no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in (i) any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations; or (ii) any systemic non-compliance incidents whose recurring nature may reflect negatively on us or our Directors’ or senior management’s ability or tendency to operate the Group in a compliant manner.

Non-compliance Matters

Social Insurance and Housing Fund Contributions

As required by the PRC laws and regulations, we participate in various employee social security plans and housing provident funds for our employees that are administered by local governments. The social security plans include pension insurance, work-related injury insurance, basic medical insurance, maternity insurance and unemployment insurance.

Background and reasons for non-compliance

During the Track Record Period, we and certain of our PRC subsidiaries did not make adequate contribution to social insurance and housing provident funds for employees as required by relevant PRC laws and regulations, primarily because the employees and employer are both obligated to make their own contributions to social insurance and housing provident funds under applicable laws and regulations, while certain of our employees were not willing to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salaries.

Potential legal consequences

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment surcharge at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. We will promptly make the outstanding payment within the prescribed time limit once required by the relevant authorities, and hence do not expect any fines on this matter. Additionally,

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if an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the relevant authority could order the employer to make the payment and deposit within a prescribed time limit and, failing which, an application may be made to a court for compulsory enforcement.

As of the Latest Practicable Date, considering that (i) we had obtained written confirmations from local social insurance and housing provident fund authorities, which confirmed that (a) no material violation of laws and regulations in relation to labor by us was found, and (b) we had been subject to no penalties related to social insurance or housing provident fund during the Track Record Period, (ii) we were not aware of any plans by the relevant tax authorities or regulatory bodies to conduct a comprehensive recovery or impose penalties to make the outstanding shortfall, (iii) if we are required to make such payments, we will promptly settle the outstanding shortfall in social insurance and the housing provident fund, and (iv) the State Council and the STA have strictly prohibited any self-initiated centralized collection of historical shortfalls for social insurance and housing provident fund contributions and the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**Interpretation**”), which took effect on September 1, 2025, only stipulates that an agreement between an employer and an employee whereby the employer is not required to make social insurance contributions shall be invalid, our PRC Legal Advisor is of the view that, in the absence of collective employee complaints, litigations or arbitrations and under the premise that there are no significant changes to current PRC policies and regulations or to the enforcement and supervision requirements of local governments, the risk of us being penalized or required to make up payments by the relevant competent authorities with respect to the failure to provide full social insurance and housing provident fund contributions is remote.

As of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities with respect to centralized and comprehensive collection of shortfalls regarding social insurance and housing provident funds or imposing any administrative penalties on us, nor were we were informed with or aware of any material employee complaints or involved in any material labor disputes with our employees with respect to social insurance and housing provident fund contributions. Pursuant to the Article 19(1) of the Interpretation, if an employer and an employee agree or the employee commits that social insurance contributions are not required to be paid, the People’s Court shall deem such agreement or commitment invalid, and where an employer fails to pay social insurance contributions, and the employee requests to terminate the labor contract and claims economic compensation from the employer in accordance with the PRC Labor Contract Law, the People’s Court shall support such claims.

Considering that (i) we and the relevant employees have never signed any agreement which stipulates that no payment of social insurance would be required to be made by us; (ii) no employee has brought a lawsuit or arbitration against us in respect of payment of social insurance as of the Latest Practicable Date; and (iii) the Interpretation will not influence the assessment of any contribution shortfalls or increase our exposure to penalties, because we had not received any notifications from the relevant government authorities about centralized and comprehensive collection of shortfalls or overdue charges for social insurance or housing provident funds during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view that the implementation of the Interpretation would not have a material adverse effect on our business operations, financial condition or results of operations. Our PRC Legal Advisor is of the view that the risk that we would be subject to material administrative penalties resulting from the new implementation is remote, primarily because (i) the Interpretation does not expand our penalty exposure; (ii) the Interpretation does not repeal the social insurance laws and regulations currently in force in the PRC; and (iii) as of the Latest Practicable Date, no employee had brought a lawsuit or arbitration against our Group in respect of social insurance payments, and accordingly, we do not have pending litigation or arbitration governed by or subject to the Interpretation.

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Internal control and remedial measures

We plan to implement enhanced internal control measures as follows:

- *Human resources management policies.* We will enhance our human resources management policies to explicitly require that social insurance and housing provident fund contributions are made in full compliance with applicable local laws and regulations;
- *Employee training and awareness.* We will institute comprehensive training programs for our employees, with a specific focus on compliance-related matters, including social insurance and housing provident fund contributions;
- *Monitoring and supervision.* Our human resources team will oversee our ongoing compliance with social insurance and housing provident fund contribution requirements;
- *Legal and regulatory consultation.* We will regularly consult with legal counsel to obtain guidance on the latest developments in applicable laws and regulations concerning social insurance and housing provident fund contributions. Additionally, we will regularly communicate with local regulatory authorities to ensure we are aware of any changes to relevant rules or guidelines and to ensure that our practices remain in full compliance; and
- *Employee communication and engagement.* We will actively communicate and engage with our employees to ensure they understand the importance of full participation in social insurance and housing provident fund contributions.

Latest status

In light of the foregoing analyses and enhanced internal controls, we do not expect the non-compliance with respect to contributions to the social insurance and housing provident funds to have any material adverse impact on our business operation and financial performance, and thus have not made provisions for the shortfalls of contributions to the social insurance and housing provident funds during the Track Record Period.

We undertake to make full contributions and/or make rectification measures promptly within the specified period, if relevant authorities order us to fully contribute to the social insurance and/or housing provident funds going forward.

Failure to Obtain Valid Title Certificates

As of the Latest Practicable Date, we had not received real estate ownership certificates or proof of authorizations from the lessors or the property owners for one property we leased in China.

Our PRC Legal Advisor is of the view that we would not be subject to any administrative penalties arising from the lessor’s lack of valid title certificates considering that we are the lessee, and no applicable laws, rules or regulations stipulate that any penalty shall be imposed on the lessee with respect to the lessor’s lack of valid title certificates. Nevertheless, as advised by our PRC Legal Advisor, if the lessor does not have the requisite rights to lease the relevant property, our lease may be affected, and, as a result, we may be required to vacate the relevant property and relocate. In the event that we are unable to continue using the leased property, in accordance with the applicable provisions of the PRC Civil Code and as advised by our PRC Legal Adviser, we have the right to terminate the lease agreement and request relevant damages.

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Our Directors are of the view that the aforementioned absence of valid title certificates will not have a material impact on our business operations and financial performance, having considered the above, and that: (i) as of the Latest Practicable Date, we were not aware of any challenge made by a third party or competent government authority on the title of the relevant leased property that might affect our current occupation, (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been required to cease operations due to challenges from third-party rights holders against the lessor’s right to lease, (iii) we have identified a suitable alternative property, and expect to relocate in the near future without incurring substantial additional costs nor imposing any material adverse effect on our business, financial condition and results of operations, and (iv) as detailed below, we will enhance our internal control measures and procedures to prevent leasing properties without valid title certificates in the future.

To prevent recurrence of absence of valid title certificates in the future, we will keep enhancing our internal control measures, including (i) requesting the lessors to provide us with the title certificates or documents evidencing the rights to lease before we enter into lease agreements with them, and (ii) asking the lessors to indemnify us for any of our losses caused by any absence of valid title certificates.

Failure to File Lease Agreements

Pursuant to the PRC laws and regulations, property lease agreements are required to be filed with the relevant real estate administration authorities in the PRC. As of the Latest Practicable Date, six of our lease agreements had not been filed with the relevant authorities. As the filing of a lease agreement requires cooperation between lessors and lessees, and lessors were typically unwilling to undertake the administrative burden, we were not able to complete the filing of lease agreements without lessors’ cooperation.

As advised by our PRC Legal Advisor, our Directors are of the view that the aforementioned failure to file lease agreements will not have a material impact on our business operations and financial performance, given that (i) according to our PRC Legal Advisor, a maximum penalty of RMB10,000 may be imposed for the non-filing of each lease agreement, and accordingly the aggregate amount of maximum fine will be RMB60,000, an amount which is *de minimis* compared with our net current assets as of April 30, 2026; (ii) the failure to file the lease agreements does not affect the validity of these agreements; (iii) as of the Latest Practicable Date, we had not received any rectification notice or penalty from the relevant authorities due to such defects, and there were no ownership disputes affecting our continued use of the leased properties; and (iv) among the six unfilled lease agreements, two of them will be terminated in 2026 and our factories located in the relevant properties will be relocated, and the lessors with respect to the remaining four unfilled lease agreements have provided us with written confirmation that the failure to file the lease agreements does not affect the validity of these agreements.

In the future we will implement enhanced internal control policies, including enhanced internal monitoring of the lease agreement filing status and external coordination with lessors, to facilitate the filing of all our lease agreements pursuant to applicable laws and regulations.

In light of the above and based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the Directors’ views above on the adequacy and effectiveness of the foregoing enhanced internal control measures with respect to (i) the compliance with applicable laws and regulations regarding social insurance and housing provident funds, (ii) obtaining valid title certificates regarding leased properties, and (iii) filing lease agreements.

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TRANSFER PRICING ARRANGEMENTS

Our Company and our subsidiaries conduct intra-group transactions in accordance with our transfer pricing policy. During the Track Record Period, we mainly had the following intra-group transactions:

- Our Company and production entities sold finished goods to other entities within the Group and received relevant payments;
- Our Company provided value-added services and marketing services to other entities within the Group and received relevant payments;
- Manufacturing entities provided outsourced manufacturing services to other manufacturing entities within the Group and received relevant payments; and
- Entities within the Group provided financing, guarantee, leasing and secondment services to other entities within the Group and received relevant payments.

Transfer pricing arrangements for such intra-group transactions should be on an arm’s length basis according to the transfer pricing guidelines for multinational enterprises and tax administrations (the “**OECD Transfer Pricing Guidelines**”) promulgated by the Organization for Economic Cooperation and Development (the “**OECD**”), an international organization of international cooperation. In this regard, we have engaged a professional tax consultancy firm in the PRC (the “**Transfer Pricing Adviser**”) to review, analyze, and evaluate potential risks in accordance with the OECD Transfer Pricing Guideline and applicable laws and regulations. After assessing our transfer pricing arrangements during the Track Record Period, and as advised by our Transfer Pricing Adviser, these transfer pricing arrangements were, in all material respects, broadly consistent with the arm’s length principle under both the OECD Transfer Pricing Guidelines and the relevant local transfer pricing laws and regulations in the applicable jurisdictions, and thus no quantified exposure to transfer pricing adjustment or additional taxes had been identified.

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

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of our Board to ensure that we maintain sound and effective internal controls and risk management system to safeguard our shareholders’ investment and our assets. We maintain internal manuals which set out operating procedures, internal control procedures and other policies and guidelines. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, including daily operation, human resources, financial reporting, and credit risk management.

Our Board of Directors are responsible for the establishment, updating and implementation of our internal control policies and systems, while our management team monitors the daily implementation of the internal control procedures and measures with respect to our functional teams. Our Directors are of the view that our current internal control measures are adequate and effective to ensure compliance with relevant laws and regulations.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risks. We take a comprehensive approach about operational risk management, and we have implemented a mechanism with detailed

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and decentralized responsibilities and clear rewards and punishment systems. Our information technology, human resources, finance and operations departments are collectively responsible for ensuring the compliance of our operations with internal procedures. In the event of a major adverse event with legal implications, the matter will be escalated to our legal department to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Human Resources Risk Management

We provide regular and specialized trainings tailored to the needs of our employees in different departments. These trainings enable our staff to improve their skills and better address our customers’ needs. We have established a unified training management system, which divides employee trainings into categories such as new employee development, on-the-job training, job rotation training, promotion training, and other targeted trainings (such as information technology training) to satisfy employees’ diverse needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding corporate culture, learning and development, employee performance review, compensation and benefits, occupational safety and staff business conduct.

Financial Reporting and Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, treasury management policies, and reimbursement management policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Our financial department closely monitors our key financial metrics, particularly our revenue, gross profit, cost of sales, operational expenses and cash flows.

Credit Risk Management

We seek to maintain strict control over our outstanding receivables and have implemented a policy to minimize credit risk. We maintain regular communication with our customers, address potential payment issues proactively, and conduct detailed risk assessments. Our finance and sales departments conduct regular reviews of overdue accounts and recoverability of our outstanding balances, prioritizing high-value or long-overdue balances, and when appropriate, provides for impairment of these trade receivables. For significantly overdue accounts with no resolution, we may escalate to legal proceedings. Moreover, we have procured credit insurance to address our credit risk, which is intended to provide coverage where credit risk materializes.

Audit Committee Experience and Qualification and Board Oversight

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. See “Directors and Senior Management — Management and Corporate Governance.” In addition to our internal control department, we have also established an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and Board of Directors on a timely basis.