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### OVERVIEW

#### Who We Are

We are a globally leading provider of precision optical solutions, focusing on the mid- to high-end optical module and system integration markets for global consumer electronics, automotive electronics, smart office applications, and emerging sectors and others such as intelligent robots, XR smart device and smart glasses. According to Frost & Sullivan, we are a major supplier to leading global mid- to high-end smartphone brands, and the world’s only precision optical solutions provider serving both major smartphone ecosystems in terms of camera module. We possess deep-bench capabilities in optics design, imaging algorithm, micro-packaging and other innovative fields, showcased by our innovative R&D and mass production of the world’s first triple-camera modules for smartphones and the “one-lens dual-aperture” dual-focal-length switching telephoto modules. We have been deeply involved in the innovation and iteration of high-end optical modules of global brand manufacturers, and continuously advance the development of precision optical solutions industry.

Our products are widely used in various smart working and living scenarios. For example, in terms of shipment volume in 2025, according to Frost & Sullivan, one out of every six laptops worldwide was equipped with our camera module. As of the Latest Practicable Date, we have supplied to more than 340 customers worldwide, covering mainstream brand manufacturers across multiple sectors including consumer electronics, automotive electronics, smart office applications and emerging sectors and others.

According to Frost & Sullivan, in 2025, we ranked second globally and first among China-based companies, both in terms of revenue, in the global consumer electronics camera module sector. In particular, in terms of revenue in 2025, we ranked second globally and first among China-based companies in the mid- to high-end smartphone camera module sector, and ranked first globally in both the laptop and tablet camera module sectors.

Leveraging our rich technological expertise and product understanding cultivated in the consumer electronics sector, coupled with our powerful and comprehensive precision intelligent manufacturing platform encompassing core capabilities such as product design implementation, precision manufacturing delivery, vertical integration, and quality control, we align seamlessly with our customers’ needs. Operating as a “Model Partner,” we believe we can deeply empower global cross-sector, top-notch brand clients. From understanding and addressing customer needs, maximizing product performance, shortening time-to-market, and helping customers earn consumer trust; to establishing supply chain benchmarks, elevating industry standards, bridging existing gaps; and to identifying emerging product development models, defining new product pathways, and breaking through entrenched processes and workflows, and revolutionizing market perceptions through innovation, we are dedicated to creating comprehensive value for long-term partners, new collaborators, classic products, and innovative creations. As a globally leading provider of precision optical solutions, we are committed to accelerating the pace of innovation, propelling future technologies toward the market at breakneck speed.

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The following table demonstrates our business highlights:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Pioneering Contributions</b></p> <p><b>World’s First 5x<sup>(1)</sup></b></p> <p>Successful development and mass production of triple-camera modules and 5x periscope telephoto modules for smartphones</p> <p><b>World’s First 10x<sup>(1)</sup></b></p> <p>Application of multi-refraction periscope lens module to achieve 10x optical zoom ultra-long back focal length</p> <p><b>World’s First One-lens Dual-aperture<sup>(1)</sup></b></p> <p>Single-sensor dual-periscope focal-length switching architecture to realize “one-lens dual-aperture” design</p> | <p><b>Industry Leadership<sup>(2)</sup></b></p> <p><b>No. 1</b></p> <p>In the consumer electronics camera module sector and its three major sub-sectors among China-based companies<sup>(3)</sup></p> <p><b>No. 2</b></p> <p>In the global consumer electronics camera module sector and the mid- to high-end smartphone camera module sector</p> <p><b>No. 1</b></p> <p>In the global laptop and tablet camera module sectors, respectively</p> | <p><b>Tier-one Customer Coverage<sup>(4)</sup></b></p> <p><b>340+</b></p> <p>Customers across the globe</p> <p><b>Three out of Five</b></p> <p>Global top mid- to high-end smartphone brand manufacturers covered<sup>(5)</sup></p> <p><b>World’s Only</b></p> <p>Precision optical solutions provider serving both major smartphone ecosystems in terms of camera module</p> |
| <p><b>Precision Intelligent Manufacturing</b></p> <p><b>90%+<sup>(6)</sup></b></p> <p>Automation rate of module production lines</p> <p><b>0.01 mm</b></p> <p>Assembly precision in the production of camera modules with 10x optical zoom, nearly the absolute limit of conventional mechanical assembly accuracy</p> <p><b>National CNAS-certified Laboratory<sup>(7)</sup></b></p> <p>Testing capabilities covering seven sectors, able to carry out over 150 reliability tests</p>                                                                                    | <p><b>Technological Innovation and R&amp;D Expenses</b></p> <p><b>RMB3.3 billion</b></p> <p>Cumulative R&amp;D expenses from 2023 to 2025</p> <p><b>29.3%</b></p> <p>CAGR of R&amp;D expenses from 2023 to 2025</p> <p><b>270+<sup>(6)</sup></b></p> <p>Multinational invention patents covering multiple fields such as optical imaging and image processing</p>                                                                                | <p><b>Financial Performance</b></p> <p><b>RMB34.8 billion</b></p> <p>Revenue in 2025</p> <p><b>51.0%</b></p> <p>CAGR of revenue from 2023 to 2025</p> <p><b>69.6%</b></p> <p>CAGR of net profit from 2023 to 2025</p>                                                                                                                                                         |

Notes:

- (1) According to Frost & Sullivan.
- (2) In terms of revenue in 2025 and according to Frost & Sullivan.
- (3) The three major sub-sectors refer to the mid- to high-end smartphone camera module sector, the tablet camera module sector and the laptop camera module sector.
- (4) During the Track Record Period and up to the Latest Practicable Date, and according to Frost & Sullivan.
- (5) In terms of shipment amount in 2025.

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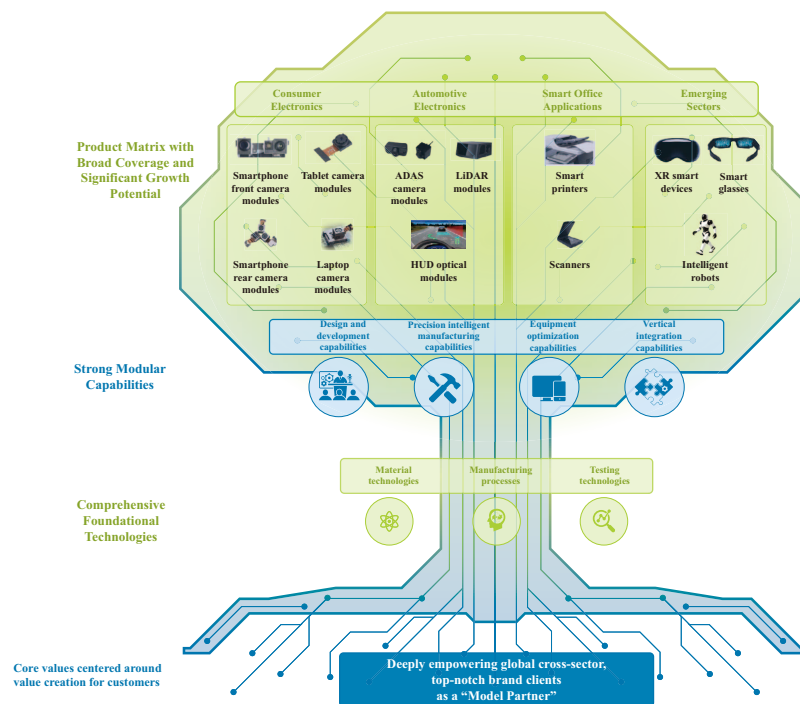
(6) As of May 31, 2026.

(7) CNAS refers to the China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會).

Through in-house proprietary R&D and organizational growth, combined with external acquisitions and strategic cooperations, we continuously expand our product matrix and application scenarios. We have rapidly grown from single-product category and application scenario manufacturer to cross-sector, multi-product categories and application scenarios precision optical solutions provider. We have established long-term strategic partnerships with leading global consumer electronics and automotive electronics brands, and have been deeply involved in the R&D and trial production of their products from the initial design phase. At the same time, we have proactively ventured into application scenarios with big market scalability and significant growth potential, horizontally setting footprints into diversified areas including intelligent robots, XR smart devices, smart glasses, innovative displays, smart home and new industrial, with our business flourishing in multiple emerging sectors.

### Our Business

Our products mainly span across consumer electronics, automotive electronics, smart office applications and emerging sectors and others. The following table illustrates our cross-sector, comprehensive product matrix as well as our strengths in core capabilities and foundational technologies.



### Consumer Electronics

We provide optical module products for smartphones, tablets, laptops and other consumer electronics products. Our customized solutions include main-camera large-aperture modules, variable-aperture lens modules, large-format/large-aperture/micro-capable telephoto fixed-focus modules, multi-magnification telephoto zoom systems, and ultra-wide-angle lens modules.

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### *Automotive Electronics*

We focus on smart driving and smart cockpit, developing and manufacturing diverse ADAS camera modules and LiDAR modules. We also strive to provide our customers with head-up display modules and smart vehicle lighting emission modules, among others.

### *Smart Office Applications*

We focus on the R&D, production and sales of optical components and providing system integration of office printers and scanners, providing one-stop high-speed and high-resolution solutions for globally well-known brands. Our solutions primarily include core optical components for, and system integration of, printers, scanners and all-in-one multifunctional digital printers, among others.

### *Emerging Sectors and Others*

We have established our presence in multiple emerging sectors including intelligent robots, XR smart devices and smart glasses, and are actively exploring naked-eye 3D products, holographic projection, and immersive displays. For example, in the XR sector, we supply comprehensive optical product solutions covering light waveguides and micro-displays, offering customers one-stop services from optical components to system integration, spanning the entire value chain. In the intelligent robot sector, we collaborate with humanoid robot companies to supply core optical sensing modules and system integration.

### **Our Precision Intelligent Manufacturing Platform**

We have built a unique precision intelligent manufacturing platform through years of R&D, innovation and accumulation of industry experience. According to Frost & Sullivan, our precision intelligent manufacturing platform is industry-leading in terms of digitalization, automation and flexibility. Our platform is supported by underlying foundational technologies, and has created modular capabilities that can be broadly applied to multiple products and scenarios, creating competitive barriers for our business.

Our platform’s underlying foundational technologies include material technologies, manufacturing processes and testing technologies. Leveraging our industry-leading capabilities in material studies, we are able to offer customized, cost-effective material solutions, which bring advantages to such products. With extensive industry experience and strong expertise, we have accumulated various manufacturing process technologies and know-how, continuously and innovatively tackle industry challenges and resolved industry issues, and significantly enhanced manufacturing efficiency and yield rates. Our all-round testing technologies enable us to conduct full production cycle testing and compatibility verification for products across multiple scenarios. This allows us to continuously produce highly reliable products for various application scenarios, while effectively avoiding redundant investment of capital expenditures.

Based on our comprehensive underlying foundational technologies, our precision intelligent manufacturing platform possesses four modular capabilities, namely design and development capabilities, precision intelligent manufacturing capabilities, equipment optimization capabilities and vertical integration capabilities. Leveraging our leading design and development capabilities and precision intelligent manufacturing capabilities, we provide our customers with comprehensive, one-stop solutions. With deep insights into customer needs and understanding of the nature of our products and manufacturing processes, we are fully product-oriented, perform product design and process development in parallel, enabling the smooth transition of our customers’ products from

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laboratory to mass production. We fully understand that the successful implementation of differentiated products is inseparable from matching processes and equipment. We are able to independently modify and upgrade our existing equipment, and promote it in collaboration with product design and process development. We continuously inject cutting-edge technologies into our equipment, and build efficiency and cost advantages through equipment automation upgrades. Our organizing and vertical integration capabilities stem from our unique corporate culture, our mature and leading operational management model, and our sector-transferable underlying foundational technologies and real-world industry experience.

### **Our Market Opportunities**

With the surging wave of digitalization, smart working and living, and AI applications, we believe we are facing tremendous market opportunities as a critical solution provider in these sectors.

#### ***Consumer Electronics***

With continuous breakthroughs in optical technologies and AI technologies, consistent progress in IC manufacturing processes, as well as accelerated adoption of new functions such as 3D imaging, ToF in-depth sensing, facial recognition and AI vision optimization, smart devices such as smartphones, multimedia tablets and laptops are increasingly equipped with a diverse set of functionalities, becoming ever smarter and thinner. These smart device manufacturers face the need to integrate optical module components with more powerful functions and higher pixel counts into more compact space to meet the increasingly complex imaging and human-machine interaction requirements, highlighting the critical value of optical modules. The introduction of AI technologies not only drives functionality and performance enhancement, but also accelerates product iterations. All these trends drive the growing demand for core precision optical components for consumer electronics. For details of the historical and forecasted market size data, see “Industry Overview — Overview of Global Consumer Electronics Precision Optical Solutions Industry — Market Size Analysis of Global Consumer Electronics Precision Optical Solutions Industry.”

#### ***Automotive Electronics***

Technological innovation and preferential governmental policy support have been driving and will continue to drive the rapid expansion of the smart vehicle market. The level of vehicle intelligence is also expected to deepen in the near future. As demand for smart driving increases, the types of vehicles equipped with smart driving systems have broadened beyond new-energy vehicles to cover traditional internal combustion engine vehicles. Autonomous driving has put enhanced requirements on the precision, stability and reliability of optical recognition. Additionally, intelligent cockpits have established a complete in-cabin sensing network through combining driver monitoring systems and passenger monitoring systems, which has gradually become a standard configuration for smart vehicles. Moreover, precision optical solutions for automotive electronics are crucial for enhancing vehicle safety. Driven by increasingly stringent vehicle safety requirements, the development of these precision optical solutions has been accelerated. In addition to smartphones, smart vehicles are expected to become another major driving force propelling the continuous growth for optical solutions. For details of the historical and forecasted market size data, see “Industry Overview — Overview of Global Automotive Electronics Precision Optical Solutions Industry — Market Size Analysis of Global Automotive Electronics Precision Optical Solutions Industry.”

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### *Smart Office Applications*

The traditional office equipment market has become mature over years of development while still facing the bottleneck for innovation. With the deep integration of AI technologies and the traditional printing and scanning technologies, the global office equipment market is undergoing an intelligence-driven revolution. New types of intelligent devices, with readily wireless connectivity and multiple intelligent functions such as voice control, optical character recognition, automatic printing optimization and cloud printing, have broken the single-function and hard-to-use limitations of traditional printers to meet diverse office needs, and are expected to experience sustained growth. Furthermore, with the collaborative help of AI technology and multiple cameras, conference equipment has gradually embraced smart functionalities such as automatic framing and speaker close-up. This places greater requirements on the resolution and zoom system of camera modules, driving the growth and popularization of mid- to high-end camera modules used in conference equipment. For details of the historical and forecasted market size data, see “Industry Overview — Overview of Global Smart Office Precision Optical Equipment Industry — Market Size Analysis of Global Smart Printer and Scanner Industry.”

### *Emerging Sectors and Others*

With breathtaking technology advancements, consumers are demanding more intelligent living. Emerging markets such as intelligent robots, XR smart devices, smart glasses, naked-eye 3D products, holographic projection, and immersive displays are expected to achieve significant growth in the near future. Presently, machine vision and multi-sensor fusion technologies are developing rapidly, and the robotics industry is expanding from traditional industrial applications to diverse scenarios such as smart cities, healthcare education and training, smart offices, and diversified lifestyle services, with broad market prospects. The integration of AI technologies with emerging hardware such as intelligent robots, XR smart device, smart glasses, naked-eye 3D products, holographic projection, and immersive displays will drive the rapid realization of new application scenarios, promote cross-industry innovations, and bring further breakthroughs to areas such as smart device and smart cities. We believe that all these trends will create substantial market opportunities for us. In addition, next-generation display technologies such as MicroLED, with demonstrated advantages in terms of pixel count, brightness, lifespan and power efficiency, will also bring a new round of technological revolution and product iteration to the display industry. For details of the historical and forecasted market size data, see “Industry Overview — Overview of Global Precision Optical Solutions Industry in Emerging Sectors — Market Size Analysis of Global Precision Optical Solutions Industry in Emerging Sectors.”

## **OUR COMPETITIVE STRENGTHS**

We believe that the following competitive strengths allow us to achieve success and stand out from our competitors.

### **A Global Leading Provider of Precision Optical Solutions with Multiple Forefront Rankings in the Sectors We Operate**

We are a global leading provider of precision optical solutions, with products widely used in consumer electronics, automotive electronics, smart office applications and emerging sectors and others. According to Frost & Sullivan, we have consistently maintained an industry-leading position in multiple sectors. In terms of revenue in 2025, we ranked (i) second globally and first among China-based companies in the consumer electronics camera module sector, both in terms of revenue in 2025; (ii)

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second globally and first among China-based companies in the mid- to high-end smartphone camera module sector, both in terms of revenue in 2025; and (iii) first globally in the laptop and tablet camera module sectors, respectively, both in terms of revenue in 2025.

We are the world’s only precision optical solutions provider serving both major smartphone ecosystems in terms of camera module, and also one of the few optical module manufacturers mastering both chip-on-board (“**COB**”) and flip chip packaging technologies while achieving large-scale mass production, according to Frost & Sullivan. All these achievements showcase our comprehensive strengths and leading position in the optical solutions sector.

With AI technologies empowering various types of smart devices, the global precision optical solutions industry has in recent years undergone both technological and market size growth. The application of AI technologies in smartphones has driven an increase in the proportion of mid- to high-end smartphone models, which typically feature higher-grade optical module configurations and greater number of modules per device. AI technologies have also enabled more functionalities for smart devices such as smart wearables and robots. Through improvements in imaging and sensing capabilities, AI has empowered smart devices with intelligent sensing, understanding and analysis capabilities, driving growing demand and technology upgrades for optical products such as camera modules and LiDAR. With combined effects of technological iterations and increased consumer acceptance, the market penetration rate of smart driving is accelerating, which in turn drives growing demand for in-cabin optical products. According to Frost & Sullivan, the global market of precision optical solutions for consumer electronics is expected to reach US\$124.9 billion by 2030, with a CAGR of 9.9% from 2026 to 2030, and the global market of precision optical solutions for automotive electronics will reach US\$82.0 billion by 2030, with a CAGR of 12.1% from 2026 to 2030, both demonstrating strong and sustained growth. We believe our industry-leading position in the precision optical solutions industry will enable us to benefit from the continuing growth of the relevant sectors.

### **Persistence in Technological Innovation with a Focus on Long-term Investment**

We have consistently focused on technological innovation in our operations, carrying out technology R&D and product innovation centering around key technical issues, market demand and industry trends. We continuously invest in critical areas such as basic materials, production equipment, manufacturing processes and software algorithms. We conduct research and innovate in collaborative efforts with our strategic customers, actively exploring cutting-edge technologies and mutually empowering each other. Such efforts have enabled us to remain at the forefront of the market and spearhead the development of the entire industry.

### ***Innovation on Basic Materials and Processes***

To deepen the innovation and exploration of cutting-edge technologies and create product entry barriers, we have established independent laboratories in key technical areas including optics, device structures, glues and testing technologies, serving as critical support for us to consistently tackle technical challenges and overcome technical obstacles. Facing industry challenges such as reliance on imported high-precision active alignment (“**AA**”) equipment and unstable assembly precision of complex modules, we have independently developed 18-axis AA high-precision adjustment technology, breaking the limitation of the traditional AA independent single-element adjustment paradigm to achieve full-space posture adjustment, with micron-level displacement accuracy of  $\leq 0.1\mu\text{m}$  and sub-angle rotation accuracy of  $\leq 0.003^\circ$ , thereby significantly enhancing the calibration accuracy and stability of the periscope camera module assembly. To address issues such as glue cracking, deviation

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and imaging interference caused by the increased weight of the periscope module lenses and prisms, we have developed a low-shrinkage, high-modulus optical glue formula which, combined with our self-developed bonding technology and sealing processes, has improved bonding strength by 50%.

### ***Collaboration Efforts with Customers in Product Innovation***

Through close collaboration with customers, we are able to consistently meet their demand for innovative functionalities and high-grade products. For example, our “one-lens dual-aperture” imaging solution with a domestically leading smartphone manufacturer achieved dual-focal-length optical zoom with a single sensor. To meet the continuous iteration demand for rear telephoto camera modules in the global smartphone market, we leveraged our advantages in optical and digital zoom technologies to collaborate with our strategic customers on the R&D of camera modules with outstanding imaging performance, placing us among the first in the industry to launch the 5x and 10x zoom telephoto camera modules. To meet the requirements of leading laptop manufacturers for thinner high-end camera modules, we developed special packaging solutions to provide laptop manufacturers with thinner and narrower optical modules.

### ***Forward-looking Investments in Emerging Sectors***

We consistently explore new directions for emerging sectors, and have carried out cutting-edge technologies deployment in sectors such as robotics, XR smart devices, naked-eye 3D products, and MicroLED light sources, developing high-precision and high-performance products for emerging sectors. We have worked with globally leading smartphone manufacturers to develop optical modules for XR platforms, and with leading imaging sensor manufacturers to develop sensors for robots. We are also developing precision optical solutions for naked-eye 3D products, which enrich user experiences through mainstream features including 4K lossless resolution, high refresh rates, seamless 2D/3D switching, and mixed reality capabilities. As of the Latest Practicable Date, we had achieved small-batch production of display modules for naked-eye 3D products. Furthermore, we continue investing in the development of MicroLED technology, including compact-sized and high-brightness MicroLED micro display chips, which has broad applications in AR/VR, smart wearables, and automotive displays. As of the Latest Practicable Date, the high-precision perception modules production line for MicroLED light sources had commenced operation. Our leadership in R&D and innovation is a result of our continuous investments in these areas.

Our cumulative R&D expenses throughout the Track Record Period totaled RMB3.7 billion, with the cumulative R&D expenses from 2023 to 2025 reaching RMB3.3 billion at a CAGR of 29.3%. As of May 31, 2026, we had 2,450 dedicated R&D personnel, and possessed over 270 invention patents globally, covering multiple fields such as optical imaging and image processing.

### **Industry-leading Intelligent Manufacturing System that Builds Product Competitiveness**

We have established a data-driven precision intelligent manufacturing platform with digital, automatic and flexible production capabilities, creating a highly collaborative, open and intelligent manufacturing system that supports the sustainable development of our businesses across multiple sectors.

### ***Digitalization***

By leveraging emerging technologies including AI and big data analytics, we have achieved industry-leading management and production efficiency in the design and manufacturing processes of precision optical modules. Our DPaaS (data platform as a service) data hub platform integrates multiple

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subsystems, including product lifecycle management, manufacturing execution system and equipment management system, and unifies the management of data across these subsystems to eliminate data silos along critical stages of R&D, manufacturing and operations, thereby creating a foundational full-process integrated data hub platform. With our data hub capabilities and digital twin technologies, we break down products into functional modules and use simulation tools to test the compatibility of different modules when combined, thereby reducing the cost of physical trial and error testing. We are able to collect and share data and information from each process in a real-time manner, dynamically adjust production lines, and achieve efficient and flexible multi-line production. Our digitalized manufacturing facilities interact with over 400,000 data points and collect over 60 TB of inspection photos on a daily basis, and by leveraging the powerful compute and cloud storage capabilities of our digitalized systems, perform rigorous and traceable full-process quality control of production lines and ensure rapid response to emerging problems.

### ***Automation***

We have actively advanced automation buildup. Compared with traditional manufacturing paradigms, we have achieved significant improvements in manufacturing efficiency, yield rates and production cost reduction through continuous automation upgrades. We are actively promoting to upgrade to Smart Factory 2.0, which, on top of our “algorithm + data”-driven approach, deeply integrates IoT technologies and introduces self-developed and assembled automation equipment to establish a number of domestically pioneering automatic assembly and testing lines, including automatic prism, VA and iron shell assembly lines and fully automatic robotic arm testing lines. The overall automation rate of our smartphone camera module and ADAS camera module production lines has typically exceeded 90% as of May 31, 2026, significantly reducing labor costs compared to manual production lines.

### ***Flexibility***

Our flexible design enables us to switch production quickly in a cost-effective manner, significantly improving the utilization rates of our production equipment to adapt to varying customer requirements and demand changes at different times. Our production lines adopt standardized machine setups, applying unified standards across industrial machines and robotic arms, thereby achieving rapid line switching at low costs. Such arrangement addresses the pain points of low re-use rates of traditional dedicated line equipment and long switching time, and enables quick responses to capacity expansion needs and new product development requirements.

### **Long-Term and Stable Cooperation with World-class Customers to Continuously Capture Industry Opportunities**

We have long been a partner to many globally leading smart device manufacturers and have established long-term and stable cooperative relationships with them. According to Frost & Sullivan, our customers during the Track Record Period included the world’s largest smartphone brand and China’s largest smartphone brand, as well as four of the world’s top five laptop brands.

According to Frost & Sullivan, leading brand name manufacturers typically place rigorous requirement on the quality control of optical module suppliers, prompt supplier response, service quality and process, and generally impose a strict and lengthy supplier qualification process. Later suppliers often lack the accumulation of technical and manufacturing experience in the early stages and are disadvantaged in terms of technology maturity, pricing, quality control or service capability, practically making it difficult to replace the existing suppliers.

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We have passed the stringent supplier qualification processes of leading smart device manufacturers, participated in their new product pre-research and verification process, and provided them with tailor-made, one-stop implementation solutions covering product design, development, mass production, testing, quality control and cost control, thereby establishing high entry barriers. Our long-term and stable cooperative relationships with leading smart device manufacturers attest to our in-depth technical expertise, precision intelligent manufacturing capabilities, cutting-edge R&D strengths and efficient production organization. For example, by showcasing our outstanding precision intelligent manufacturing and R&D capabilities during our cooperation with the world’s largest smartphone manufacturer on front camera modules, we achieved a strategic breakthrough during the Track Record Period in entering its supply chain for rear camera modules. Such cooperation has laid a solid foundation for our development opportunities and growth potential, and reinforced our leading position in the precision optical solutions industry.

### **Visionary Management Team and an Outstanding, Progressive Corporate Culture**

Ms. Wang Laichun, our chairlady, is a distinguished entrepreneur with a strategic vision and an innovative spirit, leading us to stand out in the global precision optical solutions industry. With over 30 years of extensive industry insight accumulated through comprehensive practical experience, Ms. Wang has provided critical, strategic guidance for the Group’s industrial presence and business development, playing a pivotal role in our growth and success. Since 2018, we have successively acquired the camera module business of LITE-ON Group, Cowell, the Image Management Department (“**IMG**”) business division of LITE-ON Group, and the Shanghai manufacturing factory of Konica Minolta, Inc., and jointly established Luxsense with RoboSense, thereby solidifying our leading advantages in existing business sectors and rapidly building strong competitiveness in new business sectors.

Mr. Meng Yan, our general manager, is an industry veteran and leader with vision and rich experience. Deeply and extensively engaging in the consumer electronics industry, Mr. Meng has accumulated extensive experience in corporate operations and management, and has led the Group’s steady development with his forward-looking strategic vision and outstanding leadership, while continuously incubating new businesses in emerging sectors. Our management team, with extensive management experience, keen market insight and a hands-on working style, plays a critical role in business strategy formulation, tactical execution and team building, thereby driving our stable and sustainable business growth. With strong identification with our corporate culture, our management team has maintained a stable personnel structure over the years, which has enabled us to maintain a highly stable management and operational system and laid an important foundation for long-term prosperity of our business.

We have attracted management personnel and core technical talents from around the world, with diverse backgrounds and many with overseas experience, and possessing a broad international horizon. As we adhere to our core values of deeply empowering global cross-sector, top-notch brand clients as a “Model Partner,” we have constantly attracted, retained and nurtured talents, which consolidates our strengths in traditional sectors while laying the foundation for expansion into emerging businesses.

### **OUR STRATEGIES**

To achieve our long-term mission and vision, and further strengthen our core competitiveness, we have formulated development strategies across key business areas. In particular, we will continue to focus on optical technologies as our core strengths, remain committed to R&D and innovation as our

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driving force, broaden our product and business ecosystem, and empower implementation and delivery through intelligent technologies. We strive to seize market opportunities, and steadily advance our vision of becoming the most trusted partner in the global precision optical industry to chase dreams together.

### **Committed to R&D and Innovation to Solidify Technological Leadership and Lead the Development of the Precision Optical Solutions Industry**

We will continue to view technological innovation as our core driving force. Through persistent innovation, we strive to maintain long-term industry leadership while continuously creating superior visual and imaging experience for global customers and consumers.

We will increase R&D investment and strengthen talent reserves in critical technology areas, including (i) advanced manufacturing processes, such as the iterations and applications of AA high-precision adjustment, pad printing, and simulation and digital twin technologies for production processes, (ii) chemical formula upgrades of key basic materials, (iii) self-development and commissioning of automated production and testing equipment, and (iv) independent development of core upstream components, including, among others, lenses. Through continuous innovation, we intend to build forward-looking and high value-added technology reserves, and lay the foundation for enhancing our product performance. Further, we commit to enriching the functionalities and further advancing the miniaturization of our products, thereby motivating the long-term development of the camera module industry.

At the same time, we plan to invest in R&D of technologies in emerging sectors such as intelligent robots, XR smart devices, smart glasses, naked-eye 3D products, holographic projection, and immersive displays, thereby laying a solid foundation for our long-term technological competitiveness.

### **Enriching Our Core Product Matrix and Expanding All-dimensional Strategic Emerging Sectors to Build Diverse Growth Drivers**

We adhere to a mid- to high-end positioning goal in the precision optical solutions industry, and aim to expand the boundaries of our product matrix leveraging our precise insight of market trends and close collaboration with leading global customers. In the future, we will expand our core product matrix by focusing on long-term value and customer needs and embracing emerging technological waves, including, among others, AI. We will continue our technology iteration and upgrade in areas including, among others, continuous zoom, variable aperture, glass-plastic hybrid lenses and various potential new imaging solutions. With a continuously evolving and enriched product matrix, we will be able to comprehensively and profoundly respond to our core customers’ demand, while further expanding our business coverage of potential customers.

In addition, we will direct our substantial technological reserves and know-how accumulated from consumer electronics to emerging sectors, and continue to expand emerging product lines, including but not limited to, high-precision modules for intelligent robots, thin optical waveguides, naked-eye 3D products, MicroLED light sources and XR micro-display optical engines, thereby building a diversified growth prospect.

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### **Driving Intelligent Transformation and Enhancing Lean and Efficient Manufacturing Capabilities with Optimized Capacity Deployment**

We target to continuously promote the digitalization, automation and flexibility improvement of our production lines and production management systems, optimize the full value chain of “production — management — decision-making,” further consolidate our advantageous yield rate, and comprehensively respond to our customers’ increasing demands for delivery and quality.

We will introduce or upgrade more efficient and adaptable automated production and testing equipment, iterate our self-developed intelligent manufacturing systems, and integrate self-trained AI models, predictive AI inference models and other software algorithms, thereby further building an industry-leading precision intelligent manufacturing platform. We expect these initiatives to continuously improve our product quality and optimize our cost efficiency, thereby achieving a comprehensive improvement of our manufacturing capability.

We will continue to prudently plan our global production capacity deployment in line with market demand. For domestic capacity, we plan to gradually upgrade existing production lines to more advanced ones. For overseas capacity, we have completed the initial establishment of our production facilities in Vietnam. By doing so, we expect to strengthen our manufacturing capability to better adapt to our customers’ diversified needs under their global presence landscape.

### **Actively Vetting Investment and Acquisition Opportunities to Solidify Vertical Integration Advantages and Build Growth Momentum**

Since our establishment, we have been leveraging precise investment and acquisition decisions along with efficient post-investment integration to successfully build a precision optical solutions platform that has covered the upstream and downstream of the industry value chain, secured diverse customer base, and enriched our product mix with achieved technology leadership.

Looking into the future, we will continue to focus on core upstream components as well as horizontal merger and acquisition opportunities with broad growth prospects. We believe such initiatives will further solidify our advantages in the value chain integration, optimize cost efficiency, and expand both the breadth and depth of customer services. We plan to empower our successful acquisition targets with our strong technology reserves and extensive industry experience, thereby multiplying the synergistic effects, creating value and sharing growth.

At the same time, we will proactively track available strategic investment opportunities in emerging technology sectors, capitalizing on our strong engineering implementation capabilities. By doing so, we will be able to achieve mutual benefits with our investment targets, advancing long-term joint development.

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### OUR BUSINESS MODEL

We maintain a flexible business model and ensure agile response to customer needs. Through cross-departmental collaboration, full process visualization and risk pre-management, we address customized needs in a cost-efficient manner while maintaining high quality standards. We collaborate with our clients at each stage of the business process, providing technical expertise and valuable industry insight throughout the whole process. We primarily conduct our business on the following steps:

- **Demand Analysis:** Leveraging our extensive experience and technological expertise, we proactively identify the pain points and challenges within our clients’ industries. By analyzing technological development trends and market dynamics, and combining this with our clients’ technical foundations and growth strategies, we provide professional advice on market demand and product direction.
- **Solution Provision:** To address our clients’ specific needs, our R&D team collaborates closely with them to innovate products and finalize technical specifications. At times, we leverage our technological expertise to proactively recommend to our clients on the application of cutting-edge technologies, helping clients refine product designs while ensuring manufacturability.
- **R&D and Design Verification:** Our R&D center spearheads R&D advancements in materials and processes. We produce prototypes and conduct rigorous reliability testing and certification validation in our testing laboratory to further refine our products. Through these efforts, we are able to deliver products that are reliable, cost-effective, and easy to mass produce.
- **Manufacturing and Delivery:** Our intelligent production system enables rapid response and flexible delivery to customized demands. Real-time process optimization via manufacturing execution system ensures seamless transitions from prototyping to new product introduction and mass production, progressively enhancing throughput. Production dashboards provide transparency, enabling on-time delivery while meeting efficiency targets. Each unit’s customized production process is meticulously tracked, with live updates on information platform ensuring end-to-end visibility, enabling us to fulfill our customers’ manufacturing and delivery expectations.
- **After-sales Service:** Beyond mass production, we provide dedicated after-sales service and a holistic support framework, ensuring exceptional customer experiences and lasting satisfaction.

### OUR PRODUCT AND SOLUTION OFFERINGS

We offer cross-sector, customized precision optical solutions encompassing camera modules, optical components and system integration that realize critical optical functions, for global smart device manufacturer customers spanning consumer electronics, automotive electronics, smart office applications and emerging sectors and others. Through continuous technological innovation, we strive to empower global smart device customers with a superior visual and imaging experience.

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### Consumer Electronics

Consumer electronics is our cornerstone, based on which we diversify our solutions and gradually expand our product matrix. Leveraging years of in-depth penetration into the consumer electronics sector, we have developed mature precision optical solutions that are applied on smartphones, tablets and laptops to improve consumer experience in vision perception. Our major offerings to consumer electronics customers are high-precision camera modules, including main-camera large-aperture modules, variable-aperture lens modules, large sensor size/large-aperture/macro-capable telephoto fixed-focus modules, multi-magnification telephoto zoom systems, and ultra-wide-angle lens modules, among others. These solutions enable smart devices to achieve functions including accurate image capture, 3D environment sensing and interactive display effects. A camera module is a compact, integrated unit consisting of an image sensor, optics and processing units that capture light to create digital images and videos. It is small in size, and requires delicate assembly processes. Smartphones are generally equipped with higher-resolution, zoomable cameras than tablets and laptops, and usually with more camera modules. Years of R&D and manufacturing expertise have helped us secure globally leading brand customers in consumer electronics sectors as customers, and forged long-term, strategic cooperation with them.

The following chart illustrates the application scenarios for major consumer electronics containing our products and solutions:



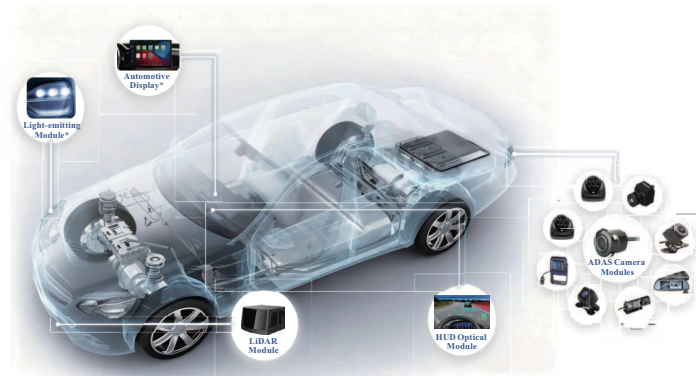
\* We are developing our products and solutions under such application scenario.

### Automotive Electronics

With the popularization of smart driving vehicles, we have set our footprints into the automotive electronics sector, providing drivers with a more accurate, safer and more convenient driving experience. Our major offerings are ADAS camera modules and LiDAR modules embedded on the smart vehicles of globally leading automotive OEMs. Our products are compact, integrated hardware objects that use advanced sensors and processing to capture images and videos of a vehicle's surroundings, providing crucial information for smart driving systems to perceive and navigate the environment in a safe manner. As of the Latest Practicable Date, we were also developing automotive display modules and smart vehicle light-emitting modules, aiming to provide passengers with a comprehensive, immersive in-cabin entertainment experience.

## BUSINESS

The following images depict the application scenarios for major automotive electronics containing our products and solutions:



\* We are developing our products and solutions under such application scenarios.

### Smart Office Applications

We aim to empower end users with smart optical solutions to provide them with clear images, thereby improving their operational efficiency in office settings. Our major offerings are provision of system integration of printers, scanners, all-in-one multifunctional digital printers, and their respective components. In addition, we also provide camera modules for video conference systems and conference phones, expanding our product and solution offerings in the field of smart office applications.

The following chart illustrates the application scenarios for major smart office applications containing our products and solutions:



### Emerging Sectors and Others

In addition to consumer electronics, automotive electronics and smart office applications, we are proactively exploring new precision optical solutions opportunities in emerging sectors and beyond with great growing potential. To date, we have expanded our outreach to intelligent robots, XR smart device and smart glasses, and actively exploring naked-eye 3D products, holographic projection, and immersive displays, continuously broadening our business coverage.

### RESEARCH AND DEVELOPMENT

We consider R&D as a cornerstone of our operations, and possess in-depth knowledge of the manufacturing processes, technical specifications, features and functionalities of the camera modules, optical components and system integration, based on which we perform day-to-day R&D activities. We are deeply rooted in the development of precision optical solutions and products, centered around the

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concept of innovation as the guiding direction. Our R&D capabilities enable us to possess solid technologies, an integrated precision manufacturing platform, a science-oriented and rigorous R&D management system, and an ability to develop and upgrade existing and new products and processes.

Our R&D of products are market-driven, and is carried out as a group effort in close collaboration between our different teams. In addition to the core technologies that our R&D department develops independently, we understand our customers’ specific requests to products and develop tailor-made technologies and solutions. To deliver products of the best quality to customers, we integrate our R&D in our manufacturing activities, constantly upgrading the manufacturing processes and technologies through manufacturing practices to reach an optimal effect.

In 2023, 2024 and 2025 and for the five months ended May 31, 2025 and 2026, we incurred R&D expenses of RMB808.3 million, RMB1,092.4 million, RMB1,351.3 million, RMB547.1 million and RMB457.7 million, respectively, representing our continuous, substantial investment in R&D of our products and technologies.

### **Our Core Technologies**

Our in-house designed and developed core technologies stem from our rich experience accumulated through years of independent development of equipment and algorithms, enabling us to secure collaboration opportunities on the development of products with a variety of international leading brands. Leveraging our accumulated R&D experience, we have formulated the following core technologies that are applied to our products and solutions, creating a technological moat.

#### ***Optical Module Simulation Technologies***

Our R&D of optical module simulation technologies commenced in as early as 2016. After years of deep cultivation in optical module simulation technologies, we have established a professional team who has accumulated rich technical know-how in structural, heat transfer and electronic circuit design simulation technologies. From the earliest mechanical reliability simulation to multi-physics and thermo-solid-fluid coupling, we have achieved the precise prediction and solution of reliability problems by using theoretical and computer calculation results. We have further successfully combined material science, structural design, and manufacturing processes into a large simulation platform, and closely integrated each phase of the R&D process from concept design, material and glue selection, mechanism design, manufacturing process to reliability testing through simulation technology. This has equipped us with unique advantages, bringing high yield of products and high efficiency in operation.

The value of simulation technologies is showcased after a substantial amount of data is accumulated. We have, through years of simulation technologies R&D, innovatively introduced these technologies to the production and manufacturing of optical modules, and established a considerable database, enabling us to assess risks during the design phase, and provide assistance in product reliability verification. The master of these technologies has placed us ahead of our competitors, according to Frost & Sullivan.

#### ***Glue Research and Development***

Camera modules are highly dependent on glue, as they are characterized by adhesive precise optical components, which primarily consist of lens and motors. Displacement of a few microns or a small amount of tilt may have a fatal impact on the camera module, and thus adversely impact the precision and performance of the photography functions of smartphones. We possess a thorough understanding of glue, and primarily focus on structural, optical, and firmware integration. According to Frost & Sullivan, we pioneer the industry by establishing the first glue R&D laboratory in the industry, and glue certified by us is a sign of assurance for use and is highly recognized by the industry.

Recent development of smartphone camera modules include larger sensor target surface, more lens groups, upgraded aperture, and increased optical sensitivity, according to Frost & Sullivan. To achieve the optimal photography performance of smartphones, camera module manufacturers need to match the development trend of smartphone camera modules and develop corresponding process technologies. For

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example, the prism weight of multi-group periscope models with large-target sensors has increased by 610% as compared to traditional ones. Specifically, prisms for large-target 1/1.28-inch sensors weigh approximately 1.96 grams, while prisms for traditional 1/3.6-inch sensors weigh only approximately 0.19 grams. The significant increase in prism weight is prone to high-risk problems such as prism cracking and falling-off, and prism surface accuracy variation caused by glue pulling. To tackle these problems, we have innovatively developed ultra-low modulus glue and picosecond laser surface roughening bonding technology, which increases the bonding strength by more than 50%, and effectively reduced the surface accuracy variation problem. Leveraging our capabilities in glue development, we have realized mass production of smartphone camera modules, further solidifying our position as a key solution provider in the industry value chain.

### ***Equipment Automation***

We have made significant investments in equipment automation R&D, resulting in in-house designed automated production lines for autofocus and camera modules. This in-house design enables rapid response to diverse production needs. Integrated with a manufacturing execution system, we monitor progress in real-time, manage schedules efficiently, and ensure full traceability and consistent quality. According to Frost & Sullivan, we were the first optical solutions provider globally to implement a fully automated production line, particularly for high-precision folding autofocus modules. Our automated lines and manufacturing execution system integrate motion control, design, software, machine learning, sensing, and vision, driving innovation and production efficiency.

### ***Active Alignment Technology***

Our key manufacturing process, AA, is performed using our proprietary AA equipment, which enables multiple lens assemblies concurrently. We operate 12-axis and 18-axis AA systems for adjusting two and three lens groups, respectively. Our AA equipment, characterized by its high accuracy, precise calibration and reliable traceability, is primarily used for precision optical assembly and correction. The integrated calibration system employs an autocollimator/laser for tilt calibration, a dedicated jig for optical center calibration, and an offline charge-coupled device for pre-calibration, ensuring exceptional alignment accuracy. We also have in place an embedded error-proofing system that guarantees full part traceability. Our AA process is ahead of our peers, according to Frost & Sullivan, as our in-house developed equipment allows for customizable parameters and algorithms, providing us with overall adaptability.

### **Our R&D Process**

Major phases of our R&D process include the followings:

- ***Feasibility study.*** Based on extensive market research and market demand survey results, we brainstorm among ourselves and with customers, formulate preliminary R&D goals and conduct feasibility analysis.
- ***Planning and preparation.*** After the preliminary feasibility study, we select the project leader and proper team members and prepare for the R&D project execution. We outline the research subject, expected goals, project budget and detailed plans.
- ***Development.*** Once we commence development, the R&D project team carries out daily R&D work in accordance with the approved plans, and hold project discussion meetings regularly to resolve issues encountered during the development process. The project leader is responsible for the overall supervision and management during the project execution.
- ***Ramp-up.*** Full-scale product validation begins, including design verification testing, selective engineering validation testing, and targeted production trials to ensure manufacturability and consistency before mass production.

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- **Mass production.** New product introduction transitions into stabilized manufacturing, supported by stringent process controls and ongoing reliability testing to maintain uncompromising quality throughout the production lifecycle.

### Our R&D Center

We perform our R&D and operational activities in our R&D center in Guangzhou, China. Our R&D center is responsible for and leads our daily R&D activities. We take into account our overall business strategies, technological feasibility demonstration, market research results and customer needs, carry out the R&D of new products, new technologies and other cutting-edge technology research activities. Our R&D department functions in accordance with the same categories as our business lines, and the R&D team of each business line is further divided into smaller groups, including opto-mechanical and electrical development, layout design, software and algorithm development, glue development, thermal flow and structural simulation, and motor design.

Our R&D capabilities are highly recognized in the industry. We are the only precision optical solutions provider that possesses a 2,000-sq.m. national-grade laboratory, which is unparalleled in the industry, according to Frost & Sullivan. Certified by national standards promulgated by CNAS, our laboratory supports comprehensive, multi-scenario optical testing functions, able to carry out over 150 reliability tests. Our R&D center also hosts different laboratories to support our business activities, including optics, structure, glue development, and defective product analysis.

As of May 31, 2026, our R&D department consisted of 2,450 experienced engineers, approximately 18.9% of which possessed over ten years of R&D expertise in camera modules and optical design. For more details of our dedicated R&D personnel and their innovative R&D activities, see “— Our Competitive Strengths — Persistence in Technological Innovation with a Focus on Long-term Investment.”

## MANUFACTURING

### Manufacturing Capabilities

We have integrated intelligent manufacturing into various aspects of our production, significantly improving our production efficiency and product yields. For example, we have developed a powerful and comprehensive precision intelligent manufacturing platform, which encompass core capabilities in product design and development, precision intelligent manufacturing and vertical integration.

By selecting quality materials, employing high-precision machining techniques, ensuring reliable manufacturing processes, and implementing comprehensive automated testing technologies, we achieve stable product yields in high-power and high-frequency environments. With this end-to-end processing capability, we are able to produce products that meet our customers’ stringent requirements, establishing a competitive edge in technology and quality within the precision optical solutions industry. As of May 31, 2026, we have achieved a 99% yield rate for high-end telephoto optical modules, which is industry leading according to Frost & Sullivan. As of the same date, the overall automation rate of our smartphone camera module and ADAS camera module production lines has typically exceeded 90%. Leveraging our intelligent manufacturing capabilities, we are capable to produce camera modules featuring 10x optical zoom functionality with assembly precision reaching 0.01 mm — nearly the absolute limit of conventional mechanical assembly accuracy.

We are one of the few companies in China that master both COB and flip chip technologies in manufacturing completely in-house, according to Frost & Sullivan. Such advanced in-house capabilities come from our dedicated R&D and manufacturing departments ensuring a highly clean and consistent manufacturing environment. With these two types of technologies, we possess the capability of delivering completed products that meet the specification of end products of a broad range of customers and industry players.

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### Manufacturing Process

Our manufacturing process starts with the work order. After the work order is established, raw materials and components are sourced from the warehouse storage and the process goes to the surface mounting segment. After the surface mounting step, the product-in-progress goes through the COB process or flip chip process where such modules are directly mounted and connected to underlying PCB or other underlying peripheral substrate.

Our manufacturing system uses a central computer to automatically run and monitor the entire manufacturing process. It instantly sends machine alarms directly to technicians, who can often fix the problem and turn off the alarm remotely. The system also ensures materials are supplied on time, automatically alerts managers when their attention is needed, and tells the quality team when it is time to perform a check. To save time, technicians can log repair details using voice commands, and the system automatically tracks all their performance data for review.

We typically anticipate and plan our raw materials provision according to both the customers’ actual purchase orders and our own forecast based on our communication and our prior history of collaboration with our customers. As a result, material request plan is formulated and we communicate such material request plan to our suppliers, through our supplier relation management system. After our suppliers provide date of delivery of raw materials, we communicate our completed products delivery dates to our customers.

### *Manufacturing Process using COB Technology*

COB is a technology where semiconductor chips or other electronics components like those of ours, are directly mounted onto a PCB or other underlying peripheral substrate. Gold wire is then used to connect the PCB board and the bare chips/modules. COB process has become the ideal choice for high-density applications consumer electronics including our camera applications. Molding-on-chip (MOC) packaging technology, based on the COB process, reduces the size of the compact camera modules (CCM), with height and XY dimensions further reduced by more than 0.1 mm. This better meets customers’ needs for CCM miniaturization.

The main stages of our manufacturing process using COB technology are as follows:

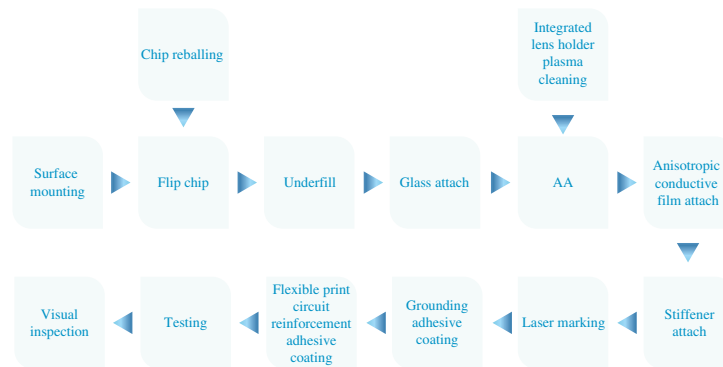


### *Manufacturing Process using Flip Chip Technology*

Flip chip is a technology that puts a semiconductor chip’s active surface of electrical contacts (solder bumps) facing downwards, and directly bonds it to a PCB or substrate. Key steps of flip chip often include preparing the chip with solder bumps, then “flipping” it onto a substrate, and often applying an underfill material to manage thermal expansion differences between the chip and the substrate.

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The main stages of our manufacturing process using flip chip technology are as follows:



### Manufacturing Bases

As of May 31, 2026, our major manufacturing bases spread over Guangzhou, Dongguan, Shenzhen, Shangrao, Shanghai and Vietnam with an aggregate gross floor area of approximately 810,000 sq.m.

The table below sets forth our production capacity, production volume and utilization rate by major business line during the Track Record Period.

|                                            |      | Year Ended December 31, |                   |                                 |                     |                   |                                 |                     |                   |                                 | Five months ended May 31, |                   |                                 |
|--------------------------------------------|------|-------------------------|-------------------|---------------------------------|---------------------|-------------------|---------------------------------|---------------------|-------------------|---------------------------------|---------------------------|-------------------|---------------------------------|
|                                            |      | 2023                    |                   |                                 | 2024                |                   |                                 | 2025                |                   |                                 | 2026                      |                   |                                 |
|                                            |      | Production capacity     | Production volume | Utilization rate <sup>(1)</sup> | Production capacity | Production volume | Utilization rate <sup>(1)</sup> | Production capacity | Production volume | Utilization rate <sup>(1)</sup> | Production capacity       | Production volume | Utilization rate <sup>(1)</sup> |
| (in thousands, except for percentage)      |      |                         |                   |                                 |                     |                   |                                 |                     |                   |                                 |                           |                   |                                 |
| Consumer electronics . . .                 | Unit | 463,394                 | 238,184           | 51.4%                           | 533,929             | 355,609           | 66.6%                           | 547,870             | 404,051           | 73.7%                           | 239,208                   | 156,291           | 65.3%                           |
| Automotive electronics <sup>(2)</sup> .    | Unit | 13,382                  | 5,685             | 42.5%                           | 19,805              | 8,630             | 43.6%                           | 20,798              | 7,520             | 36.2%                           | 8,392                     | 3,443             | 41.0%                           |
| Smart office applications <sup>(3)</sup> . | Unit | 1,600                   | 948               | 59.3%                           | 1,600               | 945               | 59.0%                           | 1,483               | 853               | 57.5%                           | 696                       | 332               | 47.7%                           |

#### Notes:

- (1) The utilization rate during each period is calculated by dividing production volume by the production capacity for the same period.
- (2) During the Track Record Period, our utilization rate for automotive electronics products was relatively low. Along with the fast industry iteration and rapid changes of the automotive electronics customers, we have adjusted our business strategy from providing products to a large range of customers to focusing on large-scale, leading customers in such industry, leading to the relatively low utilization rate during the transition period. We expect that, with our continuous business growth and customer base expansion after the adjustment of business focus, the utilization rate of automotive electronics products would see a gradual improvement in the near future.
- (3) The utilization rate for our smart office products experienced a decrease from 2025 to the five months ended May 31, 2026, primarily due to the commissioning and adjustment period following the relocation of the relevant production lines commencing in early 2026.

### SALES AND MARKETING

We market our products through our sales and marketing department, which is responsible for identifying suitable potential markets and customers. Our dedicated sales and marketing department is responsible for formulating and coordinating marketing activities and promotion campaigns. Our sales and marketing members are equipped with knowledge and expertise about our products, and are able to

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identify the requests of customers and provide technical support. They stay abreast of emerging products and technologies that appeal to our existing and potential customers and provide our customers with pre-sale consultations and recommendations tailored to their needs.

Our goal is to build a highly professional sales and marketing department. Each year end, we formulate sales training plan for the next year on three key metrics: product, sales, and marketing. For personnel structure, we team up senior staff with a younger one, implementing mentoring relationship, and setting output KPIs and evaluating performance.

### Our Sales Activities

We sell our products to customer directly. We acquire new customers primarily through maintaining close contact with customers in consumer electronics, automotive electronics, smart office applications and emerging sectors and others, as well as exploring business opportunities with potential customers in these industries. For details of the principal businesses of our major customers during the Track Record Period, see “— Our Customers.”

We typically start sales budget forecast for the next year in October each year. The budget usually consists of three parts: (i) sales related to existing customers’ existing purchase plan, which represents continuous and stable forecast based on the customer’s annual purchase plan; (ii) sales related to existing customers’ new purchasing plan, which requires forecast based on the such plan’s estimated milestones; and (iii) sales to new customers, which has to be based on the pace and results of business and customer development efforts. We usually sets challenging sales goals and offer corresponding incentives to motivate employees’ diligence and help them to advance their career.

During the Track Record Period, we typically enter into framework sales agreements with our customers. The key terms of our sales agreements included the following:

- ***Duration.*** Our framework agreements generally do not specify a duration.
- ***Pricing.*** Pricing of the products is generally specified in statements of work or purchase orders, and may be adjusted upon mutual agreement.
- ***Transfer of risks.*** Risks are transferred to our customers when the products are accepted by them.
- ***Payment and credit terms.*** We generally deliver products to our customers before payment and grant our customers credit periods ranging between 45 days to 150 days.
- ***Minimum purchase requirements.*** Our framework agreements with our customers usually do not contain minimum purchase requirements.
- ***Logistics.*** We are generally responsible for delivering products to locations specified by our customers. Logistics costs may be borne by us or our customers, which will be determined on a case-by-case basis depending on the specific product type.
- ***Product warranty.*** We typically provide warranties for our products for a specific period as agreed upon with our customers.

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- **Returns/exchanges.** Our customers will inspect the products upon delivery and are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications. We generally do not otherwise accept product returns or exchanges once the products have been accepted by our customers.
- **Confidentiality.** These framework agreements usually have strict confidentiality provisions that restrict us from disclosing confidential information of our customer.
- **Termination.** These framework agreements can be terminated with mutual agreement of parties and under certain circumstances such as force majeure or bankruptcy of a party.

### Marketing and Branding

Our marketing department is responsible for enhancing our brand awareness and promoting our new and existing products. We have established sales and marketing teams both in China and overseas. As of May 31, 2026, our sales and marketing department consisted of 83 members, working devotedly to execute our marketing strategies.

We have built a renowned brand reputation and strong industry influence through sustained, in-depth collaboration with top-tier companies across diverse application areas. By adopting tailored strategies for different industries, we allocate substantial resources to business development in consumer electronics, our consistently competitive area, while laying an emphasis on emerging high-growth markets. In addition, we have implemented a comprehensive customer strategy that spans the entire process from acquisition to product delivery, further strengthening our market position. By maintaining close engagement with customers, we gain deep insights into their evolving needs and competitive market dynamics. This understanding enables us to strategically position our products, foster co-development opportunities, swiftly resolve technical challenges during production, and provide exceptional after-sales support. We from time to time host technology workshops for our customers and host product exhibitions onsite at our customers’ location to promote our existing and new products. Our superior products and customer supports strengthen our existing customers’ confidence in us and encourage them to order new products from us naturally.

Our close and solid relationship with our existing customer also gave us edge in generating new customer needs through industry reputation as well as word-of-mouth recommendations. Certain new customers may also approach us first.

### Pricing of Our Products

We have set different pricing strategies for existing markets where we have shown a presence and gained substantial amount of market share, and emerging sectors and others where we are gradually setting our footprints. We base our pricing strategies for our products on a variety of factors.

- **Existing markets.** We primarily follow demand-driven pricing strategy for products in consumer electronics, automotive electronics and smart office applications, taking into consideration downstream demand, prices of competitive products, operational efficiency, and yield rate, among others. We aim to retain a reasonable profit level while keeping cost competitive and maintaining steady growth in market share in the existing markets.
- **Emerging sectors and others.** We primarily follow cost-driven pricing strategy for products in emerging sectors and others, taking into consideration investment of R&D resources, such as R&D expenses and staff costs. We aim to secure a market position with reasonable pricing power in these emerging sectors and others, leveraging our technological leadership.

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### Our Customers

We provide our products to customers from various industries, including consumer electronics, automotive electronics, smart office applications, and emerging sectors and others. In 2023, 2024 and 2025 and for the five months ended May 31, 2026, revenue contributed from our five largest customers in each year/period amounted to RMB11.9 billion, RMB24.8 billion, RMB31.3 billion and RMB12.3 billion, accounting for 77.9%, 88.7%, 90.0% and 90.1% of our revenue in the respective years/period, while revenue contributed from our largest customer amounted to RMB6.1 billion, RMB17.2 billion, RMB24.7 billion and RMB9.3 billion, accounting for 39.9%, 61.6%, 71.0% and 68.2% of our revenue in the respective years/period. We generally provide to our major customers credit terms of 45 to 150 days. Our customers typically settle with us by bank transfer. During the Track Record Period, we primarily sold our products to our top five customers and may be susceptible to concentration risk. See “Risk Factors — Risks Relating to our Business and Industry — We generated a majority of our revenue from a limited number of key customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our key customers would have negative impacts on our results of operations.”

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

#### *For the year ended December 31, 2023*

| Ranking | Customer                                           | Products sold                                          | Year of commencement<br>of business<br>relationship with us | Revenue           | Percentage of total<br>revenue |
|---------|----------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|-------------------|--------------------------------|
|         |                                                    |                                                        |                                                             | (RMB'000)         |                                |
| 1       | Customer A/<br>Supplier A <sup>(1)</sup> . . . . . | Smartphone camera modules and<br>tablet camera modules | 2009                                                        | 6,083,129         | 39.9                           |
| 2       | Customer B <sup>(2)</sup> . . . . .                | Smartphone camera modules                              | 2018                                                        | 3,299,167         | 21.6                           |
| 3       | Customer C <sup>(3)</sup> . . . . .                | Printers and scanners                                  | 2023                                                        | 1,234,959         | 8.1                            |
| 4       | Customer D <sup>(4)</sup> . . . . .                | Smartphone camera modules                              | 2021                                                        | 665,463           | 4.4                            |
| 5       | Customer E <sup>(5)</sup> . . . . .                | Laptop camera modules                                  | 2018                                                        | 587,113           | 3.9                            |
|         | <b>Total.</b> . . . . .                            |                                                        |                                                             | <b>11,869,831</b> | <b>77.9</b>                    |

#### *For the year ended December 31, 2024*

| Ranking | Customer                                           | Products sold                                          | Year of commencement<br>of business<br>relationship with us | Revenue           | Percentage of total<br>revenue |
|---------|----------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|-------------------|--------------------------------|
|         |                                                    |                                                        |                                                             | (RMB'000)         |                                |
| 1       | Customer A/<br>Supplier A <sup>(1)</sup> . . . . . | Smartphone camera modules and<br>tablet camera modules | 2009                                                        | 17,180,631        | 61.6                           |
| 2       | Customer B <sup>(2)</sup> . . . . .                | Smartphone camera modules                              | 2018                                                        | 3,439,039         | 12.3                           |
| 3       | Customer C <sup>(3)</sup> . . . . .                | Printers and scanners                                  | 2023                                                        | 1,873,324         | 6.7                            |
| 4       | Customer D <sup>(4)</sup> . . . . .                | Smartphone camera modules                              | 2021                                                        | 1,510,673         | 5.4                            |
| 5       | Customer F <sup>(6)</sup> . . . . .                | LiDAR modules                                          | 2021                                                        | 747,995           | 2.7                            |
|         | <b>Total.</b> . . . . .                            |                                                        |                                                             | <b>24,751,662</b> | <b>88.7</b>                    |

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### For the year ended December 31, 2025

| Ranking                 | Customer                                           | Products sold                                                                    | Year of commencement<br>of business<br>relationship with us | Revenue<br>(RMB'000) | Percentage of total<br>revenue |
|-------------------------|----------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------|--------------------------------|
| 1                       | Customer A/<br>Supplier A <sup>(1)</sup> . . . . . | Smartphone camera modules, tablet<br>camera modules and laptop<br>camera modules | 2009                                                        | 24,688,748           | 71.0                           |
| 2                       | Customer B <sup>(2)</sup> . . . . .                | Smartphone camera modules and<br>ADAS camera modules                             | 2018                                                        | 3,613,648            | 10.4                           |
| 3                       | Customer C <sup>(3)</sup> . . . . .                | Printers and scanners                                                            | 2023                                                        | 1,559,043            | 4.5                            |
| 4                       | Customer D <sup>(4)</sup> . . . . .                | Smartphone camera modules                                                        | 2021                                                        | 806,269              | 2.3                            |
| 5                       | Customer F <sup>(6)</sup> . . . . .                | LiDAR modules                                                                    | 2021                                                        | 598,799              | 1.7                            |
| <b>Total.</b> . . . . . |                                                    |                                                                                  |                                                             | <b>31,266,507</b>    | <b>90.0</b>                    |

### For the five months ended May 31, 2026

| Ranking                 | Customer                                   | Products sold                                                                    | Year of commencement<br>of business<br>relationship with us | Revenue<br>(RMB'000) | Percentage of total<br>revenue |
|-------------------------|--------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------|--------------------------------|
| 1                       | Customer A/Supplier A <sup>(1)</sup> . . . | Smartphone camera modules, tablet<br>camera modules and laptop<br>camera modules | 2009                                                        | 9,285,381            | 68.2                           |
| 2                       | Customer B <sup>(2)</sup> . . . . .        | Smartphone camera modules and<br>ADAS camera modules                             | 2018                                                        | 1,824,080            | 13.4                           |
| 3                       | Customer C <sup>(3)</sup> . . . . .        | Printers and scanners                                                            | 2023                                                        | 675,597              | 5.0                            |
| 4                       | Customer E <sup>(5)</sup> . . . . .        | Laptop camera modules                                                            | 2018                                                        | 249,711              | 1.8                            |
| 5                       | Customer G <sup>(7)</sup> . . . . .        | Laptop camera modules                                                            | 2020                                                        | 234,471              | 1.7                            |
| <b>Total.</b> . . . . . |                                            |                                                                                  |                                                             | <b>12,269,240</b>    | <b>90.1</b>                    |

#### Notes:

- (1) Customer A/Supplier A is a leading global consumer electronics brand company. Prior to our acquisition of Cowell, its business relationship with Customer A/Supplier A commenced in 2009.
- (2) Customer B is a leading Chinese corporation and certain entities controlled by the same ultimate beneficial owner primarily engaging in the development and sales of telecommunications equipment, consumer electronics, electric vehicle autonomous driving systems, and rooftop solar power products.
- (3) Customer C is a technology company primarily engaging in the development, manufacture and sales of laser printers and imaging products.
- (4) Customer D is a consumer electronics company primarily engaging in the development and sales of smartphones, tablet computers, wearable devices and mobile device software.
- (5) Customer E is a multinational corporation primarily engaging in the development and sales of hardware components, software and related services.
- (6) Customer F is a company primarily engaging in development and sales of LiDAR products such as sensors.
- (7) Customer G is a multinational corporation primarily engaging in the design, manufacture and sale of information and communications technology (ICT) products and the provision of related technology services.

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

During the Track Record Period, we did not have any material disputes with, nor did we receive any material complaints from, our customers.

### ***Relationship with Customer A/Supplier A***

During the Track Record Period, we generated substantial amount and portion of revenue and made substantial purchases from Customer A/Supplier A. In specific, we generated revenue of RMB6.1 billion, RMB17.2 billion, RMB24.7 billion and RMB9.3 billion from Customer A in 2023, 2024 and 2025 and for the five months ended May 31, 2026, accounting for 39.9%, 61.6%, 71.0% and 68.2% of our total revenue in the same years/period, respectively. In addition, during the Track Record Period, we purchased sensors, PCBs, VCMs and ICs from Supplier A. Such purchases were RMB2.7 billion, RMB9.1 billion, RMB14.1 billion and RMB5.7 billion in 2023, 2024 and 2025 and for the five months ended May 31, 2026, respectively, accounting for 20.7%, 36.5%, 48.5% and 47.3% of our total purchase in the same years/period, respectively.

Our strategic and mutually beneficial relationship with Customer A/Supplier A started over 17 years ago. Since we established business relationship with Customer A/Supplier A, we were closely involved in the product development phase of Customer A/Supplier A’s product iterations, offering crucial technological solutions to facilitate its design ideas and functionality requirements. During the Track Record Period, we primarily supplied Customer A with camera modules for smartphones, tablets and laptops.

According to Frost & Sullivan, it is common in the precision optical solutions industry to generate a majority of revenue from a limited number of key customers, as precision optical solutions providers are often closely tied to smart device manufacturers and need to pass rigorous reliability testing, environmental adaptability verification and long-term supply commitments before entering their supply system. However, considering the substantial amount of revenue generated from Customer A, any decrease in purchase from Customer A as a key customer would have negative impacts on our results of operations. See “Risk Factors — Risks Relating to Our Business and Industry — We generated a majority of our revenue from a limited number of key customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our key customers would have negative impacts on our results of operations” for more details. Considering the substantial revenue contribution from Customer A during the Track Record Period, we are actively enriching our product matrix and upgrade our technologies and know-hows to diversify our revenue stream by customer.

We made substantial purchases from Supplier A during the Track Record Period. This is commonly referred to in the industry as the buy-and-sell model, where certain of our major customers require their suppliers, including us, to purchase raw materials and components manufactured or procured from themselves to exert overall control over the procurement process. According to Frost & Sullivan, the buy-and-sell model is a common practice in the consumer electronics industry. This model stems not only from the demand for vertical integration of the industrial chain, but is also driven by technological collaboration and market competition. However, considering the substantial procurement from Supplier A, failure to maintain our relationship with the key supplier may have a material adverse effect on our business and results of operations. See “Risk Factors — Risks Relating to Our Business

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and Industry — Our dependence on a limited number of suppliers for key components and materials could result in supply disruptions and prevent us from delivering our products in a timely manner to our customers in the required quantities.”

Going forward, we believe that the likelihood of any material adverse change in or termination of our business relationship with Customer A/Supplier A is low because of (i) our long-term mutually beneficial relationship, considering that we have maintained stable business relationship for over 17 years and have further deepened our business relationship with Customer A/Supplier A by entering its supply chain for rear camera modules after showcasing our outstanding precision intelligent manufacturing and R&D capabilities during our cooperation on front camera modules; (ii) during the Track Record Period and up to the Latest Practicable Date, the non-occurrence of material reduction, delay or cancellation of orders from Customer A and (iii) the strict requirements that Customer A has on its suppliers (including lengthy and rigorous supplier approval procedures and strict requirements on various aspects of the supplier’s business operations such as ESG compliance and corporate governance).

### PROCUREMENT AND SUPPLY

#### Our Centralized Procurement

Our procurement department is generally organized with two rather distinct functions, namely sourcing and execution. Due to our substantial size of procurement spanning raw materials, component, modules, among others, we sometimes have local execution team focusing a particular geographical location. The sourcing team is primarily responsible for formulating new product sourcing strategies, setting price premium, supplier selection, and commercial negotiations. Execution team is more focused on procurement planning, order quantity confirmation, order processing and tracking.

#### Supply Chain Management

Our procurement cycle refers to the period of time from placing purchase order to receiving the delivery. Given the complex product portfolio of our products and the fluctuation nature of many our critical raw material components to our products, we prioritize our strategic coordination capabilities, centralizing our procurement function and streamlining the sourcing and negotiation process.

With the rapid growth of our business and the ever-changing geopolitical landscape pertaining to high-tech products, we have also prioritized our procurement and supply chain system’s compliance efforts, to ensure the smooth and stable operation of our business. At the same time, we are strengthening our supply management team’s professionalism to enhance the quality of our supply chain management process, an ultimate to ensure the quality of our products.

#### Our Suppliers

In 2023, 2024 and 2025 and for the five months ended May 31, 2026, purchases from our five largest suppliers in each year/period amounted to RMB5.4 billion, RMB14.1 billion, RMB18.1 billion and RMB7.5 billion, respectively, accounting for 41.9%, 56.5%, 62.1% and 62.5% of our total purchases in the same years/period. For the same years/period, purchases attributable to our largest supplier amounted to RMB2.7 billion, RMB9.1 billion, RMB14.1 billion and RMB5.7 billion, respectively, accounting for 20.7%, 36.5%, 48.5% and 47.3% of our total purchases. Our major suppliers typically grant us credit terms of 15 to 90 days. In general, we settle with our suppliers by bank transfer. During the Track Record Period, we primarily purchased raw materials from a limited number of suppliers and may be susceptible to concentration risk. See “Risk Factors — Risks Relating

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to our Business and Industry — Our dependence on a limited number of suppliers for key components and materials could result in supply disruptions and prevent us from delivering our products in a timely manner to our customers in the required quantities.”

Certain of our suppliers in each year/period comprising the Track Record Period are incorporated in the Taiwan Area. See “Regulatory Overview — Laws and Regulations Relating to Business Operations in Taiwan for details of the local Taiwan laws and regulations applicable to our business operations. Our Directors are of the view that such laws and regulations do not have a material adverse impact on our transactions with these suppliers incorporated in the Taiwan Area. ”

The following table sets forth the details of our five largest suppliers in each year/period during the Track Record Period based on purchases from them:

### *For the year ended December 31, 2023*

| Ranking | Supplier                                           | Products purchased          | Year of commencement<br>of business<br>relationship with us | Purchase amount<br>(RMB'000) | Percentage of total<br>purchase |
|---------|----------------------------------------------------|-----------------------------|-------------------------------------------------------------|------------------------------|---------------------------------|
| 1       | Customer A/<br>Supplier A <sup>(1)</sup> . . . . . | Sensors, PCBs, VCMs and ICs | 2009                                                        | 2,650,594                    | 20.7                            |
| 2       | Supplier B <sup>(2)</sup> . . . . .                | Electronic components       | 2018                                                        | 939,221                      | 7.3                             |
| 3       | Supplier C <sup>(3)</sup> . . . . .                | Lenses, VCMs and holders    | 2018                                                        | 798,744                      | 6.2                             |
| 4       | Supplier D <sup>(4)</sup> . . . . .                | ICs                         | 2018                                                        | 681,381                      | 5.3                             |
| 5       | Supplier E <sup>(5)</sup> . . . . .                | VCMs                        | 2018                                                        | 307,577                      | 2.4                             |
|         | <b>Total.</b> . . . . .                            |                             |                                                             | <b>5,377,517</b>             | <b>41.9</b>                     |

### *For the year ended December 31, 2024*

| Ranking | Supplier                                           | Products purchased          | Year of commencement<br>of business<br>relationship with us | Purchase amount<br>(RMB'000) | Percentage of total<br>purchase |
|---------|----------------------------------------------------|-----------------------------|-------------------------------------------------------------|------------------------------|---------------------------------|
| 1       | Customer A/<br>Supplier A <sup>(1)</sup> . . . . . | Sensors, PCBs, VCMs and ICs | 2009                                                        | 9,140,182                    | 36.5                            |
| 2       | Supplier C <sup>(3)</sup> . . . . .                | Lenses, VCMs and holders    | 2018                                                        | 1,634,666                    | 6.5                             |
| 3       | Luxshare Precision. . . . .                        | PCBs and VCMs               | 2021                                                        | 1,547,319                    | 6.2                             |
| 4       | Supplier D <sup>(4)</sup> . . . . .                | ICs                         | 2018                                                        | 1,118,031                    | 4.5                             |
| 5       | Supplier F <sup>(6)</sup> . . . . .                | PCBs                        | 2023                                                        | 672,881                      | 2.7                             |
|         | <b>Total.</b> . . . . .                            |                             |                                                             | <b>14,113,079</b>            | <b>56.4</b>                     |

### *For the year ended December 31, 2025*

| Ranking | Supplier                                           | Products purchased          | Year of commencement<br>of business<br>relationship with us | Purchase amount<br>(RMB'000) | Percentage of total<br>purchase |
|---------|----------------------------------------------------|-----------------------------|-------------------------------------------------------------|------------------------------|---------------------------------|
| 1       | Customer A/<br>Supplier A <sup>(1)</sup> . . . . . | Sensors, PCBs, VCMs and ICs | 2009                                                        | 14,132,457                   | 48.5                            |
| 2       | Luxshare Precision. . . . .                        | PCBs and VCMs               | 2021                                                        | 2,019,410                    | 6.9                             |
| 3       | Supplier D <sup>(4)</sup> . . . . .                | ICs                         | 2018                                                        | 727,901                      | 2.5                             |

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| Ranking | Supplier                            | Products purchased       | Year of commencement<br>of business<br>relationship with us | Purchase amount<br>(RMB'000) | Percentage of total<br>purchase |
|---------|-------------------------------------|--------------------------|-------------------------------------------------------------|------------------------------|---------------------------------|
| 4       | Supplier C <sup>(3)</sup> . . . . . | Lenses, VCMs and holders | 2018                                                        | 687,745                      | 2.4                             |
| 5       | Supplier G <sup>(7)</sup> . . . . . | PCBs                     | 2013                                                        | 544,496                      | 1.9                             |
|         | <b>Total.</b> . . . . .             |                          |                                                             | <b>18,112,009</b>            | <b>62.1</b>                     |

***For the five months ended May 31, 2026***

| Ranking | Supplier                                   | Products purchased          | Year of commencement<br>of business<br>relationship with us | Purchase amount<br>(RMB'000) | Percentage of total<br>purchase |
|---------|--------------------------------------------|-----------------------------|-------------------------------------------------------------|------------------------------|---------------------------------|
| 1       | Customer A/Supplier A <sup>(1)</sup> . . . | Sensors, PCBs, VCMs and ICs | 2009                                                        | 5,711,494                    | 47.3                            |
| 2       | Luxshare Precision. . . . .                | PCBs and VCMs               | 2021                                                        | 829,410                      | 6.9                             |
| 3       | Supplier H <sup>(8)</sup> . . . . .        | Image sensors               | 2025                                                        | 422,296                      | 3.5                             |
| 4       | Supplier I <sup>(9)</sup> . . . . .        | Electronic components       | 2018                                                        | 305,622                      | 2.5                             |
| 5       | Supplier C <sup>(3)</sup> . . . . .        | Lenses, VCMs and holders    | 2018                                                        | 274,839                      | 2.3                             |
|         | <b>Total.</b> . . . . .                    |                             |                                                             | <b>7,543,661</b>             | <b>62.5</b>                     |

***Notes:***

- (1) Customer A/Supplier A is a leading global consumer electronics brand company. Prior to our acquisition of Cowell, its business relationship with Customer A/Supplier A commenced in 2009.
- (2) Supplier B is a company primarily engaging in the research, development and distribution of semiconductor electronic components.
- (3) Supplier C is a company primarily engaging in the manufacture of optical lens modules and optoelectronic components.
- (4) Supplier D is a company primarily engaging in the distribution of semiconductor components.
- (5) Supplier E is an electronics company primarily engaging in the manufacture and distribution of electronic components.
- (6) Supplier F is a company primarily engaging in test and assembly services for semiconductor devices.
- (7) Supplier G is a multinational ceramics and electronics manufacturer primarily engaging in the manufacture of advanced ceramics, components, devices and equipment.
- (8) Supplier H is a company primarily engaging in the design, manufacture and integration of optical products, imaging modules and electronic components.
- (9) Supplier I is a technology group primarily engaging in the manufacture and distribution of computer, communication and electronic products.

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 contract on the part of our suppliers, or material shortage of supply or delay in delivery of our orders from our suppliers.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, except for Luxshare Precision, all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, except

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for Luxshare Precision, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year/period as of the Latest Practicable Date.

During the Track Record Period, we did not have any material disputes with our suppliers.

### OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers in each year/period were also our suppliers, and certain of our five largest suppliers were also our customers (the “**Overlapping Customers and Suppliers**”).

In 2023, 2024 and 2025 and for the five months ended May 31, 2026, three, four, four and three of our five largest customers during the Track Record Period were also our suppliers, generating revenue of RMB10.6 billion, RMB23.2 billion, RMB30.5 billion and RMB11.8 billion, respectively, which represented 69.6%, 83.3%, 87.7% and 86.6% of our total revenue in the same years/period, respectively. In 2023, 2024 and 2025 and for the five months ended May 31, 2026, the purchases from such overlapping customers and suppliers amounted to RMB2.7 billion, RMB9.2 billion, RMB14.2 billion and RMB5.7 billion, which represented 20.9%, 36.7%, 48.7% and 47.6% of our total purchases in the same years/period, respectively.

In 2023, 2024 and 2025 and for the five months ended May 31, 2026, one, two, two and two of our five largest suppliers were also our customers, generating revenue of RMB6.1 billion, RMB17.2 billion, RMB24.8 billion and RMB9.3 billion, respectively, which represented 39.9%, 61.7%, 71.3% and 68.5% of our total revenue in the same years/period, respectively. In 2023, 2024 and 2025 and for the five months ended May 31, 2026, the purchases from such overlapping customer and supplier amounted to RMB2.7 billion, RMB10.7 billion, RMB16.2 billion and RMB6.5 billion, respectively, which represented 20.7%, 42.8%, 55.4% and 54.2% of our total purchases in the same years/period, respectively.

The reason we had purchases from and sales to the Overlapping Customers and Suppliers during the Track Record Period was primarily due to the following:

- Certain of our Overlapping Customers and Suppliers require their suppliers, including us, to purchase certain raw materials and components manufactured or procured from themselves to exert overall control over the procurement process, and to better control the cost and quality of raw materials. This is commonly referred to in the industry as the buy-and-sell model, according to Frost & Sullivan. Sales and purchases from the Overlapping Customers and Suppliers were conducted in the ordinary course of business and on commercial terms negotiated on an arm’s length basis; and
- Certain of our Overlapping Customers and Suppliers are large enterprises in the consumer electronics industry and has diverse product offerings. The consumer electronics industry has a relatively complex supply chain with multiple stages and diverse material requirements, according to Frost & Sullivan. Each company along this supply chain has its unique advantages in certain areas. We collaborate with other participants in the industry value chain to produce a variety of products to meet our customers’ rigorous requirements. Our purchases from and sales to such Overlapping Customers and Suppliers were separate processes and took place at different stages of the industry value chain, and were conducted in the ordinary course of business and on commercial terms negotiated on an arm’s length basis.

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According to Frost & Sullivan, it is common to have overlapping customers and suppliers in the precision optical solutions industry due to the need for deep technical collaboration and supply chain security considerations. According to the same source, the consumer electronics market is highly concentrated, particularly among top-tier brands that command a large share of global shipments. As such, it is common for suppliers of premium consumer electronics brands to have a concentrated customer base. We have maintained good and long business relationship with our Overlapping Customers and Suppliers and did not have any disputes with them during the Track Record Period. For risks associated with our largest five customers and suppliers, see “Risk Factors — Risks Relating to Our Business and Industry — We generated a majority of our revenue from a limited number of key customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our key customers would have negative impacts on our results of operations” and “Risk Factors — Risks Relating to Our Business and Industry — Our dependence on a limited number of suppliers for key components and materials could result in supply disruptions and prevent us from delivering our products in a timely manner to our customers in the required quantities.”

### MANAGEMENT INDEPENDENCE WITH THE COWELL GROUP

Our Board comprises two executive Directors, four non-executive Directors and three independent non-executive Directors. Save for Mr. Wang Laixi, our executive Director and one of our Controlling Shareholders, who is serving as a director of certain subsidiaries of Cowell, none of our Directors holds any position in the Cowell Group.

Our senior management team comprises three senior management members, namely (i) Mr. Meng Yan, our general manager, who is also serving as an executive director and the chairman of the board of directors of Cowell; (ii) Mr. Chen Han-Yang, our deputy general manager and financial director, who is also serving as a non-executive director of Cowell; and (iii) Mr. Yang Li, our deputy general manager and chief operating officer, who is also serving as a non-executive director of Cowell. In addition, Mr. Wu Ying-Cheng, an executive director, the chief executive officer and the chief financial officer of Cowell and a director of Cowell Dongguan, is also serving as a manager of Development Zone Luxvisions.

For further information of our Directors and senior management, see “Directors and Senior Management” in this document.

Notwithstanding the overlapping roles, our Directors are of the view that there is no material concern with regard to the management independence of the Luxvisions Innovation Group for the following reasons:

- (a) Mr. Wang Laixi is a representative of our Company to serve as a director of certain subsidiaries of Cowell for their strategic planning and business direction given that the Cowell Group is consolidated as subsidiaries of our Company;
- (b) although Mr. Meng Yan is serving executive roles in the Luxvisions Innovation Group and the Cowell Group, when performing his duty, he has been and will continue to be supported by the separate and independent senior management teams of the Luxvisions Innovation Group and the Cowell Group, respectively;
- (c) both Mr. Chen Han-Yang and Mr. Yang Li, as non-executive directors of Cowell, are not involved in the day-to-day management and operations of the business of the Cowell Group;

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- (d) Mr. Wu Ying-Cheng’s role as a manager of Development Zone Luxvisions is non-executive nature and is not involved in the day-to-day management and operations of the business of Development Zone Luxvisions;
- (e) each of our Directors and senior management member is aware of his/her fiduciary duties as a director and senior management member, which require, among other things, that he/she acts for the benefit and in the best interests of our Company, and does not allow any conflict between his/her duties as a director or senior management member of our Company and Cowell (if any). In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between the Luxvisions Innovation Group and the Cowell Group, the interested director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;
- (f) we have three independent non-executive Directors, who have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions; and
- (g) we have adopted a series of corporate governance measures to manage conflicts of interest (if any) between the Luxvisions Innovation Group and the Cowell Group that would support the independent management of the Luxvisions Innovation Group.

## TRANSACTIONS WITH THE COWELL GROUP

The Luxvisions Innovation Group conducts transactions with the Cowell Group from time to time which constitute continuing connected transactions of Cowell under the Listing Rules. Details of such transactions that are subsisting as of the Latest Practicable Date are set out below:

| Transaction                                                                                                                                                                                                                                                                                                                 | Parties                                                                        | Term                                 | Historical transaction amounts  | Annual caps         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------|---------------------------------|---------------------|
|                                                                                                                                                                                                                                                                                                                             |                                                                                |                                      | (RMB)                           | (RMB)               |
| (a) Procurement of customized products and/or materials, including but not limited to optical glass, optical adhesive, optical coating and related materials or parts in relation to the production of the Luxvisions Innovation Group, by Luxvisions Innovation Group from the Cowell Group . . . . .                      | The Cowell Group as supplier; and the Luxvisions Innovation Group as purchaser | January 1, 2025 to December 31, 2027 | 2023: 13.1 million              | 2026: 305.5 million |
|                                                                                                                                                                                                                                                                                                                             |                                                                                |                                      | 2024: 21.0 million              | 2027: 444.6 million |
|                                                                                                                                                                                                                                                                                                                             |                                                                                |                                      | 2025: 49.8 million<br>(Note 1)  | (Note 2)            |
| (b) Supply of certain materials including but not limited to circuit board assembly (including LiDAR printed circuit board assembly) and related raw materials, stores, consumables and other materials in relation to the production of the Cowell Group, by the Luxvisions Innovation Group to the Cowell Group . . . . . | The Luxvisions Innovation Group as supplier; and the Cowell Group as purchaser | January 1, 2026 to December 31, 2028 | 2023: 70.0 million              | 2026: 95 million    |
|                                                                                                                                                                                                                                                                                                                             |                                                                                |                                      | 2024: 140.0 million<br>(Note 3) | 2027: 100 million   |
|                                                                                                                                                                                                                                                                                                                             |                                                                                |                                      | 2025: 85.3 million              | 2028: 110 million   |

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*Notes:*

- (1) The increase in the historical transaction amounts of the procurement of customized products and/or materials (e.g. optical glass, optical adhesive) from the Cowell Group for the three years ended December 31, 2025 is primarily due to the increase in the demand for such customized products and/or materials based on the production plan and launch of new products of the Luxvisions Innovation Group.
- (2) The significant increase in the annual caps of the procurement of customized products and/or materials (e.g. optical glass, optical adhesive) from the Cowell Group for the two years ending December 31, 2027 is primarily due to the rapid development of artificial intelligence and robotics industry, which is expected to accelerate growth across the global optical industry. Accordingly, the demand for such customized products and/or materials (e.g. optical glass, optical adhesive), which are customized optical products and parts supporting robotics and adjacent applications, is expected to increase significantly based on the latest production plan and rollout schedule for robotic applications of Luxvisions Innovation Group.
- (3) The increase in the historical transaction amounts of the supply of certain materials (e.g. circuit board assembly) to the Cowell Group for the year ended December 31, 2024 was primarily due to the increase in the demand for the LiDAR printed circuit board assembly which are the primary materials for the production of equipment comprising modules and LiDAR machines of the Cowell Group.

Our Directors are of the view that the significant increasing trend of annual caps of the transactions with the Cowell Group (in particular the annual caps for the procurement of customised products from the Cowell Group for the two years ending December 31, 2027) does not have material adverse implications on the operational independence between the Luxvisions Innovation Group and the Cowell Group for the following reasons:

- (a) the on-going business relationship between the Luxvisions Innovation Group and the Cowell Group is both mutually beneficial and complementary. The aforesaid procurement and supply of materials and/or products transactions aimed at creating synergy, enhancing operational efficiency and optimizing the utilization of the production capacity within our Group and are conducted within the respective business scopes of the Luxvisions Innovation Group and the Cowell Group. Due to the mutual benefits for both the Luxvision Innovation Group and the Cowell Group to maintain such reciprocal relationship, our Directors are of the view that such business relationship is unlikely to be materially or adversely changed or terminated;
- (b) there is no reliance of the Luxvisions Innovation Group on the Cowell Group or vice versa as each of them may procure such materials or, products from Independent Third Party suppliers. The Luxvisions Innovation Group and the Cowell Group procured such materials, or products from each other because they are familiar with the other party's specific requirements due to long and stable business relationship, which helped to reduce the communication costs between them;
- (c) despite the expected significant increase in the annual caps of the transactions with the Cowell Group for the two years ending December 31, 2027, it is expected that the contribution of the annual caps to the total purchase amount or total revenue (as the case may be) of the Luxvisions Innovation Group or the Cowell Group is still able to maintain at a reasonable percentage, having considered the amount of estimated annual caps and the estimated increase in the total purchase amount and total revenue of the Luxvisions Innovation Group and the Cowell Group; and
- (d) such transactions between the Luxvisions Innovation Group and the Cowell Group are conducted on normal commercial terms and in accordance with the respective terms that are fair and reasonable and in the interests of the Luxvisions Innovation Group and the Cowell

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Group and their shareholders. In addition, Cowell is a company listed on the Stock Exchange, it is required to and will continue to comply with the relevant Listing Rules applicable to the relevant continuing connected transactions.

### SEASONALITY

We experience seasonal fluctuations in our revenue and results of operations. We have historically experienced, and expect to continue to experience, higher revenue generation, especially from our sales of consumer electronics products which accounted for a majority of our revenue, in the second half of a particular year as compared to the first half of that year. The higher revenue generation in the second half of a year is mainly attributable to the more intensive close-to-year-end promotional activities for sales of products held in many consumer electronics sectors to which our products are applied, such as smartphones, tablets and laptops, which leads to a larger purchase volume in the second half of a year. The seasonal trends we have experienced in the past may not apply to, or be indicative of, our future operating results. See “Risk Factors — Risks Relating to Our Business and Industry — Our results of operations are subject to seasonal fluctuations.”

### QUALITY CONTROL

We emphasize the quality and safety of our products. We have achieved and adhere to industry quality certifications including ISO9001, QC080000, IATF16949, ISO13485, and ESD20. We strive to deliver our products to our customer with aspiration of “zero defect, punctual delivery and total customer satisfaction” and at reasonable costs to our operations. We typically provide warranties for our products for a specific period as agreed upon with our customers. During the Track Record Period, we did not experience any major product returns or recalls.

We set high standards for our suppliers and conduct stringent tests to choose qualified suppliers. When we enter into procurement agreement, we prioritize the quality and safety of the raw materials, delineate clearly the responsibility of the contracting parties. When we receive the raw materials shipments, we conduct rigorous qualification testing before warehouse storage.

Throughout the entire manufacturing and delivery process, we conduct reliability monitoring constantly to ensure our products achieve the reliability requirements of our customers. We also conduct rigorous quality checks during the manufacturing process. We do random sample checking, regular production line walkthrough inspections. We perform appearance and functional tests on all of our completed products.

### INVENTORY MANAGEMENT AND LOGISTICS

Our inventories comprised (i) raw materials, primarily consisting of lens, motors, sensors, PCBs, chips and other electronic components; (ii) work in progress; and (iii) finished goods. We maintain a major smart warehouse in Guangzhou, with limited warehouse personnel presence, for storage of our inventories. We believe the key in inventory control is balancing the risk of stock obsolescence and possible supply shortage of raw materials. We generally adjust the production and procurement plans based on customer orders or scheduling requirements. Our procurement plans are typically formulated on a quarterly, semi-annual and annual basis, which will undergo review through the office automation system. We also carry out physical stock counts periodically.

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Only semi-finished or finished products that have passed quantitative risk assessment will be stored in our warehouses. Warehouse personnel must physically count incoming goods upon receipt, verify them, and scan them into the shop floor control system. Incoming products are packaged and labeled according to the standard operating procedures for each model in the finished goods warehouse. Products will then be stored by model in different designated areas.

We perform regular reviews of the carrying amounts of inventories with reference to aged inventories analysis, projections of expected future saleability of goods, and management experience and judgment. A write down of inventories will be made when the estimated net realizable value of inventories decline below their carrying amounts. See Note 3 to the Accountants’ Report in Appendix I to this document.

## INTELLECTUAL PROPERTY

We regard our patents, know-how and other intellectual property rights as critical to our competitiveness and success. As of the Latest Practicable Date, we possessed 794 patents, including 279 invention patents and 513 utility model patents, and two design patents in the PRC, Taiwan, Japan and the United States. Furthermore, we had 427 patent applications, including 330 invention patent applications and 97 utility model patent applications in the PRC, Taiwan and the United States as of the same date. See “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Our Intellectual Property Rights” for more information of the intellectual property that we believe are material to our business operations.

We rely primarily on a combination of patents, trademarks, trade secrets, and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We state all rights and obligations regarding the ownership and protection of intellectual properties in confidentiality agreements and commercial agreements we enter into. In addition, we have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (ii) delegating a separate team to guide, manage, supervise and monitor our daily work regarding intellectual properties, (iii) timely registration, filing and application for ownership of our intellectual properties, (iv) actively tracking the registration and authorization status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, and (v) engaging professional intellectual property service providers, as needed.

As of the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties’ intellectual property rights in all relevant jurisdictions. However, these agreements or measures may not provide sufficient protection of our intellectual property rights. These agreements may be breached, resulting in the misappropriation of our intellectual properties, and we may not have an adequate remedy for any such breach. In addition, our intellectual properties may become known or be independently developed by third parties, or misused by any business partner to whom we disclose such information. Despite any measures taken to protect our intellectual properties, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to adequately protect our intellectual properties or proprietary rights. See “Risk Factors — Risks Relating to Our Business and Industry — If we fail to protect our intellectual property rights and our customers’ technology that we utilize, our competitive position may be undermined and we may be exposed to claims and liabilities.”

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### DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

In the course of our business, we collect and store corporate data of our counterparties, such as customers, suppliers, and other relevant parties, during the transactions with them. These data and information include the counterparties’ names, addresses, business scopes and other types of transaction details upon the consent of our counterparties. Although we do not process customer data in the ordinary course of business, we are subject to general PRC laws and regulations relating to data security and cybersecurity. See “Risk Factors — Risks Relating to Our Operations — Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.”

We have developed strict internal control and data accessing mechanisms and detailed approval and operation procedures regarding data storage and processing. We have established a set of internal protocols on data security, which set forth detailed, stringent requirements in relation to the use, disclosure and protection of confidential information. Such internal protocols provide limited authorization to our employees holding specific positions at specific levels to access and process corporate data on a need-to-know basis, who shall use such data only for the purposes of performing their work assignment.

We provide data privacy trainings to employees on a periodic basis to increase their compliance awareness. In addition, employees are required to sign a confidentiality agreement with us, which prohibits them from disclosing any confidential information relating to their work without our consent. 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. In addition, we have established a remote disaster recovery system for our server by setting up multiple storage for the same information and data of long time dimension on the cloud, local and remote locations. Even if the server is damaged due to the highest level of disasters such as earthquakes, mudslides and other irresistible natural disasters, we believe that it can safeguard and guarantee that the service and data can be completely restored within 24 hours.

Our Directors confirm that we have not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities for violation of cybersecurity and data protection laws, rules and regulations during the Track Record Period and up to the Latest Practicable Date. To the best of the knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, there have been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending, threatened against or relating to us, and we have not experienced any material leakage of data, any breach of confidential business data or violation of cybersecurity and data protection and privacy laws, rules and regulations which will have a material adverse impact on our business operations.

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### AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognitions in respect of our Group, products and technologies. The details of our major awards and recognitions are set forth below:

| Award year        | Project/<br>Product Name                                                                                                     | Award/Recognition                                                                                                       | Awarding Institution/Authority                                                   |
|-------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 2024 and 2025 . / |                                                                                                                              | Global Unicorn Index (全球獨角獸榜)                                                                                           | Hurun Research Institute (胡潤研究院)                                                 |
| 2024 . . . . . /  |                                                                                                                              | China National Accreditation Service for Conformity Assessment (CNAS) Laboratory Accreditation Certificate (CNAS實驗室認可證) | China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會)   |
| 2023 and 2024 . / |                                                                                                                              | Guangzhou Unicorn Innovation Enterprise (廣州獨角獸創新企業)                                                                     | Guangzhou Science and Technology Innovation Enterprise Association (廣州市科技創新企業協會) |
| 2023 . . . . .    | Guangdong Provincial Camera Module Development and Application Engineering Technology Research Center (廣東省攝像模組開發及應用工程技術研究中心) | Provincial Engineering Technology Research Center (省級工程技術研究中心)                                                          | Guangdong Provincial Department of Science and Technology (廣東省科學技術廳)             |
| 2023 . . . . . /  |                                                                                                                              | National Green Factory (國家級綠色工廠)                                                                                        | State Ministry of Industry and Information Technology (中華人民共和國工信部)               |

### COMPETITION

We face fierce competition in the precision optical solutions industry. Key competitive factors in our industry include technical expertise, quality of products, R&D capabilities, ability to meet technological iteration demands, and provision of timely, effective support. According to Frost & Sullivan, we (i) ranked second in the global consumer electronics camera module industry in 2025 in terms of revenue, with a market share of 7.7%; (ii) ranked second in the global mid- to high-end smartphone camera module industry in 2025 in terms of revenue, with a market share of 7.4%; (iii) ranked first in the global tablet camera module industry in 2025 in terms of revenue, with a market share of 22.1%; and (iv) ranked first in the global laptop camera module industry in 2025 in terms of revenue, with a market share of 16.0%. For more information on the competitive landscape of our industry, see “Industry Overview.” Our Directors believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths, which are highlighted in the paragraph headed “— Our Competitive Strengths” in this section.

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### EMPLOYEES

As of May 31, 2026, we had a total of 14,609 full-time employees, substantially all of whom were based in China. The following table sets forth a breakdown of our employees categorized by function as of May 31, 2026.

| Function                                | Number        | Percentage<br>(%) |
|-----------------------------------------|---------------|-------------------|
| Production . . . . .                    | 11,449        | 78.4              |
| R&D . . . . .                           | 2,450         | 16.8              |
| Management and administrative . . . . . | 627           | 4.3               |
| Sales and marketing . . . . .           | 83            | 0.5               |
| <b>Total . . . . .</b>                  | <b>14,609</b> | <b>100.0</b>      |

Our employees are represented by a labor union. We believe we have maintained a good relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material adverse effect on our business, financial condition or results of operations.

We also engage certain third-party human resource companies to occasionally hire personnel for temporary, ancillary and replaceable roles for a term of less than six months should our business needs arise.

### Recruitment

We recognize the importance of talents for sustainable business growth and competitive advantages. We believe that our success depends on our ability to attract, retain and motivate qualified personnel. We have adopted a diversified recruitment approach to ensure a sufficient talent pool for key positions. Our employees primarily join us through on-campus recruitment and lateral hiring. We enter into non-competition agreement with our senior management or other key employees for a term of two years. As a result, we have generally been able to attract and retain qualified employees and maintain a stable core management team.

We currently maintain a pyramid-shaped human resource structure consisting of a substantial portion of front-line employees. We expect to, in the coming years, gradually switch to a diamond-shaped human resource structure that will consist of an increasing number of mid-level employees and a decreasing number of front-line employees, which we believe will largely improve our operational efficiency.

### Remuneration and Benefits

As part of our human resources strategy, we offer employees relatively competitive salaries, bonuses, and other incentives. We occasionally review the performance of our employees on the basis of, among other criteria, their abilities to achieve stipulated performance targets. Upon approval of our Board based on our operational results and financial condition, we distribute quarterly, semiannual or annual performance-based bonuses to employees. In addition, we award key employees with share incentives to enhance their sense of belonging and responsibility to the Group.

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We apply the same benefits to all levels of employees as part of our equality human resource management strategy. Our benefits primarily include assistance provision in settlement, household registration and family placement, and gifts on special occasions such as festivals and birthdays.

### **Training and Management**

All of our new employees accept onboarding training, which covers relevant laws and regulations, safety requirements, job responsibilities, and rules and policies of the Group. We adopt the master-apprentice approach as on-the-job training for front-line employees. Moreover, we encourage our employees to engage in continuous self-improvement. We provide extensive training opportunities to our employees each year, including extracurriculum training and professional management skill development, and organize industry technology seminars, cooperation with scientific institutions, and enterprise-university-research institution collaboration.

We have adopted a hierarchical organization to ensure efficient employee management. We have formulated an employee handbook, and introduce the rules and policies to each employee upon joining. The handbook is also available on our website for easy access. Additionally, we organize annual employee handbook training and post updated policies on the notice boards to make sure our employees are fully aware of our latest requirements and policies.

### **Social Insurance and Housing Provident Fund Contributions**

During the Track Record Period and up to the Latest Practicable Date, we did not make full payments in relation to social insurance and housing provident fund contributions for certain of our employees in accordance with relevant laws and regulations. This was primarily because a substantial portion of employees have requested us not to make full contributions to social insurance and housing provident funds due to personal reasons.

Companies operating in China are required to participate in various employee benefit plans, including social insurance, housing provident funds and other welfare-oriented payment obligations. The amounts of contributions should be equal to the prescribed percentages of salaries, including bonuses and allowances, of the employees up to a maximum amount specified by the local governments from time to time, at the locations where the companies operate their businesses. According to the relevant PRC laws and regulations, an employer who fails to make the prescribed social insurance contributions may be ordered to pay the required contributions and late payment fee of up to 0.05% per day. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue. In addition, an employer that has not made the prescribed housing provident fund contributions may be ordered to pay the required contributions within the stipulated deadline, failing which it may be subject to the court’s compulsory enforcement. See “Risk Factors — Risks Relating to our Business and Industry — We may be subject to additional contributions of social insurance and housing provident funds, late payments and fines imposed by relevant governmental authorities with respect to labor related matters.”

Our PRC Legal Advisors are of the view that the possibility of us being required to settle historical outstanding social insurance and housing provident funds is remote, considering that: (i) the competent regulatory authorities confirmed during our interviews with them that they will not conduct centralized collection of our historical social insurance and housing provident fund arrears unless they receive a complaint from our employees, and we will not be penalized if we rectify such non-compliance within the prescribed period following a complaint; (ii) we had not been the subject of any administrative penalties for not making full payment of the social insurance and housing provident

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funds, or received any notice to pay the shortfall, by relevant social insurance and housing provident fund bureaus during the Track Record Period and up to the Latest Practicable Date; (iii) according to the compliance letters issued by the competent social insurance and housing provident fund authorities, during the Track Record Period and up to the Latest Practicable Date, such authorities did not impose administrative penalties on us for failure to make full social insurance or housing provident fund contributions; (iv) during the Track Record Period and up to the Latest Practicable Date, there were no material pending disputes or controversies between our employees and us in connection with labor and employment matters including in respect of social insurance and housing provident fund contributions; and (v) during the Track Record Period and up to the Latest Practicable Date, we had not received any material objections from any employees or authorities in relation to labor and employment, social insurance or housing provident funds.

Based on the above, our Directors are of the view that the abovementioned issues in relation to the contributions of social insurance and housing provident funds would not have a material adverse effect on our business, results of operations or financial condition and the possibility for any relevant competent authorities imposing administrative penalty or seeking recovery from us in relation to any outstanding social insurance and housing provident fund contributions incurred during the Track Record Period is remote. Consequently, we did not make any additional provisions for the underpaid social insurance contributions and housing fund contributions for each of the years/period comprising the Track Record Period.

### INSURANCE

We have purchased property insurance and cargo insurance in view of any potential loss arising from the logistics of our products. During the Track Record Period, we had not been the subject of any project liability claims. Our Directors consider our insurance policy as a whole is in line with the general market practice and complies with the relevant rules and regulations in China. As of the Latest Practicable Date, we had not made or suffered any significant insurance claims, and there had not been any material product liability claims against us.

Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our potential liability or losses.”

### LAND AND PROPERTIES

As of the Latest Practicable Date, we owned 16 properties in the PRC with an aggregate gross floor area of approximately 290,000 sq.m. These properties were used primarily as premises of production sites, office premises and staff dormitories. As of the Latest Practicable Date, we had obtained all ownership certificates for all properties we owned.

As of the Latest Practicable Date, we leased 32 properties in the PRC with an aggregate gross floor area of approximately 606,000 sq.m. primarily from third parties. These properties were used primarily as premises of offices, workshops, warehouses, staff dormitories, factories, and production and manufacturing sites. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from six months to 20 years.

As of the Latest Practicable Date, (i) we had no single property interest forming part of our property activities that had a carrying amount of 1% or more of our total assets and the aggregate carrying amount of all such property interest does not exceed 10%; and (ii) we had no single property interest forming part of our non-property activities that had a carrying amount of 15% or more of our

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total assets. Therefore, we did not need to prepare a valuation report with respect to our property interests in reliance upon the exemption provided by section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

### LICENSES, PERMITS AND CERTIFICATES

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations, and such licenses, approvals and permits remained in full force and effect. We are required to renew such certificates, permits and licenses from time to time, and we are continually overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

We believe that scientific and standardized operational management is a vital guarantee for sustainable corporate development. We have established a standardized ESG management system, refined our governance structure, and advanced integrity and compliance as well as data security protection. By integrating internal and external resources, our ESG management system has gradually enhanced the sustainability capabilities of various business segments. In daily operations, we value communication with all parties, identify key issues, and promptly monitor ESG-related risks and opportunities. We implement sustainable development requirements across all levels of corporate operations.

We have simultaneously established a comprehensive internal control and risk prevention system. By optimizing governance structures and strengthening internal controls, we rigorously ensure compliant operations and continuously enhance governance standards to safeguard the efficient functioning of our Group. Furthermore, we place great emphasis on the opinions and feedback of stakeholders, including government and regulatory agencies, shareholders and investors, customers, suppliers, employees, industry partners, community members and public media. Through continuous optimization of our diverse communication mechanisms, we are committed to ensuring that the concerns and expectations of all stakeholders are effectively integrated into our strategic decision-making and operational management.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations.

### ESG Management Framework

We have established a well-defined ESG governance framework. Internally, we have set up an ESG promotion center to build a three-dimensional management system covering decision-making, planning, and execution levels. Externally, we collaborate with ESG experts to provide professional technical guidance and support for ESG initiatives.

At the decision-making level, our general manager and management committee oversee decision-making and supervision of ESG-related matters. They regularly receive reports from the dedicated ESG task force, review ESG reports, significant ESG matters, key plans, and policies, and approve major ESG issues. The ESG promotion center has been established to manage key substantive topics, sets goals, and oversees implementation. It benchmarks against industry best practices and

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devises specialized ESG improvement plans. The ESG promotion center regularly reports to our general manager and management committee to ensure the effective implementation of sustainability strategies within our Company. At the execution level, our subsidiaries and departments are responsible for implementing ESG initiatives in alignment with their respective operational realities. They regularly report execution progress and outcomes to the ESG promotion center to ensure our sustainable development principles are integrated throughout all operational processes. Through this execution level, we strive to enhance employee awareness, foster full participation, and steadily advance ESG objectives through continuous improvement.

### ESG Risk Identification, Assessment, and Response Summary

We have updated our assessment methodology in line with the latest international disclosure standards and conducted a dual materiality assessment. This evaluation considers the financial impact due to ESG-related matters and the extensive economic, social, and environmental consequences of our operations on ESG.

Our ESG material issues span environmental, social and governance dimensions, under which we identify key risks and opportunities and implement corresponding measures:

- ***Environmental.*** Material environmental issues include production shutdowns and additional R&D and other operational costs and expenditure incurred when responding to climate changes, raising efficiency in energy management, and adhering to clean production. To resolve these issues, we identify climate risks and opportunities, analyze policy trends, assess the impact on our operations, establish emission reduction targets and key strategies. In particular, we improve resource management and recycling efficiency, participate in government-led energy conservation and emission reduction programs, transit to low-emission energy sources and enhance low-carbon brand image.
- ***Social.*** We face issues relating to employee training and development, occupational health and safety, employee rights protection, R&D innovation, supply chain management, product quality and customers relationship management. These issues may lead to a low production efficiency, work-related accidents and occupational diseases, weakened corporate reputation and less talent attraction, loss of R&D investment, increased operating costs, and shrinking market share. We actively implement measures to tackle these issues, including provision of diverse training programs, continuously strengthening occupational health and safety management system, establishing sound mechanisms of labor risk management and supply chain management, and improving product and service quality.
- ***Governance.*** Material governance issues consist of compliance and risk management, and business ethics matters. Primary risks include decline in corporate decision-making power and violation of business ethics, which may lead to regulatory penalties and reputation loss. To mitigate the impacts that may be caused by these issues, we seek to optimize our corporate governance structure, strengthen risk and internal control management, establish a code of conduct for employees and suppliers, and regularly conduct internal audits and provide training sessions on business ethics.

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### Environmental Indicators and Management

We integrate environmental management into operations, committing to sustainability and pollution prevention. We comply with regulations, conserve energy, reduce emissions, and established internal management standards, forming a comprehensive ESG management system. We uphold a strong sense of environmental responsibility and strictly comply with national laws and regulations.

To actively promote energy conservation and environmental protection and ensure green and sustainable corporate development, we have installed a solar photovoltaic system on the unused rooftop areas of our manufacturing base in Guangzhou. In 2025, this photovoltaic system cumulatively saved 1,220,757 kWh of electricity, equivalent to conserving 149.0 tons of standard coal. Moving forward, we will continue to increase investment and steadily expand the coverage of photovoltaic systems to support the construction of green, low-carbon manufacturing bases and drive the industry’s green transformation.

### Waste and Emission Management

Our key waste and emissions mainly include solid waste, wastewater, and exhaust gases:

- **Solid Waste:** We primarily generate hazardous, non-hazardous, and domestic waste in our daily business operations. We maintain a solid waste ledger to record key information regarding the produced solid waste. Our solid waste is disposed by a qualified third party in strict accordance with environment protection requirements;
- **Wastewater:** We generate domestic sewage and industrial wastewater from our production bases. To reduce wastewater and pollutant emissions, we adopt a two-pronged approach, including (i) the development of advanced wastewater treatment technologies and installation of specialized treatment systems, aiming for a 100% reuse rate; and (ii) the strengthening of daily supervision, requiring each production facility to undergo at least one annual wastewater discharge monitoring assessment conducted by an external agency, ensuring continuous tracking of the application status and effectiveness of wastewater treatment technologies and facilities; and
- **Exhaust Gases:** We conduct annual environmental monitoring and inspections at our production facilities to ensure compliance with emission standards for air pollutants such as nitrogen oxides, sulfur oxides, and particulate matter. Through implementing measures such as retrofitting activated carbon adsorption systems for volatile organic compounds and promoting electric forklifts, we have effectively reduced exhaust pollutant emissions during production operations.

The following table sets forth the emission data for solid waste, wastewater and exhaust gases generated by us during the Track Record Period:

| Classification                | Unit | Year Ended December 31, |         |         | Five months ended May 31, |
|-------------------------------|------|-------------------------|---------|---------|---------------------------|
|                               |      | 2023                    | 2024    | 2025    | 2026                      |
| <b>Solid waste</b>            |      |                         |         |         |                           |
| Non-hazardous waste . . . . . | ton  | 1,819.4                 | 3,180.1 | 3,860.0 | 1,082.0                   |
| Hazardous waste . . . . .     | ton  | 76.4                    | 155.6   | 157.4   | 58.0                      |
| Domestic waste . . . . .      | ton  | 444.8                   | 1,543.1 | 1,199.0 | 410.8                     |

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|                                                             |                                        | Year Ended December 31, |           |           | Five months ended May 31, |
|-------------------------------------------------------------|----------------------------------------|-------------------------|-----------|-----------|---------------------------|
| Classification                                              | Unit                                   | 2023                    | 2024      | 2025      | 2026                      |
| <b>Wastewater</b>                                           |                                        |                         |           |           |                           |
| Domestic sewage . . . . .                                   | ton                                    | 380,808                 | 559,620   | 558,540   | 192,839                   |
| Industrial wastewater . . . . .                             | ton                                    | 711,402                 | 1,434,949 | 1,292,022 | 602,449                   |
| <b>Exhaust gas</b>                                          |                                        |                         |           |           |                           |
| Greenhouse gas emissions                                    |                                        |                         |           |           |                           |
| • Scope 1 . . . . .                                         | tCO <sub>2</sub> e                     | 6,061.7                 | 7,720.5   | 6,605.9   | 3,347.0                   |
| • Intensity of scope 1 emissions. . . .                     | tCO <sub>2</sub> e/million RMB revenue | 0.4                     | 0.3       | 0.2       | 0.2                       |
| • Scope 2 (location-based) . . . . .                        | tCO <sub>2</sub> e                     | 86,288.3                | 127,232.1 | 151,947.4 | 66,751.0                  |
| • Intensity of scope 2 (location-based) emissions . . . . . | tCO <sub>2</sub> e/million RMB revenue | 5.7                     | 4.6       | 4.4       | 4.1                       |
| • Scope 2 (market-based) . . . . .                          | tCO <sub>2</sub> e                     | 53,345.9                | 57,662.7  | 43,627.4  | 24,762.6                  |
| • Intensity of scope 2 (market-based) emissions . . . . .   | tCO <sub>2</sub> e/million RMB revenue | 3.5                     | 2.1       | 1.3       | 1.5                       |

We actively respond to climate change by deeply integrating energy conservation, emission reduction, and environmental goals into our operations and production processes. We formulate strategic initiatives in alignment with our development trajectory. We enhance energy efficiency and reduce water waste through innovative measures such as combining energy management with smart park development and advancing the construction of the Internet of Energy smart energy management platform, while advancing material recycling and reuse. We rigorously manage solid waste, wastewater, and exhaust gas emissions to minimize the environmental footprint of our production. Simultaneously, we promote cleaner production by adopting advanced technologies to increase the use of recycled materials and reduce hazardous chemicals, achieving a virtuous cycle between economic growth and environmental protection — a holistic commitment to green development.

We place high emphasis on greenhouse gas reduction efforts and regard them as a core strategic task. By establishing a sophisticated intelligent energy management system, advancing energy-efficient equipment upgrades, and expanding the application of clean energy, we have effectively reduced carbon emission intensity and steadily advanced our low-carbon development process. As a part of our ESG initiatives, we are committed to the continuous reduction of emissions. By 2033, we aim to reduce absolute scope 1 and 2 GHG emissions by approximately 54.6% of CO<sub>2</sub>, compared to 2023 levels.

### Resource Consumption

The following table sets forth our total energy and water consumption during the Track Record Period:

| Resource classification                | Unit                    | Year Ended December 31, |           |           | Five months ended May 31, |
|----------------------------------------|-------------------------|-------------------------|-----------|-----------|---------------------------|
|                                        |                         | 2023                    | 2024      | 2025      | 2026                      |
| Total energy consumption . . . . .     | MWh                     | 234,999                 | 330,152   | 329,377   | 148,070                   |
| Intensity of energy consumption . . .  | MWh/million RMB revenue | 15.4                    | 11.8      | 9.5       | 9.0                       |
| Total water consumption . . . . .      | ton                     | 1,300,370               | 1,999,600 | 2,157,197 | 910,436                   |
| Intensity of water consumption . . . . | ton/million RMB revenue | 85.2                    | 71.6      | 62.1      | 55.3                      |

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In terms of energy consumption, we regularly advance workshop energy-saving retrofit projects to thoroughly explore energy-saving potential within production processes. By recovering and utilizing waste heat, we have implemented a dedicated energy-saving retrofit project for the central air conditioning water-cooled units. We actively adopt advanced equipment to reduce energy consumption and promote green production.

In terms of water consumption, we are committed to building a water-efficient enterprise and contributing to water resource conservation. We are working toward our goals by enhancing water conservation awareness, fostering company-wide participation, rigorously maintaining facilities to eliminate waste, optimizing irrigation through precise water control, and promoting water recycling to maximize resource value. We continuously explore innovative water recycling technologies and methods to increase wastewater reuse rates, gradually progressing toward a zero-wastewater discharge goal.

Taking 2024 as the baseline year, we target to reduce our energy and water consumption per unit of output by 10% over the next three years.

### *Climate Change*

We place high importance on climate-related risks and opportunities across our upstream and downstream supply chain and in our own operations. From four core dimensions, from governance structure, strategic planning, risk management to target and indicator setting, we have established a systematic response framework. With a firm belief in sustainable development, we actively respond to global climate initiatives, set ambitious carbon reduction targets, and implement them. While vigorously investing in our own energy-saving and emission-reduction efforts, we also support our supply chain partners in moving toward a green and low-carbon future.

### *Governance*

We have established a carbon neutrality task force led by senior management, coordinated by the ESG promotion center, and supported by close collaboration across various departments. This team is fully responsible for planning, executing, and overseeing climate-related initiatives to ensure steady progress toward our goals.

In particular, our general manager is responsible to oversee sustainability-related matters, manage the identification, analysis, and control of climate risks, supervise the implementation of climate-related work across departments, and regularly report progress to senior management. Our ESG promotion center, environment, health & safety department, and factory affairs department work together to implement carbon management and specific carbon reduction tasks. They develop plans, drive projects, and monitor data to ensure the achievement of carbon reduction targets.

### *Strategy*

We closely align with business realities, conduct in-depth analysis of relevant policies and regulations, and maintain precise awareness of the dynamic shifts in climate-related risks and opportunities. We actively promote low-carbon initiatives such as energy-saving retrofits, rooftop solar power generation, and direct procurement of green electricity, while developing science-based emission reduction targets in line with the SBTi framework. Moving forward, we will continue conducting greenhouse gas inventories across our supply chain, implement diverse measures to advance the low-carbon transformation of our energy structure, and fully support the achievement of carbon neutrality goals.

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To address climate change more effectively, we have identified the following potential risks and opportunities, which are categorized as physical risks and transition risks. We understand the importance and future development trend of various climate-related risks and opportunities in the macroenvironment. We assess the impact of climate change-related risks and opportunities on our business, strategy, and financial planning over time and under different scenarios through qualitative climate scenario analysis.

### *Risk Management*

We keenly identify and assess climate change physical and transition risks, and proactively seek hidden development opportunities. Each risk management department conducts regular comprehensive reviews and screenings, employing scientific methods to assess current and potential climate-related risks. Feasible response measures are formulated based on different risk types. The management team prioritizes high-priority and urgent risks to ensure the efficient operation of climate change risk management.

### **Social Indicators and Management**

We are committed to corporate social responsibility by fostering positive social impact through promoting occupational safety, employee development, sustainable supply chain management, consumer rights protection, and social welfare initiatives.

### *Employment Management Governance*

We adhere to the principles of compliance, transparency, fairness, equality, and respect throughout our recruitment process. We provide equal employment opportunities for all types of talents and have established a comprehensive management system that supports employees throughout their entire career lifecycle, helping them achieve their personal values. In particular, we have established sustainable labor management practices, including the procedures for identifying, assessing, and controlling labor ethics risks and the social responsibility risk monitoring measures. Concurrently, we have developed a labor management mechanism based on the “Identify-Assess-Monitor-Control” framework. Through regular monitoring of social responsibility fulfillment, we ensure the effective operation of our social responsibility management system and formulate corresponding control measures accordingly. We also provide comprehensive training opportunities to our employees. For details, see “— Employees.”

We are committed to fostering a culture of friendliness, mutual support, equality, and care. We firmly oppose any form of discrimination and strive to create an open and inclusive workplace. During the Track Record Period and up to the Latest Practicable Date, we did not experience any incident involving violations of freedom of association, collective bargaining rights, forced labor, illegal servitude, child labor, or any form of discrimination.

The following table sets forth the total workforce by gender of our Group as of May 31, 2026:

|                        | Number of<br>employees | Percentage (%) |
|------------------------|------------------------|----------------|
| Male . . . . .         | 9,393                  | 64.3           |
| Female . . . . .       | 5,216                  | 35.7           |
| <b>Total . . . . .</b> | <b>14,609</b>          | <b>100.0</b>   |

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The following table sets forth the total workforce by age group of our Group as of May 31, 2026:

|                        | Number of employees | Percentage (%) |
|------------------------|---------------------|----------------|
| 29 and below . . . . . | 6,937               | 47.5           |
| 30 to 49 . . . . .     | 7,472               | 51.1           |
| 50 and above . . . . . | 200                 | 1.4            |
| <b>Total . . . . .</b> | <b>14,609</b>       | <b>100.0</b>   |

The following table sets forth the total workforce by regional distribution of our Group as of May 31, 2026:

|                                                            | Number of employees | Percentage (%) |
|------------------------------------------------------------|---------------------|----------------|
| Chinese Mainland . . . . .                                 | 14,096              | 96.5           |
| Hong Kong, Macau and Taiwan . . . . .                      | 23                  | 0.2            |
| Overseas (excluding Hong Kong, Macau and Taiwan) . . . . . | 490                 | 3.4            |
| <b>Total . . . . .</b>                                     | <b>14,609</b>       | <b>100.0</b>   |

### *Occupational Health and Safety*

We have established a comprehensive EHS management system and formed an EHS management committee. We have also built an ISO 45001 occupational health and safety management system, strictly adhering to laws and regulations related to working conditions. Committed to creating a safe and healthy production and living environment for our employees, we maintain comprehensive fire protection facilities and implement a series of protective measures to prevent employee injuries or exposure to hazardous working conditions. We provide regular safety and health training, supply appropriate personal protective equipment, and station personnel with first-aid certification in each production facility. In the event of incidents threatening occupational health and safety, these first-aiders can promptly provide medical assistance to employees.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health and safety regulations.

### *Supply Chain Management*

We ensure a sustainable supply chain through strict supplier selection, performance evaluation, and dynamic management. We have established a transparent and efficient system to rigorously implement responsible mineral sourcing practices, driving the green transformation of our supply chain. This enables us to build long-term, stable partnerships with suppliers and customers, jointly advancing sustainable development. In particular, we conduct on-site audits of suppliers and provide training to continuously enhance their corporate social responsibility management capabilities.

### *Product Responsibility*

We implement our quality management system throughout R&D, production, and service delivery, ensuring every product meets stringent environmental and reliability standards. Through deepening our quality management framework, our manufacturing bases have successfully obtained multiple authoritative product quality certifications from ISO 9001 international quality management

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certification to industry-specific quality standards. Through rigorous control and continuous improvement, we consistently enhance product quality throughout the entire product lifecycle, from research and development to manufacturing and quality inspection. This approach earns customer trust and market recognition, demonstrating our outstanding practices and unwavering commitment in quality management.

### *Public Welfare and Charity*

We are committed to community welfare and actively assume social responsibilities while focusing on business development, fostering a responsible corporate image for sustainable growth. For example, we established a volunteer association to regularly organize community service activities, such as visiting seniors living alone, providing financial assistance to underprivileged students, and conducting litter cleanup events. We have also launched an internship program in collaboration with various universities, offering practical experience opportunities to help students better prepare before formally entering the workforce.

### *Anti-corruption and Whistleblowing Measures*

#### *Anti-corruption*

We strictly adhere to anti-corruption and anti-bribery laws and regulations, requiring all employees to uphold ethical integrity and adhere to fair trade standard. We actively provide comprehensive business ethics training programs for our employees and suppliers, to foster an organizational integrity culture. We publicly promote complaint and reporting channels through our office automation system, official WeChat account and integrity-related training materials to ensure every employee and business partner is aware of our reporting channels. We promptly address reported matters and implement measures to close management loopholes.

#### *Whistleblowing Measures*

Our human resources department has designated dedicated personnel to receive, handle, and follow up on complaints involving corruption and bribery. Individuals providing effective reporting leads will be rewarded according to our whistleblower reward standards. We encourage employees, business partners, and the public to report illegal or non-compliant activities, working together to build an honest and ethical business environment. We have established a comprehensive whistleblower protection mechanism and strictly adhere to confidentiality principles. All investigations are conducted anonymously, and we will not disclose the identity of the whistleblower or the content of the report without their written consent.

## LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any material pending or threatened legal, arbitral or administrative proceedings against us. To the best knowledge of our Directors, our business operations had been carried out in compliance with applicable laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

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See “— Employees — Social Insurance and Housing Provident Fund Contributions” in this section for a description of certain legal matters relating to our compliance with PRC employment related laws and regulations which we consider would not have a material adverse effect on our business, financial condition, or results of operations. We are of the view that we have in place adequate internal control measures to ensure ongoing compliance with applicable laws and regulations.

### **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 at all times. We maintain internal manuals setting 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, such as financial reporting, compliance and anti-bribery and kick-back.

Our Board of Directors and our general manager 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.

#### **Financial Reporting Risk Management**

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department personnel to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

#### **Compliance Risk Management**

In order to effectively manage our compliance and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the applicable rules and regulations. In accordance with these procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our customers, suppliers and other relevant parties. Our legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations of business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

Our in-house legal department is responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities, within the prescribed regulatory timelines. We continuously improve our internal policies according to changes in laws, regulations and industry standards, and update internal templates for legal documents. We undertake compliance management over various aspects of our operations and employee activities. We have also established an accountability system in respect of employees’ violations of laws, regulations and internal policies. In addition, we continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

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### **Anti-bribery and Kick-back Risk Management**

In terms of anti-bribery and kick-back prevention, we have implemented a series of policies and internal control measures against bribery and kick-back, which set forth procedures for implementing relevant anti-bribery procedures and setting out anti-bribery responsibilities for relevant personnel. We strictly prohibit bribery or other improper payments in any of our business operations according to our anti-bribery and kick-back prevention policies. Improper payments prohibited by such policies include bribes, kickbacks, falsification and alteration of accounting and business documents, or any other payment made or offered to obtain an undue business advantage. Moreover, we keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. Payment made in violation of the anti-bribery and kick-back prevention policies is strictly prohibited. We maintain a specialized discipline team to be responsible for investigating the reported incidents and taking appropriate measures as necessary. We provide employees with adequate communication channels, establish whistleblower policy and encourage employees to take the initiative to seek guidance from us regarding the implementation of anti-bribery policies. During such investigations, our specialized discipline team complies with relevant laws and anti-bribery policies and provides written feedback as necessary.