
SUMMARY

This summary aims to give you an overview of the information contained in this Document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this Document. You should read the entire Document before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the H Shares are set out in “Risk Factors” in this Document. You should read that section carefully before you decide to invest in the H Shares.

OVERVIEW

Our Mission

Strive to provide customers with satisfactory technologies, products and services, and continue to create value for shareholders.

Our Vision

To lead industry trends through technological innovation and forge a global leading smart manufacturing enterprise.

Who We Are

We are an industry-leading integrated one-stop precision manufacturing solution provider. We are focused on technological innovation and empowered by smart manufacturing. In terms of revenue in 2024, we are a global leading player in precision structural parts and modules integrated solutions for both consumer electronics and smart vehicles interaction systems. We have accumulated strong expertise and capabilities in consumer electronics and smart vehicles, with robust and comprehensive platform-based capabilities that include talent, technology, supply and smart manufacturing. This empowers us to expand into new business areas and seize future growth opportunities, and lays the foundation for being one of the first companies in the industry to undertake large-scale production of key components and complete device assembly for humanoid robots and AI glasses/XR head-mount displays.

SUMMARY

The following are our business highlights:

Pioneering contributions	Consumer electronics	Smart vehicles	Financial performance
<p>Screen sectors First in the industry to apply glass, sapphire and ceramics to smartphones, computers and smart wearables¹</p> <p>Critical core components for humanoid robots and AI glasses One of the first companies to undertake mass production and complete device assembly¹</p> <p>Automated equipment and industrial robots One of the first companies in the industry to apply automated equipment and industrial robots and establish a systematic smart manufacturing system¹</p>	<p>Top ranking In the global consumer electronics precision structural parts and modules integrated solutions industry²</p> <p>The world's first touch-enabled smartphones with full-sized screen Cover glass core supplier</p> <p>Cutting-edge layout and technological strength Optical waveguide, glass substrate made from laser technology, UTG, VTG and hinges for foldable screens</p>	<p>Top ranking In the global smart vehicle interaction systems integrated solutions industry²</p> <p>The world's first premium smart electric vehicle Central control screens and intelligent B-pillars supplier</p> <p>Serving the largest number of vehicle brands Established partnerships with over 30 vehicle brands</p>	<p>RMB69.9 billion, with a year-on-year growth of 28.3% Total annual revenue for 2024</p> <p>RMB3.7 billion, with a year-on-year growth of 20.9% Total net profit for 2024</p> <p>RMB7.5 billion, with a dividend payout ratio of 36.8% Cumulative dividend payout from 2015 to 2024</p>
Smart manufacturing	Quality control	R&D	
<p>Integrated one-stop precision manufacturing platform Achieving full industry value chain vertical integration for smart devices</p> <p>Industry-first single-piece flow production Integrate multiple processes into a continuous production line spanning hundreds of meters, enabling a seamless and efficient production flow for final product delivery</p> <p>Factory layout based on the concept of independent operating units The factory layout is designed to tailor production process to specific products, ensuring operational efficiency and financial accountability by functioning as an independent operating unit</p>	<p>Full material coverage Customized solution covering a wide range of materials, including glass, metal, sapphire, ceramic, plastic, leather, silicon, glass fiber, carbon fiber and more</p> <p>IoT and smart systems Through the development of IoT, we have largely achieved interconnectivity within the production system, with Key manufacturing processes fully automated and intelligent</p> <p>National Quality Benchmark and Industrial Internet Pilot, Excellence-level Smart Factory Recognized by the MIIT (2022, 2025)</p>	<p>Pioneering the industry with AOI Successfully implementing deep learning, large models, and AOI in smartphones, computers and smart wearables</p> <p>Operating 4 CNAS certified testing centers Significantly enhancing the accuracy and credibility of testing and analysis results</p> <p>Achieved multiple international management systems certifications Including ISO 9001:2015 Quality Certification, IECQ Certificate of Conformity and IATF 16949, among others</p>	<p>2,249³ Authorized patents covering multiple fields such as processing technology, product testing, equipment development, new materials, and industrial internet</p> <p>More than RMB18 billion Cumulative R&D investment from 2015 to 2024</p> <p>6,000+ units/year Proprietary R&D and manufacturing capability for large-scale automated equipment</p>

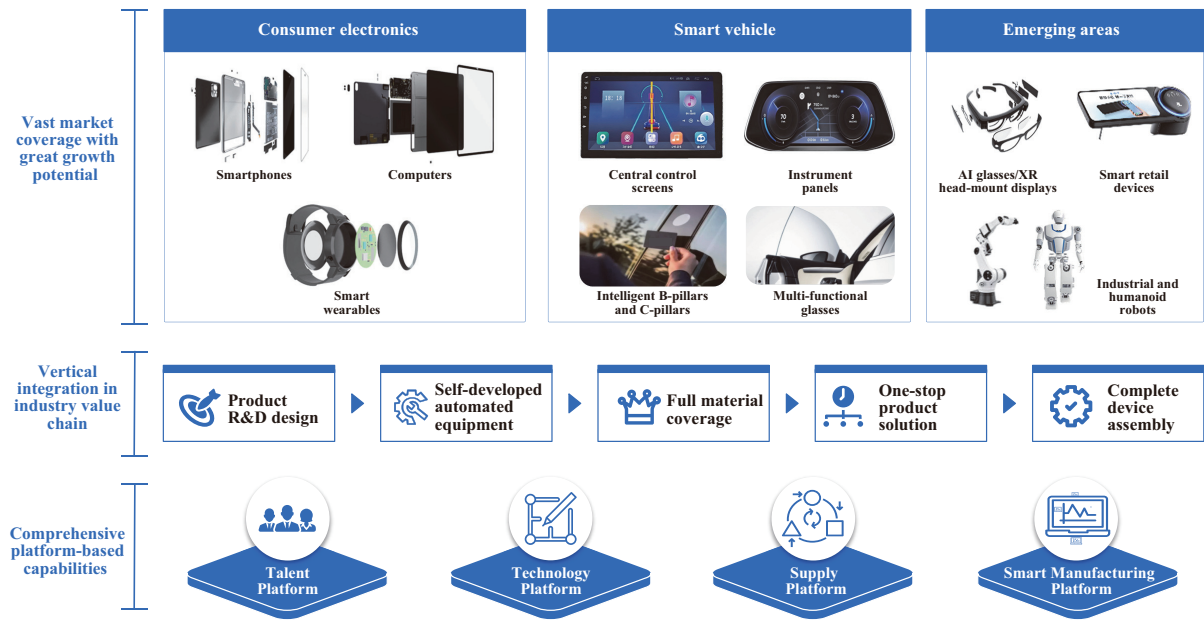
Note 1: Source from the Frost & Sullivan Report;

Note 2: In terms of revenue in 2024;

Note 3: As of December 31, 2024

Since the 2000s, led by our Chairman, Ms. Chau, we have pioneered the development and application of new materials such as glass, sapphire and ceramics in consumer electronics under the guidance of our “four new” strategy — new materials, new technologies, new equipment and new fields. In 2007, we were the first in the industry to apply glass to the world’s first touch-enabled smartphone with full-sized screen, establishing the mainstream technology for functional panels on smart devices. To date, through our accumulated expertise in materials science — including glass, metal, sapphire, ceramics, plastics, leather, glass fiber and carbon fiber — we have achieved full vertical integration along the smart devices industry value chain. This spans from raw materials and structural part production to functional module lamination and complete device assembly. We have established long-term strategic relationships with global leading brands in consumer electronics and smart vehicles and are deeply involved in the development and production of their products two to three years ahead of the product launches. In addition, we proactively expand into broad and high-growth-potential areas and extend horizontally into diversified markets such as smart retail devices, industrial applications, humanoid robots and AI glasses/XR head-mount displays, creating a multi-faceted presence in various emerging markets.

SUMMARY



Our Solutions

Consumer Electronics: We provide various structural parts and functional modules including cover glass, metal mid-frames, touch modules, display modules, thermal modules, antenna modules, biometric recognition modules and wireless charging modules as well as complete device assembly for consumer electronics such as smartphones, computers and smart wearables. Our customized solutions cover a variety of materials, including glass, metal, sapphire, ceramics, plastics, leather, silicone, glass fiber and carbon fiber.

Smart Vehicle: We develop and produce a wide range of automotive electronics products and structural parts for the smart cockpit. We offer innovative solutions to customers, including glass and components for automotive electronics such as central control screens and instrument panels, intelligent B-pillars and C-pillars and multi-functional glasses for side windows, windshields and sunroofs.

Other Emerging Smart Devices Markets: We have expanded into various markets, including humanoid robots, AI glasses/XR head-mount displays and smart retail devices. We collaborate with leading humanoid robot companies, providing mass production of core components and complete device assembly. In the AI glasses/XR head-mount displays market, we offer a full-chain service covering functional modules and complete device assembly. In addition, we have also jointly launched “Tap to Pay” smart retail devices with a leading company in the third-party payment industry.

Our Platform-Based Capabilities

We possess robust and comprehensive platform-based capabilities, encompassing talent, technology, supply and smart manufacturing. As for the talent platform, we have cultivated a large number of R&D experts who combine theoretical innovation with excellent craftsmanship and

SUMMARY

practical skills. Moreover, we are capable of quickly assembling teams across various areas and industries to meet our evolving business requirements. Our technology platform embodies the ability to transfer technologies across different areas, leveraging proven technologies in mature areas to empower new end uses. Our supply platform is built upon the capability to produce raw materials ourselves and have access to abundant upstream resources, which enable the rapid mass production of a wide range of products and the efficient fulfillment of customers’ diverse requirements. Our smart manufacturing platform stems from years of accumulated experience in equipment development which enables us to make adjustments based on the modules and designs of existing equipment and efficiently develop production lines for new products.

Vertical Integration

Our business operations cover everything from production of raw materials and structural part production such as cover glass and metal mid-frames, to functional module lamination such as display modules, fingerprint modules, camera modules and wireless charging modules, as well as complete device assembly of smart devices. We have achieved comprehensive coverage of raw materials through technical capabilities for a variety of functional materials. More specifically, we are one of the few solution providers in the global consumer electronics supply chain with advanced processing capabilities in both glass and metal. We offer our customers vertically integrated one-stop solutions, covering everything from design to mass production.

Global Footprint

We have nine production and R&D centers both domestically and internationally, including a production center in Southeast Asia and overseas offices in Hong Kong, the United States, Japan and South Korea, ensuring extensive coverage of domestic and international markets. By strategically positioning ourselves close to our customers, we optimize supply chains and logistics costs, enabling us to respond quickly to customer demands.

RESEARCH AND DEVELOPMENT

Given the highly customized nature of our solutions, our product R&D are primarily done in cooperation with our customers for specific projects according to the customers’ customization requirements and end product designs. Our customers usually approach us at the beginning of the product development cycle of the end products, and we work with them closely to design and develop customized structural parts or functional modules pursuant to their specifications and the design of the end products in which the structural parts and functional modules will be used.

In addition to the research and development of specific projects and products, we also undertake innovative R&D initiatives that focus on new materials, new technologies, new equipment and new fields. Our innovative R&D has resulted in various technological breakthroughs and upgrades that enabled the continuous iteration and advancement of consumer electronics, such as CNC processing for glass, ion-exchange strengthened glass, coating techniques, high-adhesion ultra-thin ink, polishing techniques, spraying techniques and yellow-light processing.

SUMMARY

OUR CUSTOMERS AND SUPPLIERS

Our customers are mainly global brands in the consumer electronics and smart vehicles industries.

During the Track Record Period, we did not engage any distributors, and all our products and services were sold or provided by us to our customers directly. We intend to continue to engage in direct sales only without the use of distributors given the nature of our long-term strategic relationships with our customers.

In 2022, 2023 and 2024, sales to our five largest customers amounted to RMB38,878.3 million, RMB45,282.2 million and RMB56,707.4 million, accounting for 83.3%, 83.1% and 81.1% of our total revenue in the respective periods. In 2022, 2023 and 2024, sales to our largest customer amounted to RMB33,136.2 million, RMB31,512.3 million and RMB34,566.5 million, accounting for 71.0%, 57.8% and 49.5% of our total revenue in the respective periods.

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

In 2022, 2023 and 2024, purchases from our five largest suppliers amounted to RMB9,033.5 million, RMB17,224.6 million and RMB26,064.7 million, accounting for 23.7%, 37.4% and 43.6% of our total cost of sales in the respective periods. In 2022, 2023 and 2024, purchases from our largest supplier amounted to RMB6,198.4 million, RMB7,665.7 million and RMB14,372.7 million, accounting for 16.2%, 16.7% and 24.1% of our total cost of sales in the respective periods.

PRODUCTION AND MANUFACTURING

We produce all our products ourselves in our nine production centers to ensure that we consistently deliver high-quality products on time to meet our customers’ demands. As of December 31, 2024, we had nine production centers located in China, Vietnam and Mexico.

Technology is the core of our competitiveness in production. We have integrated smart manufacturing into various aspects of our production, significantly improving our production efficiency and product yields. We were one of the earliest companies to develop and implement automated equipment and industrial robots in production processes, which significantly increases efficiency, precision and consistency in production. We have also implemented an intelligent warehousing system that helped to improve our warehousing, logistics and inventory management capabilities. Furthermore, we have been developing industrial robots for our production centers. For example, the four-axis, six-axis, parallel robots, humanoid robots, AOI visual inspection robots, AGV tuggers developed and manufactured by us not only outperforms conventional equipment in the market in terms of overall performance, efficiency, degree of automation, energy consumption and cost, but also ensures high product quality and consistency.

As a result of our advanced technologies and equipment, during the Track Record Period, the yield rates for our products and complete device assembly were well above the industry average.

SUMMARY

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and will continue to drive our future growth:

- Global leader in integrated one-stop precision manufacturing, with leading positions across multiple industries
- Focused on technological innovation and committed to research and development, we drive the evolution of advanced materials and technology
- Long-term strategic collaborations with global leading customers to lead and pioneer developments within the industry
- Comprehensive platform-based strategy and vertical integration along the full industry value chain to identify and capture market opportunities
- Industry-first automated smart manufacturing equipment and highly advanced data-driven manufacturing system
- Visionary founder and experienced senior management team that guided our rise to a global leadership in smart manufacturing

OUR STRATEGIES

We will pursue the following strategies to drive further growth:

- Expand our global footprint through strategic expansion and optimization of production capacity
- Enrich product and service portfolio to meet diversified customer needs
- Continue to enhance of our smart manufacturing system to improve production efficiency and promote green manufacturing
- Further invest in research and development to solidify our technological leadership
- Facilitate growth through potential industry value chain integration and strategic acquisitions

COMPETITION

We operate in a highly competitive market, and we compete with other providers in the global precision manufacturing industry. Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technology, production capacity, regulatory changes and general economic conditions.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Results Of Operations

	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Revenue						
Contracts with customers . . .	46,603,225	99.8%	54,346,061	99.8%	69,756,758	99.8%
Leases	95,321	0.2%	126,673	0.2%	140,018	0.2%
Total revenue	46,698,546	100.0%	54,490,734	100.0%	69,896,776	100.0%
Cost of sales	(38,151,630)	(81.7%)	(45,998,870)	(84.4%)	(59,713,283)	(85.4%)
Gross profit	8,546,916	18.3%	8,491,864	15.6%	10,183,493	14.6%
Other income	678,576	1.5%	1,017,209	1.9%	567,024	0.8%
Impairment losses under expected credit loss (“ECL”) model, net of reversal	43,962	0.1%	1,259	0.0%	(33,859)	0.0%
Other gains and losses	321,012	0.7%	218,657	0.4%	384,380	0.5%
Selling expenses	(708,849)	(1.5%)	(674,057)	(1.2%)	(705,599)	(1.0%)
Administrative expenses	(3,239,490)	(6.9%)	(2,910,299)	(5.3%)	(3,368,955)	(4.8%)
Research and development expenses	(2,104,976)	(4.5%)	(2,316,619)	(4.3%)	(2,784,813)	(4.0%)
Other expenses	(10,032)	0.0%	(6,848)	0.0%	(8,216)	0.0%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share of results of investments accounted for using the equity method . .	3,987	0.0%	(57,291)	(0.1%)	3,899	0.0%
Finance costs	(616,216)	(1.3%)	(509,986)	(0.9%)	(388,438)	(0.6%)
Profit before tax	2,914,890	6.2%	3,253,889	6.0%	3,848,916	5.5%
Income tax expense	(395,069)	(0.8%)	(212,062)	(0.4%)	(172,061)	(0.2%)
Profit for the year	2,519,821	5.4%	3,041,827	5.6%	3,676,855	5.3%
Profit for the year attributable to:						
Owners of the Company	2,448,037	5.2%	3,021,342	5.5%	3,623,901	5.2%
Non-controlling interests	71,784	0.2%	20,485	0.0%	52,954	0.1%

SUMMARY

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit/(loss) for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit/(loss) for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit/(loss) for the year/period (a non-IFRS measure) as profit/(loss) for the year/period adjusted for share-based compensations (a non-cash item). We define adjusted net margin (a non-IFRS measure) as adjusted profit/(loss) for the year/period (a non-IFRS measure) as a percentage of our total revenue.

	<u>2022</u>	<u>2023</u>	<u>2024</u>
	(in RMB thousands)		
Profit for the year/period	2,519,821	3,041,827	3,676,855
Add:			
Share-based compensation	—	54,260	161,375
Adjusted profit/(loss) for the year/ period (a non- IFRS measure)	2,519,821	3,096,087	3,838,230
Adjusted net margin (a non-IFRS measure)	5.4%	5.7%	5.5%

In 2024, we recorded an adjusted profit for the period (a non-IFRS measure) of RMB3,838.2 million and an adjusted net margin (a non-IFRS measure) of 5.5%, as compared with an adjusted profit for the period (a non-IFRS measure) of RMB3,096.1 million and an adjusted net margin (a non-IFRS measure) of 5.7% in 2023, primarily due to growth in our smartphones and computers related revenue.

See “Financial Information — Non-IFRS Measure.”

SUMMARY

Revenue

During the Track Record Period, we mainly generated revenue from the provision of precision manufacturing solutions for a wide variety of end uses, including smartphones and computers, smart vehicles and cockpits, intelligent head-mounted displays and smart wearables and other smart devices. These solutions include structural parts, functional modules and complete device assembly.

By product end use

	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)						
Smartphones and computers						
Structural parts and functional modules	37,710,398	80.7%	36,868,430	67.7%	43,234,267	61.9%
Complete device assembly . . .	503,413	1.1%	8,032,202	14.7%	14,519,902	20.8%
Subtotal	38,213,811	81.8%	44,900,632	82.4%	57,754,169	82.6%
Smart vehicles and cockpits . . .	3,583,820	7.7%	4,998,464	9.2%	5,934,795	8.5%
Intelligent head-mounted displays and smart wearables .	3,538,691	7.6%	3,103,753	5.7%	3,488,408	5.0%
Other smart devices	171,817	0.4%	164,872	0.3%	1,408,378	2.0%
Others ¹	1,190,407	2.5%	1,323,013	2.4%	1,311,026	1.9%
Total	<u>46,698,546</u>	<u>100%</u>	<u>54,490,734</u>	<u>100%</u>	<u>69,896,776</u>	<u>100%</u>

Note:

1 Others mainly include revenue generated from sales of scraps and materials, processing fee and leases.

Our revenue increased by 16.7% from RMB46,698.5 million in 2022 to RMB54,490.7 million in 2023, and further increased by 28.3% to RMB69,896.8 million in 2024, primarily due to an increase in smartphones and computers related revenue, and we expect this to continue to be a major contributor to our total revenue going forward.

SUMMARY

Gross profit and gross profit margin

	2022		2023		2024	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	(in RMB thousands, except for percentages)					
Smartphones and computers						
Structural parts and functional modules	6,554,143	17.4%	6,338,393	17.2%	7,767,219	18.0%
Complete device assembly . .	(8,222)	(1.6%)	207,245	2.6%	183,251	1.3%
Subtotal	6,545,921	17.1%	6,545,638	14.6%	7,950,470	13.8%
Smart vehicles and cockpits . .	698,364	19.5%	734,791	14.7%	518,202	8.7%
Intelligent head-mounted displays and smart wearables	559,927	15.8%	433,417	14.0%	636,531	18.2%
Other smart devices	20,290	11.8%	10,781	6.5%	270,069	19.2%
Others	722,415	60.7%	767,236	58.0%	808,221	61.6%
Total/Overall	<u>8,546,916</u>	<u>18.3%</u>	<u>8,491,864</u>	<u>15.6%</u>	<u>10,183,493</u>	<u>14.6%</u>

Our gross profit decreased by 0.6% from RMB8,546.9 million in 2022 to RMB8,491.9 million in 2023, primarily due to a decrease in our intelligent head-mounted displays and smart wearables related gross profit. Our gross profit increased by 19.9% from RMB8,491.9 million in 2023 to RMB10,183.5 million in 2024, primarily due to an increase in smartphones and computers related gross profit. Our gross margin decreased from 18.3% in 2022 to 15.6% in 2023, and further decreased to 14.6%, primarily due to an increase in revenue contribution from complete device assembly and a decrease in our smart vehicles and cockpits related gross margin.

See “Financial Information — Year-on-Year Comparison of Results of Operations.”

Profit for the year

Our profit for the year increased by 20.7% from RMB2,519.8 million in 2023 to 3,041.8 million in 2024, and further increased by 20.9% to RMB3,676.9 million in 2024.

SUMMARY

Summary of consolidated statements of financial position

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Total non-current assets	49,734,453	49,389,065	50,243,266
Total current assets	28,611,319	28,080,676	30,772,781
Total assets	78,345,772	77,469,741	81,016,047
Total non-current liabilities	11,797,468	11,891,798	9,104,976
Total current liabilities	22,167,061	19,056,316	23,065,161
Total liabilities	33,964,529	30,948,114	32,170,137
Net current assets	6,444,258	9,024,360	7,707,620
Equity			
Share capital	4,973,480	4,983,228	4,982,879
Reserves	39,198,513	41,355,757	43,673,762
Equity attributable to owners of the Company . .	44,171,993	46,338,985	48,656,641
Non-controlling interests	209,250	182,642	189,269
Total equity	44,381,243	46,521,627	48,845,910

Our net current assets increased from RMB6,444.3 million as of December 31, 2022 to RMB9,024.4 million as of December 31, 2023, primarily due to an increase in trade and bills receivables and prepayments and other receivables, and a decrease in borrowings.

Our net current assets decreased from RMB9,024.4 million as of December 31, 2023 to RMB7,707.6 million as of December 31, 2024, primarily due to an increase in trade and bills payables and borrowings, and a decrease in bills receivables at FVTOCI and income tax recoverable, partially offset by a decrease in income tax payable and increase in inventories and trade and bills receivables.

See “Consolidated Statements of Financial Position of the Group” in “Appendix I — Accountants’ Report.”

SUMMARY

Summary of consolidated statements of cash flows

	<u>2022</u>	<u>2023</u>	<u>2024</u>
	(in RMB thousands)		
Operating cash flows before movements in			
working capital	7,471,246	8,341,908	9,154,875
Changes in working capital	1,863,689	1,386,278	1,522,450
Income tax paid	<u>(154,402)</u>	<u>(427,988)</u>	<u>(414,224)</u>
Net cash from operating activities	9,180,533	9,300,198	10,888,841
Net cash used in investing activities	(5,576,695)	(5,367,384)	(6,050,290)
Net cash used in financing activities	<u>(2,416,316)</u>	<u>(5,136,912)</u>	<u>(4,454,405)</u>
Net increase (decrease) in cash and cash			
 equivalents	1,187,522	(1,204,098)	384,146
Cash and cash equivalents at beginning of			
the year/period	<u>10,216,339</u>	<u>11,682,255</u>	<u>10,493,519</u>
Effect of foreign exchange rate changes	<u>278,394</u>	<u>15,362</u>	<u>59,139</u>
Cash and cash equivalents at ending of			
 the year/period	<u>11,682,255</u>	<u>10,493,519</u>	<u>10,936,804</u>

In 2022, 2023 and 2024, we recorded net cash from operating activities of RMB9,180.5 million, RMB9,300.2 million and RMB10,888.8 million, respectively, primarily due to the profits we generated in each of the respective years, which in turn was due to our successful business expansion.

See “Financial Information — Cash Flows.”

SUMMARY

Key financial ratios

	For the year ended/as of December 31,		
	2022	2023	2024
Gross margin ¹	18.3%	15.6%	14.6%
Net profit margin ²	5.4%	5.6%	5.3%
Return on assets ³	3.3%	3.9%	4.6%
Return on equity ⁴	5.8%	6.7%	7.7%
Current ratio ⁵	1.3	1.5	1.3
Quick ratio ⁶	1.0	1.1	1.0
Gearing ratio ⁷	42.7%	32.8%	29.3%

Notes:

- (1) Gross margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.
- (2) Net profit margin is calculated as net profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.
- (3) Return on assets is calculated as net profit for the year divided by the average total assets and multiplied by 100%. Average total assets is the sum of the balance of total assets at the beginning and at the end of the year, divided by two.
- (4) Return on equity is calculated as net profit for the year divided by the average total equity and multiplied by 100%. Average total equity is the sum of the balance of total equity at the beginning and at the end of the year, divided by two.
- (5) Current ratio is calculated as total current assets as at the end of the year/period divided by total current liabilities as at the end of the corresponding year/period.
- (6) Quick ratio is calculated as total current assets less inventories as at the end of the year/period and divided by total current liabilities as at the end of the corresponding year/period.
- (7) Gearing ratio is calculated as the total bank loans as at the end of the year/period divided by total equity as at the end of the corresponding year/period and multiplied by 100%.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the equity interest of our Company was controlled directly as to approximately 56.28% by Lens Technology (HK), 5.78% by Changsha Qunxin and 0.07% by Mr. Cheng. 100% equity interest of Lens Technology (HK) was directly held by Ms. Chau and Changsha Qunxin was directly held as to 97.90% by Ms. Chau and 2.10% by Mr. Cheng. Ms. Chau and Mr. Cheng are spouses.

Accordingly, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Ms. Chau, Mr. Cheng, Lens Technology (HK) and Changsha Qunxin will control in aggregate approximately [REDACTED]% of the total issued share capital of

SUMMARY

our Company and be entitled to exercise more than 30% of the voting power at general meetings of our Company. As such, Ms. Chau, Mr. Cheng, Lens Technology (HK) and Changsha Qunxin will together constitute a group of Controlling Shareholders upon [REDACTED] under the Hong Kong Listing Rules.

For more details, see “Relationship with Our Controlling Shareholders.”

RISK FACTORS

We face risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of risks, you should read the “Risk Factors” section in its entirety before you decide to invest in our H Shares. Some of the major risks that we face include:

- We generate the majority of our revenue from a limited number of key customers, the loss of whom may cause significant fluctuations or declines in our sales
- Our growth and profitability depend on general economic conditions and the level of consumer spending
- Our future success depends on our ability to successfully produce new products and effectively manage our growth
- We purchase our major raw materials from a selected number of key suppliers
- Our research and development efforts are not guaranteed to yield the results we anticipate
- If our production capacity is not adequate, our capability to satisfy customer demand could be hindered

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the midpoint of the range of the [REDACTED] stated in this Document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] is not exercised). We intend to use our [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our product and service portfolio and explore additional end uses for our products;
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our global presence, increase our production capacity globally and enhance our global delivery capabilities;
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to advance our vertical integration in smart manufacturing; and

SUMMARY

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are newly [REDACTED] in the [REDACTED], (ii) the [REDACTED] for the [REDACTED] are not exercised, and (iii) [REDACTED] Shares are [REDACTED] and outstanding following the completion of the [REDACTED]:

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] per H Share
Market capitalization of our H Shares ⁽¹⁾ . . .	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽²⁾	HK\$[REDACTED] (RMB[REDACTED])	HK\$[REDACTED] (RMB[REDACTED])

Notes:

(1) The calculation of market capitalization of our H shares is based on [REDACTED] H Shares expected to be [REDACTED] immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). For details, see “Share Capital — Upon Completion of the [REDACTED]” in this Document.

(2) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the section headed “Unaudited [REDACTED] Financial Information” in Appendix II to this Document and based on [REDACTED] Shares, comprising 4,954,357,613 Shares in issue as at 31 December 2024 excluding 23,817,167 Shares held by the Company in treasury and 4,704,491 restricted shares which are contingently returnable as at 31 December 2024, assuming the [REDACTED] had been completed on 31 December 2024. It does not take into account (i) any Shares which may be [REDACTED] and [REDACTED] upon the exercise of the [REDACTED], (ii) any Shares which may be issued by the Company pursuant to the exercise of options or the vesting of restricted shares or other awards that have been or may be granted from time to time under the share scheme, or (iii) any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

(3) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets per Share to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2024.

For the calculation of the unaudited [REDACTED] adjusted consolidated net tangible assets per Share, see the section headed “Unaudited [REDACTED] Financial Information” in Appendix II to this Document.

[REDACTED]

Our [REDACTED] are estimated to be approximately HK\$[REDACTED] million (including [REDACTED]), accounting for [REDACTED]% of the gross [REDACTED] of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-

SUMMARY

point of the [REDACTED] range stated in this Document, and no exercise of the [REDACTED]). Among our [REDACTED], approximately HK\$[REDACTED] is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [REDACTED], and approximately HK\$[REDACTED] has been charged to our consolidated statements of profit or loss and other comprehensive income. The [REDACTED] we incurred during the Track Record Period and expect to incur would consist of approximately HK\$[REDACTED] [REDACTED] related expenses and fees (including but not limited to [REDACTED] and fees), approximately HK\$[REDACTED] [REDACTED] expenses and fees of the Sole Sponsor, legal advisors and reporting accountant and approximately HK\$[REDACTED] for other [REDACTED] and expenses.

DIVIDEND POLICY

In 2022, 2023 and 2024, our Company declared dividends of RMB493.1 million, RMB986.2 million and RMB1,482.2 million, all of which had been paid in full.

We do not have a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

On March 27, 2025, the Board approved a plan to declare a dividend of RMB1,983.6 million. The declaration of the dividends is subject to approval by our Shareholders.

Our Directors confirmed that, as of the date of this Document, there has been no material adverse change in our financial position since December 31, 2024, and there has been no event since December 31, 2024 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Document.