HAN'S CNC
大族数控

GLOBAL OFFERING

深圳市大族數控科技股份有限公司

SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 3200

Sole Sponsor, Sponsor-Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

CICC 中金公司

Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

Deutsche Bank

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

國金證券(香港)有限公司 SINOLINK SECURITIES (HK) CO. LTD.

國投證券國際 SDICSI

ABCI 農銀國際

IMPORTANT: If you are in any doubt about any of the contents of this Prospectus, you should obtain professional independent advice.

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大族數控

SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD.
深圳市大族數控科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Global Offering

Number of Offer Shares under the Global Offering	**:**	**50,451,800 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**5,045,200 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**45,406,600 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$95.80 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**3200**

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of this Prospectus, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display" in this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sponsor-Overall Coordinator (on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, February 4, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, February 4, 2026 (Hong Kong time). The Offer Price will not be more than HK$95.80 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, February 4, 2026 (Hong Kong time) between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Sponsor-Overall Coordinator, for itself and on behalf of the Underwriters, may, where considered appropriate and with the consent of our Company, reduce the number of Hong Kong Offer Shares that is stated in this Prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares will be published on the website of our Company at **www.hanscnc.com** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For further details, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. For details, see "Underwriting" in this Prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws in the United States. The Offer Shares may only be offered and sold (a) in the United States to QIBs in reliance on Rule 144A or another available exemption from registration requirements under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S. No public offering of the Offer Shares will be made in the United States.

January 29, 2026

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	9,676.61	2,500	241,915.36	30,000	2,902,984.29	600,000	58,059,685.80
200	19,353.23	3,000	290,298.43	40,000	3,870,645.72	700,000	67,736,300.10
300	29,029.84	3,500	338,681.49	50,000	4,838,307.16	800,000	77,412,914.40
400	38,706.46	4,000	387,064.57	60,000	5,805,968.58	900,000	87,089,528.70
500	48,383.07	4,500	435,447.65	70,000	6,773,630.01	1,000,000	96,766,143.00
600	58,059.69	5,000	483,830.71	80,000	7,741,291.45	1,500,000	145,149,214.50
700	67,736.30	6,000	580,596.86	90,000	8,708,952.86	2,000,000	193,532,286.00
800	77,412.91	7,000	677,363.01	100,000	9,676,614.30	2,522,600[1]	244,102,272.34
900	87,089.53	8,000	774,129.14	200,000	19,353,228.60		
1,000	96,766.14	9,000	870,895.28	300,000	29,029,842.90		
1,500	145,149.22	10,000	967,661.44	400,000	38,706,457.20		
2,000	193,532.29	20,000	1,935,322.85	500,000	48,383,071.50		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement on the website of the Company at **www.hanscnc.com** and the website of the Stock Exchange at **www.hkexnews.hk**.*

Hong Kong Public Offering commences . . . . 9:00 a.m. on Thursday, January 29, 2026

Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**(2) . . . . 11:30 a.m. on Tuesday, February 3, 2026

Application lists open(3) . . . . 11:45 a.m. on Tuesday, February 3, 2026

Latest time for (a) completing payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC(4) . . . . 12:00 noon on Tuesday, February 3, 2026

If you are instructing your **broker** or **custodian** who is an HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close(3) . . . . 12:00 noon on Tuesday, February 3, 2026

Expected Price Determination Date(5) . . . . on or before 12:00 noon on Wednesday, February 4, 2026

Announcement of the final Offer Price on the website of the Company at **www.hanscnc.com**(6) and the website of the Stock Exchange at **www.hkexnews.hk** on or before . . . . 11:00 p.m. on Thursday, February 5, 2026

Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Company at **www.hanscnc.com** and the website of the Stock Exchange at **www.hkexnews.hk** . . . . no later than 11:00 p.m. on Thursday, February 5, 2026

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be published on the website of the Company at **www.hanscnc.com** and the website of the Stock Exchange at **www.hkexnews.hk** . . . . no later than 11:00 p.m. on Thursday, February 5, 2026

- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function from. . . . . 11:00 p.m. on Thursday, February 5, 2026 to 12:00 midnight on Wednesday, February 11, 2026

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . Friday, February 6, 2026 to Wednesday, February 11, 2026 (except Saturday, Sunday and public holidays in Hong Kong)

H Share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering to be dispatched or deposited into CCASS on or before(7)(9) . . . . Thursday, February 5, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund checks in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched on or before[8][9] . . . . Friday, February 6, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . Friday, February 6, 2026

Notes:

(1) All dates and times refer to Hong Kong local dates and time, except as otherwise stated.

(2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, February 3, 2026, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements."

(4) Applicants who apply for Hong Kong Offer Shares instructing your **broker** or **custodian** to apply on your behalf via **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels."

(5) The Price Determination Date is expected to be on or before Wednesday, February 4, 2026. If, for any reason, the Company does not agree with the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on the pricing of the Offer Shares by 12:00 noon on Wednesday, February 4, 2026, the Global Offering will not proceed and will lapse.

(6) None of the website or any of the information contained on the website forms part of this Prospectus.

(7) No temporary document of title will be issued in respect of the Offer Shares. H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with their respective terms at or before that time. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(8) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(9) Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund check(s) in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please refer to "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will publish an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This Prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this Prospectus pursuant to the Hong Kong Public Offering. This Prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this Prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not contained nor made in this Prospectus must not be relied on by you as having been authorized by us, any of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

CONTENTS

CONTENTS

This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Prospectus before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading specialized PCB production equipment solution provider in China, and we primarily engage in the R&D, production and sales of specialized PCB production equipment. Our extensive portfolio of production equipment spans various segments of the PCB industry, and covers various production processes, such as drilling, photolithography, lamination, formation and testing. We operate in the specialized PCB equipment industry, such as server and data storage, automotive electronics, mobile phones, computers and consumer electronics. Our business and financial performance are highly dependent on the overall performance of downstream industries that have demands for electronic devices. According to CIC, the specialized PCB equipment industry is highly competitive and relatively fragmented, with the top five manufacturers in the industry in China accounting for approximately 23.9% of the total market share in terms of revenue in 2024. During the Track Record Period, vast majority of our revenue was generated from mainland China. According to CIC, we were the China's largest specialized PCB production equipment manufacturer in terms of revenue in 2024, with a market share of 10.1% in China.

We have made a number of significant achievements across various business sectors:

over **30%**[1] of market share in drilling equipment sector in China's PCB equipment industry

1,100+[2] registered patents

300+[2] software copyrights

60+[2] trademarks

900+[2] employees in the R&D team

RMB3,343.1 million
2024 Revenue

RMB299.6 million
2024 Net Profit

RMB451.7 million
2024 Adjusted Net Profit (non-IFRS measure)

Notes:

(1) In terms of revenue from drilling equipment in China in 2024, according to CIC.

(2) As of the Latest Practicable Date.

DEVELOPMENT PHASES

We have experienced the following four development phases since our establishment:

- **Start-up and diversification of business layout (2002-2012).** We continuously overcame technical bottlenecks and created an initial portfolio covering several major PCB production processes, including drilling, photolithography, formation, and testing, following the acquisition of Shenzhen Mason Electronics Co., Ltd. in 2008.
- **Diversified comprehensive solutions (2013-2017).** We actively fostered close cooperative relationships with our customers, and enriched our product portfolio with a full range of products, such as mechanical drilling equipment, thus forming a more comprehensive product matrix.
- **Product Portfolio and technology expansion (2018-2021).** We focused on growing our customer base with more products and technologies, entered major global PCB supply chains, and developed packaging substrates processing equipment and new laser processing technologies.
- **Product enhancement since listing (2022-present).** Listed on the Shenzhen Stock Exchange's ChiNext Market in 2022, we achieved innovation in equipment design and production technologies, such as the single-table double-station operation system, new laser processing technology and packaging substrate solutions. We further expanded our presence in Southeast Asian countries, such as Thailand. We launched PCB lamination equipment in 2024, further enriching our product portfolio to to cover nearly all major PCB production processes.

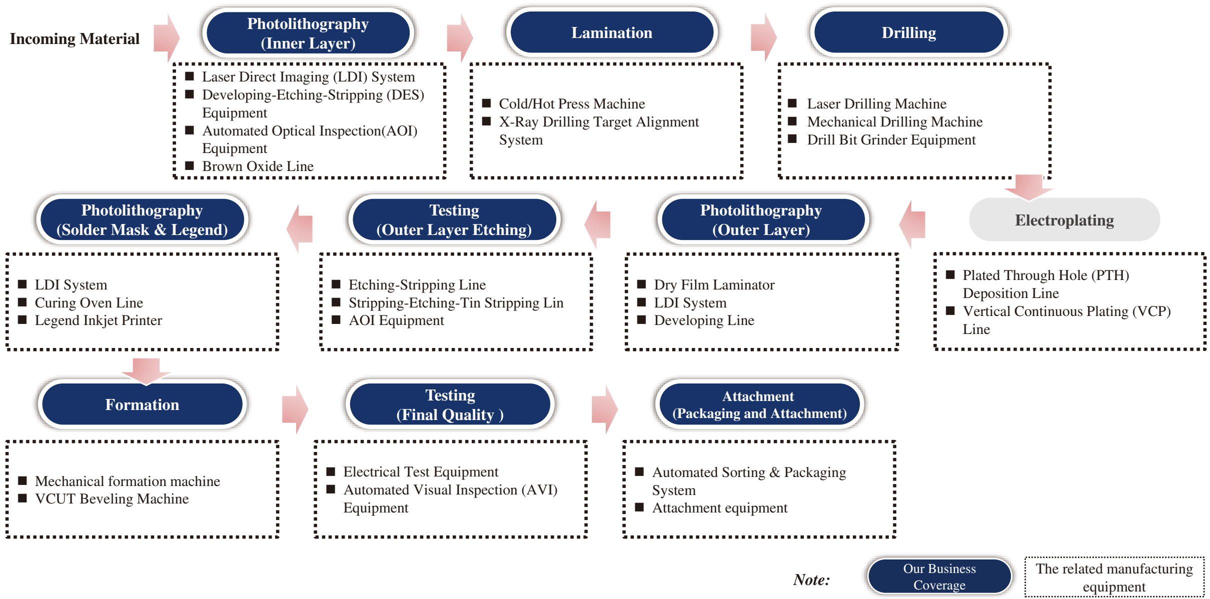
OUR PRODUCTS

Our extensive portfolio of production equipment spans various segments of the PCB industry, and covers various production processes, such as drilling, photolithography, lamination, formation and testing. Benefiting from our extensive product portfolio, advanced technologies and strong production capabilities, we are able to adapt quickly to the evolving industry trends and serve our customers' diverse needs. During the Track Record Period, we sold our specialized PCB production equipment to over 10 countries and regions.

The following table sets forth the details of the revenue, sales volume and average selling price (net of tax) of our products by PCB production process for the years/periods indicated:

	Year ended December 31,									Ten months ended October 31,					
	2022			2023			2024			2024			2025		
	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price
	RMB'000	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*	*RMB'000* (unaudited)	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*
Drilling equipment	1,666,776	2,514	663	818,051	1,129	725	2,100,645	3,119	674	1,619,065	2,569	630	3,095,604	4,499	688
Photolithography equipment	403,646	132	3,058	189,155	79	2,394	340,306	141	2,414	288,061	119	2,421	247,547	103	2,403
Testing equipment	284,312	519	548	197,561	400	494	274,139	446	615	219,857	359	612	383,632	501	766
Formation equipment	214,864	463	464	152,323	289	527	254,138	596	426	200,959	477	421	237,581	521	456
Attachment equipment	23,603	74	319	54,778	183	299	81,940	206	398	64,796	168	386	95,437	208	459
Lamination equipment	—	—	—	—	—	—	9,804	2	4,902	4,760	1	4,760	—	—	—
Total/Overall	**2,593,201**	**3,702**	**701**	**1,411,868**	**2,080**	**679**	**3,060,972**	**4,510**	**679**	**2,397,498**	**3,693**	**649**	**4,059,801**	**5,832**	**696**

The following chart sets forth our key products and the roles they play along the major PCB production processes:



Drilling Equipment and Solutions

The drilling process is a mission-critical stage in PCB production, enabling the creation of conductive vias that realize interlayer electrical connectivity in multi-layer board architectures. Aligning with industry standards, we provide both mechanical drilling equipment and laser direct drilling systems to meet different processing requirements. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 2,514, 1,129, 3,119, 2,569 and 4,499 units of drilling equipment, representing a sales-production ratio of 121.1%, 81.6%, 108.9%, 114.2% and 98.9%, respectively. The sales-production ratio is calculated as sales volume divided by production volume and multiplied by 100%. We primarily adopt a market-driven production model, and formulate a MPS on a monthly basis, taking into account demand forecasting, purchase intentions, confirmed orders, inventory positioning, and capacity utilization.

Photolithography Equipment and Solutions

The photolithography process involves transferring the designed circuit patterns onto the PCB substrate. We primarily provide customers with LDI equipment covering inner layer patterns, outer layer patterns, and solder mask patterns. LDI utilizes a fully digital production model, eliminating multiple steps of the traditional process and avoiding quality issues associated with film materials. Our LDI equipment helps improve production efficiency and patterning accuracy, particularly for high-density designs. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 132, 79, 141, 119 and 103 units of photolithography equipment, representing a sales-production ratio of 109.1%, 97.5%, 110.2%, 114.4% and 93.6%, respectively.

Testing Equipment and Solutions

The testing process is crucial in PCB production, as it ensures both the functional reliability and structural integrity of end products. Our equipment and solutions cover a diverse range of electrical testing equipment to assess whether the PCBs' electrical performance meets design requirements, along with automated optical inspection system to evaluate product integrity and identify defects like open circuits, shorts, foreign objects, and scratches. Our LDI equipment helps improve production efficiency and patterning accuracy, particularly for high-density designs. Our testing equipment and solutions support automated testing and inspection to help improve product quality and production efficiency. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 519, 400, 446, 359 and 501 units, respectively, of testing equipment, representing a sales-production ratio of 101.8%, 93.2%, 80.9%, 88.2% and 93.1%, respectively.

Formation Equipment and Solutions

The formation process involves using milling or laser techniques to remove excess edges or create internal cut-outs in PCBs, shaping them to the required specifications and dimensions. Typically, rigid boards are processed using mechanical milling, while laser technology is employed for ultra-thin rigid boards, FPC, and rigid-flex boards with high precision requirements. We provide precision solutions for PCB shaping across rigid and flexible architectures. Our formation equipment and solutions meet different processing requirements for rigid boards, FPC and rigid-flex boards. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 463, 289, 596, 477 and 521 units of formation equipment, representing a sales-production ratio of 112.1%, 87.8%, 106.4%, 110.2% and 108.3%, respectively.

Attachment Equipment and Solutions

The attachment process is tailored to the characteristics of FPC and rigid-flex boards, utilizing a micro-adhesive tape roll feeding structure and heating platform to bond various materials such as steel sheets and cover films. We offer comprehensive attachment solutions for FPC and rigid-flex boards, cover films, electromagnetic shielding films, adhesive tapes, among others. Our attachment equipment supports automated attachment and inspection to help ensure product quality and meet the requirements of different application scenarios. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 74, 183, 206, 168 and 208 units of attachment equipment, representing a sales-production ratio of 84.1%, 101.7%, 101.0%, 94.9% and 80.3%, respectively.

Lamination Equipment and Solutions

The lamination process involves bonding multiple double-sided or HDI core panels using PP and copper foil to form multi-layer PCBs. Traditional multi-layer boards with four or more layers are laminated in a single process, while HDI products require multiple laminations depending on the number of stacked blind vias. Lamination quality is important to subsequent manufacturing processes and overall product performance. In 2024, we launched and sold two units of lamination equipment, representing a sales-production ratio of 50%.

See "Business — Our Products."

OUR STRENGTHS

- We achieved broad customer recognition in the specialized PCB production equipment industry;
- We are a key infrastructure provider in the upstream of the AI server and intelligent electric vehicle industry value chain;
- Our platform-based technologies and diverse product portfolio enable multi-dimensional business synergy;
- We have established strong R&D capabilities which drive technological advancement in the PCB industry of China and enhance our competitiveness in the global market through innovative technologies;
- Our customer base covers a majority of leading PCB manufacturers in mainland China, collaboratively leading industry development; and
- We have an excellent management team and a comprehensive talent development mechanism.

OUR STRATEGIES

- We plan to anchor our strategy in emerging sectors such as AI and intelligent NEVs, collaborating closely with end-customers through joint R&D laboratories and full-chain support from process validation to mass production;
- We plan to expand our global business presence;
- We plan to further enhance our R&D capabilities on key technologies, optimizing production processes in the multilayer board sector and expanding to the advanced packaging sector; and
- We plan to build a full lifecycle service system to enhance customer loyalty and industry influence.

RESEARCH AND DEVELOPMENT

We are dedicated to technological innovation, which is crucial in advancing our capabilities and delivering value to our customers, while also driving our sales and profitability. With over 20 years of operational experience, we have amassed significant production expertise in high-speed and high-precision motion control, precision machinery, electrical engineering, software algorithms, advanced optical systems, laser technology, image processing and electronic testing. Our R&D team comprises experts in high-speed motion control, laser technology applications and software algorithms. As of October 31, 2025, we had a total of 871 R&D employees, accounting for 27.3% of our total workforce. Among these 871 R&D employees, 74.5% hold a bachelor's degree or above.

We have established the Han's CNC Microelectronics research center specializing in laser processing equipment for package substrates with patented processes for high-quality scum-free results. We have also invested in multiple product centers responsible for product development. In response to the trend of further specialization in the specialized PCB equipment industry, we established the Lamination Product Center, the Coating Tool Product Center and the Optical Inspection Product Center in 2023 to supplement and strengthen our product R&D in the relevant fields.

OUR PRODUCTION

We primarily adopt a market-driven production model. Our integrated supply chain and delivery platform formulates a MPS on a monthly basis, synthesizing demand forecasting, purchase intentions, confirmed orders, inventory positioning, and capacity utilization.

As of the Latest Practicable Date, we had two production bases in China. Our Shenzhen production base spanned a GFA of approximately 118,266.0 sq.m. and encompassed two production plants, namely, the Shajing Antuo Hill Production Plant (沙井安托山生產工廠) and the Fuyong Han' Laser Manufacturing Center Production Plant (福永大族激光智造中心生產工廠) as of October 31, 2025. Our Xinfeng production base, located in Jiangxi Province, China, spanned a GFA of approximately 38,830.0 sq.m. and encompassed two production plants namely, Xinfeng CNC Production Plant (大族數控科技(信豐)有限公司生產工廠) and Mason Electronics (Xinfeng) Production Plant (麥遜電子(信豐)有限公司生產工廠), equipped with advanced production facilities as of October 31, 2025. During the Track Record Period, the sales-production ratio for most of our products exceeded 100%, reflecting our adoption of a flexible and demand-driven production architecture, which serves as a core competitive strength in meeting evolving market demands.

We maintain limited reliance on specialized heavy equipment, with primary production processes centered around precision assembly, calibration, and integration of mechanical, electrical, and optical components. This operational structure enables agile production facilities reconfiguration without incurring substantial retooling expenses or facility modification costs.

CUSTOMERS, SALES AND MARKETING

Our Customers and Customer Service

During the Track Record Period, our customers were mainly PCB manufacturers in China, while a small proportion of our customers were distributors. Revenue from sales to our top five customers in each year or period during the Track Record Period in aggregate accounted for 36.4%, 25.0%, 22.6% and 32.5% of our total revenue, respectively, in the same periods. Revenue from sales to our largest customer in each year or period during the Track Record Period accounted for 12.6%, 7.5%, 5.7% and 19.7% of our total revenue, respectively, in the same years or periods.

Our Sales Network

During the Track Record Period, we established an extensive sales network that allows us to bring our products to a broad customer base, bolstering our brand reputation and reinforcing our competitive edge in the market. During the Track Record Period, we entered into sales and purchase agreements with our direct customers, and also sold our products through distributors, who in turn sell our products to other companies. As of October 31, 2025, we had established four overseas subsidiaries and maintained three distributors, through which our products have been sold to more than 10 countries and regions.

The following table sets forth a breakdown of our revenue by geographic region, based on the locations of our customers, for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Mainland China	2,749,760	98.7	1,549,406	94.8	2,981,171	89.2	2,322,285	88.5	3,761,835	87.2
Overseas(1)	36,390	1.3	84,905	5.2	361,920	10.8	301,597	11.5	552,311	12.8
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Note:

(1) Primarily include Thailand, Taiwan China and Malaysia.

The following table sets forth a breakdown of our revenue by contribution from our customers for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except percentages)									
							(unaudited)			
Direct customers[(1)]	2,764,944	99.2	1,619,318	99.1	3,316,306	99.2	2,603,270	99.2	4,276,472	99.1
Distributorship	21,206	0.8	14,993	0.9	26,785	0.8	20,612	0.8	37,674	0.9
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Note:

(1) Direct customers refer to the end users of our products or services, engaging with us directly by themselves or through sales agents.

SUPPLY CHAIN MANAGEMENT

Raw Materials and Procurement

The key raw materials we procure include sheet metal and machined parts, mechanical devices, purchased modules and optical devices. We primarily procure raw materials in China. Potential pricing fluctuations in our raw materials can arise due to factors including global and domestic economic conditions, governmental regulations, supply-demand dynamics and geopolitical conditions. While our bargaining power for certain materials might be restricted to a certain extent due to these factors beyond our control, our ability to procure sufficient supplies remains steadfast. In procuring raw materials from suppliers, we generally adopt a one-time pricing model, under which the price is fixed for each purchase agreement or purchase order, thereby providing certainty for both parties.

The raw materials we procure are primarily precision-processed products, the prices of which have historically exhibited low volatility. As a result, overall fluctuations in raw material prices have not had a material impact on our results of operations. For certain materials, such as lasers, we may adjust our quotations to reflect any corresponding cost increases. As a result, we are generally able to pass on the increases in raw material costs to our customers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage of raw materials supplies, and the raw materials provided by our suppliers did not have any significant quality issues.

Our Suppliers

During the Track Record Period, our major suppliers primarily include manufacturers of modules, optical devices, control electronics, mechanical devices, sheet metal and machined parts. Purchases from our top five suppliers in each year/period during the Track Record Period in aggregate accounted for 26.7%, 18.9%, 25.1% and 30.1% of our total purchases, respectively, and purchases from our largest supplier in each year/period during the Track Record Period accounted for 9.2%, 8.6%, 9.2% and 13.3% of our total purchases, respectively.

COMPETITION

According to CIC, the specialized PCB equipment industry is highly competitive and relatively fragmented, with the top five manufacturers in the industry in China accounting for approximately 23.9% of the total market share in terms of revenue in 2024. According to CIC, we were the China's largest specialized PCB production equipment manufacturer in terms of revenue in 2024, with a market share of 10.1% in China. We believe that our competitive position is underpinned by our strengths, including our market position, exceptional R&D capabilities and technologies, production capacity and supply management expertise, quality and stable customer base, and experienced management team. We believe that there are high barriers for our competitors to enter into the market, which include, among other things, technology, scale production experience, capital investment, supply chain and customer base. See "Industry Overview."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial data derived from our consolidated statements of profit or loss, consolidated statements of financial position and consolidated statements of cash flows for the years ended December 31, 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, included in the Accountants' Report in Appendix I to this Prospectus. The following data and discussion should be read in conjunction with our consolidated financial statements and related notes and the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage of revenue)									
							(unaudited)			
Revenue	2,786,150	100.0	1,634,311	100.0	3,343,091	100.0	2,623,882	100.0	4,314,146	100.0
Cost of sales	(1,838,332)	(66.0)	(1,157,425)	(70.8)	(2,435,421)	(72.8)	(1,935,634)	(73.8)	(2,971,290)	(68.9)
Gross profit	947,818	34.0	476,886	29.2	907,670	27.2	688,248	26.2	1,342,856	31.1
Other income and gains, net	184,681	6.6	127,799	7.8	192,013	5.7	89,257	3.4	131,358	3.0
Selling and marketing expenses	(160,527)	(5.8)	(132,209)	(8.1)	(196,103)	(5.9)	(160,668)	(6.1)	(235,830)	(5.5)
Administrative expenses	(153,653)	(5.5)	(112,515)	(6.9)	(203,743)	(6.1)	(154,874)	(5.9)	(218,396)	(5.1)
Research and development expenses	(229,671)	(8.2)	(193,564)	(11.8)	(266,829)	(8.0)	(200,660)	(7.6)	(299,957)	(7.0)
Impairment losses on financial assets and contract assets under expected credit loss model ("**ECL**"), net	(22,780)	(0.8)	(17,397)	(1.1)	(23,355)	(0.7)	(29,575)	(1.1)	(26,209)	(0.6)
Other expenses	(3,977)	(0.1)	(10,621)	(0.6)	(83,175)	(2.5)	(5,457)	(0.2)	(96,009)	(2.2)
Finance costs	(16,976)	(0.6)	(6,638)	(0.4)	(10,061)	(0.3)	(9,088)	(0.3)	(13,470)	(0.3)
Impairment of an investment in an associate	(55,768)	(2.0)	—	—	—	—	—	—	—	—
Share of profits and losses of associates	(5,825)	(0.2)	5,685	0.3	13,166	0.4	4,901	0.2	5,573	0.1
Profit before tax	**483,322**	**17.3**	**137,426**	**8.4**	**329,583**	**9.9**	**222,084**	**8.5**	**589,916**	**13.7**
Income tax expense	(51,310)	(1.8)	(1,758)	(0.1)	(30,001)	(0.9)	(10,109)	(0.4)	(70,997)	(1.6)
Profit for the year/period	432,012	15.5	135,668	8.3	299,582	9.0	211,975	8.1	518,919	12.0

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and period to period, as well as company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, such non-IFRS measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under IFRS Accounting Standards. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted by adding back/subtracting share-based payment compensation and adding back listing expenses. The following table reconciles our adjusted net profit (non-IFRS measure) presented in accordance with IFRS Accounting Standards, which is profit for the year/period.

	Year Ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Profit for the year/period	432,012	135,668	299,582	211,975	518,919
Adjusted by:					
— Share-based payment compensation[1]	(10,260)	12,736	152,071	127,357	82,092
— Listing expenses[2]	—	—	—	—	1,143
Adjusted net profit (non-IFRS measure)	**421,752**	**148,404**	**451,653**	**339,332**	**602,154**

Notes:

(1) Share-based payment compensation is non-cash in nature and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment compensation is not expected to result in future cash payments.

(2) Listing expenses represent expenses incurred in connection with the Global Offering.

Our net profit increase by 144.8% from RMB212.0 million in the ten months ended October 31, 2024 to RMB518.9 million in the ten months ended October 31, 2025 primarily due to (i) the increase in our revenue by 64.4% from RMB2,623.9 million in the ten months ended October 31, 2024 to RMB4,314.1 million in the ten months ended October 31, 2025, which was mainly attributable to (a) the surge in demand for IT infrastructure in the AI industry chain; and (b) the recovery of the consumer electronics sector and the technological upgrade of automotive electronics; and (ii) an increase in our gross profit margin from 26.2% in the ten months ended October 31, 2024 to 31.1% in the ten months ended October 31, 2025, which was primarily due to an increase in the gross profit margin of our drilling equipment, as a result of an increase in the proportion of sales of our high-precision drilling equipment, which carries a relatively higher gross profit margin.

Our net profit increased by 120.8% from RMB135.7 million in 2023 to RMB299.6 million in 2024, primarily due to the increase in our revenue by 104.6% from RMB1,634.3 million in 2023 to RMB3,343.1 million in 2024, which was mainly attributable to an increase in demand for our specialized PCB production equipment driven by (i) the surge in demand for IT infrastructure in the AI industry chain; and (ii) the recovery of the consumer electronics sector and the technological upgrade of automotive electronics.

Our net profit decreased by 68.6% from RMB432.0 million in 2022 to RMB135.7 million in 2023, primarily due to (i) the decrease in our revenue by 41.3% from RMB2,786.2 million in 2022 to RMB1,634.3 million in 2023, which was mainly attributable to a decline in the industry in which we operate and in various downstream sectors, as reflected by (a) a decrease in the overall market demand for specialized PCB equipment in China from approximately US$3.9 billion in 2022 to approximately US$3.7 billion in 2023, and (b) a decline in industry output value of various sectors downstream of PCB equipment, such as servers and data storage, automotive electronics, mobile phones, computers, and consumer electronics, among others, from approximately US$81.7 billion in 2022 to approximately US$69.5 billion in 2023, which in turn led to a decrease in demand for PCBs and related upstream equipment; and (ii) the decrease in our gross profit margin from 34.0% in 2022 to 29.2% in 2023, which was mainly attributable to the decrease in the gross profit margin of our drilling equipment. The average selling price of our specialized PCB equipment fell from RMB700.5 thousand in 2022 to RMB678.8 thousand in 2023, mainly due to shifts in product mix and competitive pricing, partially offset by higher prices for laser drilling and formation equipment.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	1,077,201	1,334,424	1,993,002	2,373,325
Total current assets	6,074,607	4,644,703	5,193,495	7,195,361
Total assets	**7,151,808**	**5,979,127**	**7,186,497**	**9,568,686**
Total non-current liabilities	104,073	54,975	237,522	219,297
Total current liabilities	1,317,023	1,235,607	1,812,598	3,665,097
Total liabilities	**1,421,096**	**1,290,582**	**2,050,120**	**3,884,394**
Net current assets	**4,757,584**	**3,409,096**	**3,380,897**	**3,530,264**
Total equity	**5,730,712**	**4,688,545**	**5,136,377**	**5,684,292**

Our net current assets increase from RMB3,380.9 million as of December 31, 2024 to RMB3,530.3 million as of October 31, 2025, primarily due to an increase in trade and bills receivables, inventories and prepayments, other receivables and other assets primarily driven by our increased sales in the ten months ended October 31, 2025, partially offset by (i) an increase in trade and bills payables and other payables and accruals driven by an increase in procurement to respond to increased sales and by our expanded business scale; (ii) an increase in interest-bearing borrowings which served as flexible sources for our enhanced raw material procurement in response to market demand; and (iii) a decrease in cash and cash equivalents.

Our net current assets decreased from RMB3,409.1 million as of December 31, 2023 to RMB3,380.9 million as of December 31, 2024, primarily due to (i) an increase in trade and bills payables of RMB683.6 million which was mainly attributable to (a) an increased demand for our products, resulting in the increase of trade payables, and (b) the issuance of more bills to settle payments with suppliers in an effort to improve liquidity management; (ii) a decrease in cash and cash equivalents of RMB377.8 million which was mainly attributable to our net cash flows used in investing activities resulting from (a) purchases of items of property, plant and equipment, other intangible assets and other non-current assets, and (b) an increase in time deposits; and (iii) a decrease in inventories of RMB73.9 million, which was mainly attributable to the increased turnover and improved efficiency in inventory management, partially offset by an increase in trade and bills receivables of RMB981.4 million, which was mainly attributable to an increase in sales resulting from the surge in demand for IT infrastructure in the AI industry chain, coupled with the recovery of the consumer electronics sector and the technological upgrade of automotive electronics.

Our net current assets decreased from RMB4,757.6 million as of December 31, 2022 to RMB3,409.1 million as of December 31, 2023, primarily due to (i) a decrease of RMB1,069.6 million in cash and cash equivalents which was mainly attributable to our net cash flows used in financing activities resulting from dividends paid; and (ii) a decrease of RMB454.3 million in trade and bills receivables which was mainly attributable to a decrease in sales, partially offset by a decrease of RMB122.9 million in other payables and accruals, which was mainly attributable to a decrease in accruals of payroll and welfare payables resulting from a reduction in performance-based compensation accrued in 2023 due to our declined financial performance in 2023.

Our net assets increased from RMB5,136.4 million as of December 31, 2024 to RMB5,684.3 million as of October 31, 2025, primarily due to (i) profit for the period of RMB518.9 million; and (ii) share-based payment compensation of RMB82.1 million.

Our net assets increased from RMB4,688.5 million as of December 31, 2023 to RMB5,136.4 million as of December 31, 2024, primarily due to (i) profit for the year of RMB299.6 million; and (ii) share-based payment compensation attributable to share-based payment reserve of RMB152.1 million.

Our net assets decreased from RMB5,730.7 million as of December 31, 2022 to RMB4,688.5 million as of December 31, 2023, primarily due to dividends declared attributable to retained profits of RMB1,197.0 million, which was partially offset by profit for the year of RMB135.7 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Net cash generated from/(used) operating activities	655,354	416,774	154,986	(123,311)	(754,356)
Net cash used in investing activities	(145,763)	(310,938)	(623,967)	(595,128)	(111,583)
Net cash from/(used in) financing activities	2,256,554	(1,174,846)	93,786	(63,030)	473,845
Cash and cash equivalents at beginning of year/period	219,259	2,986,535	1,916,965	1,916,965	1,539,131
Effect of foreign exchange rate changes, net	1,131	(560)	(2,639)	(2,074)	(693)
Cash and cash equivalents at end of year/period	**2,986,535**	**1,916,965**	**1,539,131**	**1,133,402**	**1,146,344**

In the ten months ended October 31, 2025, our net cash flows used in operating activities was RMB754.4 million. Our net cash used in operating activities is calculated by adjusting our profit before tax of RMB589.9 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB855.1 million. Our movements in working capital primarily reflect (i) an increase in trade and bills receivables of RMB2,774.8 million and (ii) an increase in inventories of RMB860.9 million, partially offset by (i) an increase in trade and bills payables of RMB1,771.6 million and (ii) an increase in other payables and accruals of RMB293.7 million.

We recorded operating cash outflow for the ten months ended October 31, 2025, primarily due to (i) a timing mismatch between cash inflows from sales and cash outflows for purchases; and (ii) higher performance-based remuneration and an increase in headcount, which further increased cash outflows related to employee compensation.

To improve the net cash outflow position as of October 31, 2025, we continued to implement liquidity measures, such as steady cash flow operations and budgeting, collaborating with sales department, adopting rolling budgets, and following up on customer payments. Further, we increased the proportion of prepayments to secure earlier cash inflows and reduce reliance on extended installment settlements, which typically delay cash collection. For example, with regards to certain types of our equipment products designed for AI servers, we initially offered credit periods ranging from 12 to 20 months upon launch. As we further upgraded our products and improved their competitiveness, and taking into account market competitive landscape, we actively negotiated with customers and were able to bargain for shortened credit periods ranging from approximately three to 12 months, with the specific credit period for each customer determined after careful analysis of each customer's creditworthiness and historical credit records. We believe such significant operating cash outflow in the ten months ended October 31, 2025 is temporary, and that the above measures will lead to improvements in our operating cash flow position for the full year of 2025.

We experienced similar operating cash outflow in the ten months ended October 31, 2024 as well, because in 2024, we experienced a significant increase in sales revenue, which in turn required us to expand our procurement scale to meet such increase in demand, resulting in a significant increase in payments to suppliers. In the ten months ended October 31, 2024, our trade receivable turnover days reached 240 days, and we experienced net cash used in operating activities of RMB123.3 million.

To reduce such turnover days and improve operating cash flow position, we focused on the following, which we also continued to implement and improve in 2025:

- maintaining steady cash flow operations and budgeting by enhancing cash flow forecasting and payment scheduling with an aim to optimize payment timing and maintain a balance between cash payments and the need to support essential operational expenditure and procurement;

- collaborating with the sales department to set collection targets;

- adopting quarterly rolling budgets, and conducting reviews and analyses on variances between budgeted and actual figures to identify underlying reasons; and

- following up on customer payments in a timely manner, including implementing targeted collection strategies, particularly for customers with longer outstanding receivables.

We also enhanced collection efforts in the last two months of 2024, adopted bank acceptance bills to optimize the procurement payment cycle, and incentivized our sales personnel to expedite cash collection. As a result of the above measures our trade receivable turnover days improved from 240 days in the ten months ended October 31, 2024 to 228 days for the year ended December 31, 2024. Benefitting from the above measures, our net operating cash outflow of RMB123.3 million in the ten months ended October 31, 2024 reverted to a net operating cash inflow of RMB155.0 million in the full year of 2024.

In 2024, our net cash flows from operating activities was RMB155.0 million. Our net cash from operating activities is calculated by adjusting our profit before tax of RMB329.6 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB603.9 million. Our movements in working capital primarily reflect (i) an increase in trade and bills payables of RMB1,361.7 million and (ii) a decrease in inventories of RMB11.5 million, partially offset by an increase in trade and bills receivables of RMB1,813.7 million. Our net operating cash outflow position in the ten months ended October 31, 2024 turned into a net operating cash inflow position in the full year of 2024 due to the above measures on cash flow operations and budgeting, collaborating with sales department and other measures to expedite cash collection.

In 2023, our net cash flows from operating activities was RMB416.8 million. Our net cash from operating activities is calculated by adjusting our profit before tax of RMB137.4 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB247.4 million. Our movements in working capital primarily reflect (i) an increase in trade and bills payables of RMB309.7 million and (ii) a decrease in trade and bills receivables of RMB119.0 million, partially offset by (i) a decrease in other payables and accruals of RMB135.5 million and (ii) an increase in inventories of RMB116.1 million.

In 2022, our net cash flows from operating activities was RMB655.4 million. Our net cash from operating activities is calculated by adjusting our profit before tax of RMB483.3 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB633.3 million. Our movements in working capital primarily reflect (i) a decrease in inventories of RMB271.1 million and (ii) an increase in trade and bills payables of RMB217.0 million, partially offset by a decrease in other payables and accruals of RMB227.5 million.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years/periods indicated:

	As of/Year ended December 31,			As of/Ten months ended October 31,	
	2022	2023	2024	2024	2025
				(unaudited)	
Current ratio *(times)*(1)	4.6	3.8	2.9	—	2.0
Quick ratio *(times)*(2)	3.9	3.0	2.4	—	1.5
Gearing ratio *(%)*(3)	19.9	21.6	28.5	—	40.6
Return on equity *(%)*(4)	10.7	2.6	6.1	4.4	9.6
Gross profit margin (%)(5)	34.0	29.2	27.2	26.2	31.1
Net profit margin (%)(6)	15.5	8.3	9.0	8.1	12.0

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the same date.

(2) Quick ratio equals current assets minus inventories divided by current liabilities as of the same date.

(3) Gearing ratio equals total liabilities divided by total assets as of the same date and multiplied by 100%.

(4) Return on equity equals profit for the year/period after tax attributable to owners of the parent divided by average total equity attributable to owners of the parent and multiplied by 100%.

(5) Gross profit margin equals gross profit divided by revenue for the year/period.

(6) Net profit margin equals profit divided by revenue for the year/period.

Our gearing ratio increased from 19.9% as of December 31, 2022 to 21.6% as of December 31, 2023, primarily due to the decrease in total assets. Our gearing ratio increased from 21.6% as of December 31, 2023 to 28.5% as of December 31, 2024, primarily due to the increase in total liabilities. Our gearing ratio increase from 28.5% as of December 31, 2024 to 40.6% as of October 31, 2025, primarily due to a faster increase in total liabilities.

OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 50,451,800 H Shares are issued pursuant to the Global Offering, (ii) the Over-allotment Option is not exercised, and (iii) 475,960,952 Shares are issued and outstanding immediately following the completion of the Global Offering.

	Based on the maximum Offer Price of HK$95.80 per H Share
Market capitalization of our H shares(1)	HK$4,833.28 million
Market capitalization of our Shares(2)	HK$72,755.31 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as of October 31, 2025(3)	RMB20.61 HK$22.96

Notes:

(1) The calculation of market capitalization of our H shares is based on 50,451,800 H Shares expected to be issued immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The calculation of market capitalization of our Shares is based on 50,451,800 H shares and 425,509,152 A Shares expected to be in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The market capitalization of A Shares is calculated based on the average closing price of the A Shares of RMB143.31 per A Share for the five business days immediately preceding the Latest Practicable Date and 425,509,152 A Shares in issue as of the Latest Practicable Date.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information" and on the basis that 475,960,952 Shares were in issue assuming the Global Offering had been completed on October 31, 2025 and do not take into account (i) any Shares which may be sold and offered upon exercise of the Over-allotment Option or (ii) any Shares which may be issued or repurchased by the Company pursuant to the Company's general mandates.

FUTURE PLANS AND USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming the maximum Offer Price of HK$95.80 per Share, we estimate that we will receive net proceeds of approximately HK$4,630.7 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 50.0% of the net proceeds, or HK$2,315.3 million, will be used in enhancing the R&D and operational capabilities.

- Approximately 40.0% of the net proceeds, or HK$1,852.3 million, will be used in improving the production capacity for specialized PCB equipment.

- Approximately 10.0% of the net proceeds, or HK$463.1 million, will be used as working capital and for general corporate uses to support our daily operations and future business development.

See “Future Plans and Use of Proceeds.”

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in “Risk Factors.” You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face include:

- We historically experienced decreases in our cash flow from operating activities and recorded operating cash outflows during the Track Record Period, which may adversely affect our our business, financial condition and results of operations;

- Our business and financial performance are dependent on demand from a number of downstream industries. A downturn experienced by any of these industries could adversely affect our business;

- The industries in which we operate are highly competitive. If we fail to compete effectively and successfully, our business, results of operations and financial condition may be materially and adversely affected;

- If we fail to keep up with the evolution of technologies or adapt our technology to emerging industry standards, or if our investments in new technologies prove unsuccessful or ineffective, our business may be materially and adversely affected;

- We are susceptible to supply shortages, longer lead time and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, delay deliveries of our products to customers, and adversely affect our results of operations;

- Our success depends in part on our ability to enhance our production capabilities and to produce high quality products;

- Maintaining our brand image is critical to our success, and any failure to do so could severely damage our reputation and brands, which would have a material adverse effect on our business, financial condition and results of operations;

- Our business depends substantially on the expertise and dedication of our management team and key personnel. We may face challenges in recruiting and retaining such individuals, which could impede our technological advancement and business growth; and

- Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

See "Risk Factors."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

We have maintained stable business operation and development since October 31, 2025. We experienced revenue growth in October 2025 compared to the same period in 2024, primarily driven by (i) the structural growth in demand in downstream application markets of AI servers and automotive electronics; (ii) technological upgrades which enabled our products to penetrate into high-end markets; and (iii) an increase in our sales of laser drilling machines in the HDI board market segment, with multi-terminal applications of smart phones, automotive electronics, and consumer electronics that significantly generated demand for our products.

Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since October 31, 2025, and there has been no event since October 31, 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this Prospectus.

DIVIDENDS AND DIVIDEND POLICY

Our dividend policy states that in principle we carry out cash dividends once a year; the specific dividend ratio shall be formulated by the Board in accordance with relevant regulations and operating conditions, and deliberated and approved by Shareholders' general meeting. We do not currently have any fixed dividend pay-out ratio. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination, or other methods permitted by laws and regulations, and we preferentially adopt cash dividends. Any proposed distribution is subject to the discretion of our Board and approval at our Shareholders' meetings as described above, after considering our results of operations, financial condition, operating and capital requirements, shareholders' interests and other conditions deemed relevant.

During the Track Record Period, we declared cash dividends to our shareholders as follows:

	Year ended December 31,			Ten months ended October 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Dividends in respect of the previous year, declared and paid during the year/period (tax inclusive)	168,000	1,197,000	—	168,000

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in Appendix IIA to this Prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to equity holders of the Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to equity holders of the Company	Not less than RMB785 million (equivalent to HK$871 million)

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately HK$202.6 million (assuming the maximum Offer Price of HK$95.80 per Offer Share and no exercise of the Over-allotment Option), representing 4.2% of the gross proceeds (based on the maximum Offer Price for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering. We recorded listing expenses of nil, nil, nil, nil and RMB1.1 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. We expect to incur listing expenses of approximately HK$202.6 million, of which approximately HK$6.2 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately HK$196.4 million is expected to be recognized as a deduction in equity directly upon the Listing. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our listing expenses are composed of (i) underwriting commission and discretionary fees of approximately HK$169.2 million; and (ii) non-underwriting related expenses of approximately HK$33.4 million, which consist of fees and expenses of legal advisors and Reporting Accountants of approximately HK$20.9 million and other fees and expenses of approximately HK$12.5 million.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since February 2022, our Company has been listed on the Shenzhen Stock Exchange. Since the beginning of the Track Record Period, our Directors confirmed that the Company has been in compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect, and, to the best knowledge of our Directors having made all reasonable enquiries, there were no matters constituting material information requiring disclosure or should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation that the Company has been in compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the beginning of the Track Record Period and up to the Latest Practicable Date.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Gao was interested in approximately 84.39% of the total issued share capital of our Company through (i) Han's Laser as to approximately 83.63% and (ii) Dazu Holdings as to approximately 0.76%. Han's Laser is a company listed on the Shenzhen Stock Exchange (stock code: 002008) and a consolidated subsidiary of Dazu Holdings. As of the Latest Practicable Date, (i) Han's Laser was held by Dazu Holdings, Mr. Gao and other A shareholders as to 15.71%, 9.36% and 74.93%, respectively, and (ii) Dazu Holdings was directly held as to 99.875% by Mr. Gao, and as to 0.125% by Han's Global, which was in turn wholly and beneficially owned by Mr. Gao. As such, Mr. Gao, Han's Laser, Dazu Holdings and Han's Global constitute the Controlling Shareholders Group of our Company.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering), the Controlling Shareholders Group will hold in aggregate approximately 75.45% of the issued share capital of our Company. Therefore, they will remain as the Controlling Shareholders Group upon completion of the Global Offering.

For further details about our Controlling Shareholders Group, see "Relationship with our Controlling Shareholders Group."

In this Prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Prospectus.

"2023 Restricted Share Incentive Scheme"	the 2023 restricted share incentive scheme of the Company as adopted on December 8, 2023
"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange and are traded in Renminbi
"Accountants' Report"	the accountants' report of our Company, the text of which is set out in Appendix I to this Prospectus
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on May 12, 2025 with effect from the Listing Date, and as amended from time to time, a summary of which is set out in Appendix V to this Prospectus
"Asia Foundation"	Asia Foundation (Shenzhen) Wood Industry Co., Ltd. (亞洲創建(深圳)木業有限公司), a limited liability company incorporated in the PRC on January 14, 2000, one of our major subsidiaries
"Board" or "Board of Directors"	the Board of directors of our Company
"Business day" or "business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediary(ies)" or "CMI(s)"	the capital market intermediary(ies) named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China", "mainland China" or "PRC"	the People's Republic of China, but for the purpose of this Prospectus and for geographical reference only and except where the context requires, references in this Prospectus to "China" and the "PRC" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan China
"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Shenzhen Han's CNC Technology Co., Ltd. (深圳市大族數控科技股份有限公司), a company established in the PRC on April 22, 2002, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 301200)
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Controlling Shareholders Group"	Mr. Gao, Han's Laser, Dazu Holdings and Han's Global, see "Relationship with our Controlling Shareholders Group" in this Prospectus for details
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Dazu Holdings"	Dazu Holdings Group Co., Ltd. (大族控股集團有限公司), a member of the Controlling Shareholders Group, a company established in the PRC on November 18, 1996, ultimately controlled by Mr. Gao
"Director(s)"	director(s) of our Company

"EIT Law"	Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
"Exchange Participant(s)"	a person: (a) who, in accordance with the Hong Kong Listing Rules, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period
"FINI"	"Fast Interface for New Issuance", an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group," "our Group," "we" or "us"	our Company and our subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide for New Listing Applicants"	the Guide for New Listing Applicants as published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Hong Kong Stock Exchange

"H Share Registrar"	Tricor Investor Services Limited
"Han's Global"	Han's Global Technology Co., Ltd. (大族環球科技股份有限公司), a limited liability company incorporated in the PRC on December 17, 2007, a member of the Controlling Shareholders Group
"Han's Laser"	Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司), a company established in the PRC on March 4, 1999, the A shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002008), a member of the Controlling Shareholders Group
"Han's Laser Group"	Han's Laser and its subsidiaries which, for the purpose of this Prospectus and unless the context otherwise requires, excludes our Group
"Han's Microelectronics"	Shenzhen Han's Microelectronics Technology Co., Ltd. (深圳市大族微電子科技有限公司), a limited liability company incorporated in the PRC on June 7, 2021, a subsidiary of our Company
"HK$" or "HK dollars"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

"**HKSCC EIPO**"	the application for the Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Hong Kong Offer Shares"	the 5,045,200 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in "Structure of the Global Offering" in this Prospectus)

"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in "Structure of the Global Offering" in this Prospectus) at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fees), on and subject to the terms and conditions described in this Prospectus as further described in "Structure of the Global Offering — Hong Kong Public Offering" in this Prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this Prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement, dated January 28, 2026, relating to the Hong Kong Public Offering and entered into by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator and the Hong Kong Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement" in this Prospectus
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

"International Offer Shares"	the 45,406,600 H Shares initially offered by our Company for subscription pursuant to the International Offering together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in "Structure of the Global Offering" in this Prospectus)
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S, and in the United States only to QIBs in reliance on Rule 144A or any other available exemption from registration under the US Securities Act, as further described in "Structure of the Global Offering" in this Prospectus
"International Underwriters"	the group of international underwriters, led by the Sponsor-Overall Coordinator, that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around February 4, 2026 by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator and the International Underwriters in respect of the International Offering, as further described in "Underwriting — Underwriting Arrangements and Expenses — International Offering" in this Prospectus
"Joint Bookrunners"	the joint bookrunners named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus
"Joint Global Coordinators"	the joint global coordinators named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus
"Joint Lead Managers"	the joint lead managers named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus

"Latest Practicable Date"	January 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Committee"	the Listing Committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on or around February 6, 2026, on which our H Shares are listed and from which dealings therein are first permitted to take place on the Hong Kong Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Mason Electronics"	Shenzhen Mason Electronics Co., Ltd. (深圳麥遜電子有限公司), a limited liability company incorporated in the PRC on November 17, 1999, one of our major subsidiaries
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"Ministry of Finance" or "MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Gao"	Mr. GAO Yunfeng (高雲峰), the ultimate beneficial owner of Dazu Holdings and a member of the Controlling Shareholders Group
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國發展和改革委員會)
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in "Structure of the Global Offering — Pricing and Allocation" in this Prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 7,567,700 additional H Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in "Structure of the Global Offering" in this Prospectus
"Overall Coordinators"	the overall coordinators named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Advisor"	China Commercial Law Firm, the PRC legal advisors of our Company
"Price Determination Agreement"	the agreement to be entered into by the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price

"Price Determination Date"	the date, expected to be on or around February 4, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company may agree, but in any event no later than 12:00 noon on February 4, 2026
"prospectus" or "Prospectus"	this Prospectus being issued in connection with the Hong Kong Public Offering
"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"QIB" or "Qualified Institutional Buyer"	a qualified institutional buyer within the meaning of Rule 144A
"Rayleigh Taide"	Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. (深圳市大族瑞利泰德精密塗層有限公司), a limited liability company incorporated in the PRC on August 1, 2022 and one of our subsidiaries
"Regulation S"	Regulation S under the US Securities Act
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the US Securities Act
"SAC"	the Securities Association of China (中國證券業協會)
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國中國國家外匯管理局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)

"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Share Award(s)"	(type II) restricted share(s) granted under the 2023 Restricted Share Incentive Scheme, each representing the right to subscribe for one A Share of our Company at the exercise price upon vesting
"Shareholders(s)"	holder(s) of the Share(s)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Sole Sponsor"	the sole sponsor named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus
"Sponsor-Overall Coordinator"	the sponsor-overall coordinator named in the section headed "Directors and Parties Involved in the Global Offering" in this Prospectus
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"State Council"	State Council of the People's Republic of China (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance

"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$", "USD" or "US dollars"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax
"Xinfeng CNC"	Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司), a limited liability company incorporated in the PRC on November 15, 2022, one of our major subsidiaries
"%"	per cent

In this Prospectus, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction" and "substantial shareholder" shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

This glossary of technical terms contains explanations of certain technical terms used in this Prospectus in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

"3D"	three-dimensional
"5G"	fifth generation of cellular network technology
"5G-A"	5G-Advanced, the next evolutionary step in 5G technology
"ABF"	ajinomoto build-up film
"AI"	artificial intelligence
"AIGC"	artificial intelligence generated content
"AiP"	antenna-in-package technology
"AOI"	automated optical inspection
"ASIC"	application-specific integrated circuit
"AVI"	automated visual inspection
"BMS"	battery management system
"BT"	bismaleimide triazine
"CAGR"	compound annual growth rate
"CCD"	charge-coupled device
"CCS"	Cell Contact System, a module that connects individual battery cells within a battery pack, providing both electrical and electronic connectivity
"CE"	Conformité Européenne
"CO_2"	carbon dioxide
"CPCA"	China Printed Circuit Association

"CPU"	central processing unit
"CRM"	customer relationship management
"DMD"	digital micromirror device
"EMIB"	embedded multi-die interconnect bridge
"ERP"	enterprise resource planning
"ESG"	environmental, social, and governance
"EtherCAT"	ethernet for control automation technology
"FC-BGA"	flip-chip ball grid array
"FC-CSP"	flip-chip chip scale package
"FOPLP"	fan-out panel level packaging
"FPC"	flexible printed circuit
"GFA"	gross floor area
"GPU"	graphics processing unit
"HDI"	high-density interconnect
"HLC"	high layer count
"Internet of Vehicles"	a network of connected autonomous vehicles that share data with each other and other entities in their environment
"LDI"	laser direct imaging
"MES"	manufacturing execution system
"mm"	millimeter
"MPS"	master production schedule
"NEV"	New Energy Vehicle

"mSAP"	Modified Semi-Additive Process
"PCB"	printed circuit board
"PDCA"	plan-do-check-act
"PI"	polyimide
"PP"	prepreg
"PVD"	physical vapour deposition
"R&D"	research and development
"RCC"	resin coated copper
"rigid-flex board"	boards using a combination of flexible and rigid board technologies in an application
"SAP S4 HANA"	an ERP software for large enterprises developed by SAP SE, which is a German multinational software company
"SLP"	substrate-like PCB
"SoC"	system on a chip
"sq.m."	square meter
"SRM"	supplier relationship management
"T"	terabit per second
"TGV"	through glass via
"UL"	Underwriters Laboratories
"UV"	ultraviolet
"μm"	micrometer

We have included in this Prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Prospectus contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- changes in our customers' demands and expectations;
- changes in the competitive landscape of the industries where we operate;
- our ability to protect our reputation and brand image, as well as trademarks, technologies, knowhow, patents and other intellectual property rights;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate; and
- developments in technology and our ability to successfully keep up with technological advancement.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled "Forward-Looking Statements" of this Prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and financial performance are dependent on demand from a number of downstream industries. A downturn experienced by any of these industries could adversely affect our business.

We primarily provide specialized PCB production equipment for PCB manufacturers. Our business and financial performance are dependent on the overall performance of various industries that have demands for electronic devices. If the end product markets cannot maintain robust growth, our business and profitability may be adversely affected.

The demand for PCBs has been increasing alongside the rapid advancement of technology and the proliferation of electronic terminal products in China and globally. The growth in sectors such as server and data storage, automotive electronics, mobile phones, computers and consumer electronics significantly influences the demand for PCBs and related production equipment. For instance, the rise of AI and the increasing integration of electronic components in vehicles have driven the demand for more sophisticated and high-performance PCBs. However, any adverse changes in these sectors, such as technological shifts or reduced consumer spending, could negatively impact the demand for PCBs, thereby affecting our business, financial condition and results of operations. For example, our revenue decreased from RMB2,786.2 million in 2022 to RMB1,634.3 million in 2023, and our sales volume decreased from 3,702 units to 2,080 units over the same years. This was largely due to a decline in the industry in which we operate and in various downstream sectors, as reflected by (i) a decrease in the overall market demand for specialized PCB equipment in China from approximately US$3.9 billion in 2022 to approximately US$3.7 billion in 2023; and (ii) a decline in industry output value of various sectors downstream of PCB equipment, such as servers and data storage, automotive electronics, mobile phones, computers, and consumer electronics, among others, from approximately US$81.7 billion in 2022 to approximately US$69.5 billion in 2023, which in turn led to a decrease in demand for PCBs and related upstream equipment.

We need to change or adapt our business focuses from time to time in response to the new rules and regulations regarding the end markets for our products, but we may not be able to do so in a timely and efficient manner. Any new rules or regulations or adverse changes in requirements relating to the end product produced by our equipment could have an impact on our business, financial condition and results of operations.

Furthermore, our operations are significantly influenced by economic, political and social conditions in China and globally. Economic downturns, geopolitical tensions, inflations, and/or changes in monetary policies, in our key markets or our customers' key markets, whether actual or perceived, could change demand by players in the downstream industry value chain, which could materially and adversely affect our financial condition and results of operations. Global uncertainties, such as geopolitical tensions, inflation risks and changes in monetary policies, also pose challenges to our business environment.

The industries in which we operate are highly competitive. If we fail to compete effectively and successfully, our business, results of operations and financial condition may be materially and adversely affected.

According to CIC, the specialized PCB equipment industry is highly competitive and relatively fragmented, with the top five manufacturers in the industry in China accounting for approximately 23.9% of the total market share in terms of revenue in 2024. We primarily compete with peers on innovation and iteration of technology, products and production processes, production capacity, supply chain pricing and customer relationships, and failure to compete successfully on such aspects may adversely affect our results of operations and financial performance. In particular, we rely on our ability to maintain robust cooperative relationships with customers and respond rapidly to customer requirements to maintain mutually-beneficial relationships with our existing and new customers. As we expand our product portfolio, customer base and geographical markets, we will need significant managerial, financial and human resources to exceed our competitors in these aspects. We cannot assure you that we can maintain our overall competitiveness to secure sales orders or gain market share.

We may face increasing competition from emerging companies that may expand the scale of their operations. In addition, some of our existing and new competitors may have greater financial, marketing, technical or other resources than us. Greater resources may allow such competitors to respond to changes in market demand more quickly and produce and sell more advanced products, as well as better withstand downturns in the markets where we operate. Intense competition may also lead to further consolidation in the industry. Our competitors may enter into strategic alliances such as business partnerships or joint ventures, which may enable certain competitors to further benefit from greater economies of scale and more effectively compete against us. There can be no assurance that we will be able to continue to compete successfully, and our failure to do so could have an adverse effect on our business, financial condition and results of operations.

If we fail to keep up with the evolution of technologies or adapt our technology to emerging industry standards, or if our investments in new technologies prove unsuccessful or ineffective, our business may be materially and adversely affected.

Technological innovation is key to our success. During the Track Record Period, we made substantial R&D investments, which we believe are crucial factors for our future growth and prospects. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our research and development expenses amounted to RMB229.7 million, RMB193.6 million, RMB266.8 million, RMB200.7 million and RMB300.0 million, respectively, accounting for 8.2%, 11.8%, 8.0%, 7.6% and 7.0% of our total revenue in the same years or periods, respectively.

The evolution of technologies and the emergence of new industry standards pose significant challenges. If we fail to keep up with these changes or adapt our technology accordingly, our competitive position could be compromised. This may necessitate additional investments in technology upgrades and process improvements to align with industry standards. Failure to do so could result in our products becoming obsolete, leading to a potential loss of market share and adversely affecting our business operations. However, there can be no assurance that our R&D projects will yield the expected outcome or be completed within the anticipated time frame and budget. If we fail to commercialize our R&D efforts, we may incur significant sunk costs. Even if the newly developed products can be launched as we expected, there can be no assurance that they will be accepted by our customers and achieve the anticipated sales target or profit. In addition, a portion of our research and development expenses is allocated to developing foundational technologies rather than specific products. While this investment is important for long-term innovation and capability building, it may not immediately enhance the competitiveness of our products in the market or produce the expected benefits or returns in the short term. Furthermore, there can be no assurance that our existing or potential competitors will not develop products which are technologically similar or superior to ours or are more competitively priced. In such cases, we may lose market share. Due to uncertainties in the time frame for developing new products and the duration of market windows for these products, there is a risk that we may have to abandon a product that is no longer commercially viable, even after we have invested significant resources in the development of such product.

We are susceptible to supply shortages, longer lead time and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, delay deliveries of our products to customers, and adversely affect our results of operations.

Our production operations depend on obtaining adequate supplies of high-quality raw materials on a timely basis. The raw materials used in our production of specialized PCB production equipment mainly include sheet metal and machined parts, mechanical devices, purchased modules and optical devices. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our costs on raw materials and consumables used amounted to RMB1,639.9 million, RMB993.2 million, RMB2,196.6 million, RMB1,734.5 million and RMB2,650.1 million, respectively, accounting for 89.2%, 85.8%, 90.2%, 89.6% and 89.2% of our cost of sales, respectively. The purchase price of our raw materials is influenced by changes in bulk commodity prices as well as market supply and demand. The pricing of our products is, to a certain extent, based on the costs of our direct materials. Due to the one-time pricing model adopted in our procurement, we may not be able to adjust the procurement cost of our raw materials in response to subsequent market price changes during the contract period. This may expose us to the risk of high procurement costs if raw material prices decrease after we have entered into procurement contracts at higher prices. If we become subject to any significant increase in the cost of raw materials that was not anticipated when negotiating the prices with our customers, our profitability may be adversely affected.

In addition, we may not be able to avoid raw material shortage and there can be no assurance that we will be able to identify all of the quality issues of the raw materials we purchase. In the event that our suppliers fail to cater to our growing demands, we may be unable to meet market demand for our products, which may have an adverse impact on our reputation and profitability. Additionally, factors that are beyond our control, including natural disasters, public health hazards, civil unrest, wars, strikes or trade sanctions or restrictions, may impact the supply and market price of raw materials. Any such factor could disrupt our procurement of raw materials and could have a material adverse effect on our production capacity utilization, which, in turn, will adversely affect our business, financial condition and results of operations.

Our success depends in part on our ability to enhance our production capabilities and to produce high quality products.

Our success depends in part on our ability to enhance our production capabilities, which includes optimizing our production capacity, improving our production efficiency or modifying our production facilities to meet the varying demands for our products. Failing to do so may prevent us from achieving the economies of scale needed to reduce manufacturing costs, compete effectively, and maintain our pricing and other competitive advantages. Our ability and efforts to enhance our production capabilities are subject to significant risks and uncertainties, including:

- our ability to obtain funding for the additional capital expenditures, working capital and other corporate requirements to be used to enhance our production capabilities. We may be unable to obtain such funds in a timely manner or on commercially reasonable terms or at all;
- unexpected delays and cost overruns resulting from a number of factors, many of which may be beyond our control. These include increases in the prices of raw materials, components and utilities, shortages of workers and transportation constraints, as well as equipment malfunctions and breakdowns;
- our ability to obtain the required permits, licenses and approvals from relevant government authorities;
- availability of the necessary technology or equipment from our R&D team;
- diversion of management attention and other resources; and
- production interruption caused by natural disasters or other unforeseen events.

Construction of new production facilities or the expansion of existing facilities also requires significant capital investment upfront, and it may take a considerable amount of time before such facilities achieve their expected capacity or breakeven point. Failure to manage our cash flow and financial condition prior to such breakeven point may drain our financial resources and adversely affect our business, financial condition and results of operations.

Maintaining our brand image is critical to our success, and any failure to do so could severely damage our reputation and brands, which would have a material adverse effect on our business, financial condition and results of operations.

Our success depends on our ability to maintain and enhance our brand image and reputation, whose value depends on factors such as the quality, design, performance, functionality and durability of our products, product innovation and customer experience. We intend to continue investing in these areas in order to develop, maintain and enhance our brand image and reputation. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our selling and marketing expenses amounted to RMB160.5 million, RMB132.2 million, RMB196.1 million, RMB160.7 million and RMB235.8 million, respectively, accounting for 5.8%, 8.1%, 5.9%, 6.1% and 5.5% of our total revenue, respectively. Expenses associated with maintaining our brand image can be significant, and we may further incur substantial expenses to establish our brand image in new markets we may enter. However, we cannot assure you that our investments in these areas would be successful, and expenses related to maintaining our brand image and reputation may have an adverse impact on our business, financial condition and results of operations if they do not yield the expected results.

Our brands, reputation and product sales could be harmed if, for example, our products fail to meet the expectations of our customers or contain defects. In addition, adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine customer confidence in us and reduce long-term demand for our products.

In addition, negative publicity concerning our Group, including our shareholders, affiliates, directors, officers, employees, business partners and other third parties, as well as the broader industry, can have detrimental effects. Such publicity, regardless of its accuracy, can tarnish our reputation, resulting in loss of customer trust, decreased sales and challenges in maintaining or establishing business relationships with our customers. It can also result in heightened scrutiny from regulators and stakeholders, potentially leading to increased compliance costs or legal challenges, subsequently affecting our business, financial condition and results of operations.

Our business depends substantially on the expertise and dedication of our management team and key personnel. We may face challenges in recruiting and retaining such individuals, which could impede our technological advancement and business growth.

We have been, and will continue to be, substantially dependent on the continued services of our management team and key personnel. Retaining talent depends on our ability to overcome cultural differences, improve employee engagement and satisfaction, and offer more competitive compensation than our competitors. If we lose the services of any key member of them, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all. Inability to retain of skilled professionals could lead to delays in product development, hinder our ability to respond to market demands, and affect our capacity to manage and integrate our international operations effectively. Additionally, the loss of key personnel or the inability to attract new talent could result in a loss of institutional knowledge and expertise, adversely affecting our business operations and future prospects. Loss of key personnel to our competitors may provide such competitors an edge over our products, technologies or business management, which could harm our overall competitiveness. Failure to address these challenges may negatively impact our business, financial condition and our ability to achieve strategic objectives in the rapidly evolving technology sector.

The shortage of skilled professionals could lead to a decline in management and operational efficiency, thereby affecting our competitiveness. Our leading position in the specialized PCB equipment industry depends on the strength of our management and operation. As we are expanding our business both domestically and internationally, we need to continuously improve our management practices to sustain our leading market position. However, there is no assurance that we can always ensure the continued effectiveness of our management systems or sustain our operational efficiency. A decline in management and operational efficiency may expose us to challenges such as resource mismanagement, supply chain disruptions, or difficulties in further scaling our productions. These challenges could adversely affect our competitiveness and make it difficult for us to sustain our market-leading position.

In addition to retention of key personnel, our business operations and expansion in China and globally depend on our ability to recruit new employees. Our ability to innovate and maintain a competitive advantage relies heavily on attracting highly qualified professionals in fields where we operate to continuously innovate and iterate our existing products and expand into our strategic emerging business. However, the competition for such talent is intense, and there is a risk that we may not be able to recruit the necessary personnel to support our growth and international expansion strategies.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

Our global operations subject us to various applicable sanctions and export controls regulations. During the Track Record Period, we sold our specialized PCB production equipment to over 10 countries and regions. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, revenue from our overseas operations comprised approximately 1.3%, 5.2%, 10.8%, 11.5% and 12.8% of our total revenue, respectively. In the event that any of these countries or regions which we export to imposes economic sanctions or enforces import restrictions or tariffs in relation to our products, our business and operations may be adversely affected.

We are subject to laws and regulations related to economic sanctions and export control across various jurisdictions, such as European Union, Southeast Asia and Taiwan China, which prohibit the provision of products and services to certain countries, regions, governments, and sanctioned individuals or entities. For example, European Union sanctions have regimes to prohibit the provision of products and services to countries or regions, governments and persons on their respective target list. These laws are subject to frequent changes, and their interpretation and enforcement can be uncertain, often influenced by national security or political factors beyond our control. Any of the above or their continued changes could result in enforcement actions, penalties, and material adverse impacts on our business. Additionally, broader government policies affecting international trade and investment — such as tariffs, capital controls, foreign investment regulations, and outbound investment restrictions — may reduce demand for our products, hinder our competitiveness, or limit our ability to operate in certain markets. If our customers are subject to and/or are found in violation of any of the abovementioned laws and regulations, their demand for our products may be significantly reduced, which in turn could materially and adversely affect our business performance and financial results.

In particular, the evolving U.S. foreign policy and trade regulations, particularly the potential introduction of further trade restrictions and tariffs on specific products and products originating from certain countries or regions, could disrupt our supply chain, increase costs and negatively impact our ability to compete in the global market. Moreover, such changes could potentially provoke retaliatory measures from other countries, exacerbating international trade tensions and the above adverse impacts on our business. For example, the U.S. implemented several rounds of import tariffs on products of Chinese origin, and in response the PRC government also imposed tariffs on certain products imported from the U.S. into China. Following further bilateral negotiations between the United States and China and subsequent executive and administrative measures, the U.S. tariff regime applicable to PRC-origin goods has been adjusted. As of the Latest Practicable Date, PRC-origin goods in general are subject to an additional U.S. tariff rate of approximately 20% (comprising a 10% additional tariff and a 10% reciprocal tariff), while certain consumer electronics, including smartphones and computers, are exempt from the reciprocal tariff and are generally subject only to the 10% additional tariff. As of the Latest Practicable Date, U.S.-origin goods imported into China are in general subject to an additional 10% reciprocal tariff as a countermeasure to U.S. Section 301 tariffs (in each case on top of the applicable most-favoured-nation or other base import tariff rates). It is uncertain whether and when any further tariff restrictions will be implemented. Additionally, policy changes and related uncertainty about policy changes could increase market volatility. We cannot assure you that our supply chain, overall business operations and financial performance will not be materially adversely affected by laws or regulations related to international trade adopted by the U.S. or other countries.

We are subject to risks associated with the overseas expansion of our business.

Our overseas expansion is also subject to operational risks. We plan to continue to expand our business in selected overseas markets, especially in Southeast Asia. As a result, we are subject to a variety of risks and uncertainties associated with overseas operations and sales, including compliance with foreign laws, regulations and local industry standards, in particular, those related to specialized PCB equipment industry; export control and economic sanctions laws and regulations; exposure to increased overseas litigation risks; political and economic instability, as well as geopolitical tensions, including the threat of war or terrorist attacks; foreign currency exchange rate fluctuations, currency controls and cash repatriation restrictions; unfamiliarity with local operating and market conditions and competitive landscapes; uncertainty on the degree of market acceptance; competition from local companies; failure to attract and retain locally qualified management and employees; alignment of the operations, culture and systems of the international team with our existing operations; foreign taxes; environmental, safety and labor regulatory compliance; and potential disputes and difficulty in managing relationships with overseas customers and distributors. Additionally, we distribute our products to overseas markets and we may expand our business in overseas markets, and we will face management risks associated with the growth of our international team and the management of territories under our international strategy.

Any failure to manage the foregoing and other risks and uncertainties could result in operational inefficiencies, increased costs and a diversion of management's attention from other business matters, which in turn could adversely affect our overseas business and its expansion, and result in reduced turnover from our overseas operations, which in turn could materially and adversely affect our business, financial condition and results of operations.

In addition, our success in expanding our business, providing products and services internationally and competing in international markets is subject to our ability to manage various risks and difficulties, including, but not limited to:

- difficulties in gaining an in-depth understanding of local markets, communities and cultures;

- higher levels of payment fraud, legal and compliance risks;

- higher shipment costs;

- requirement to adapt to possible import and export controls, sanctions, trade embargoes and other heightened regulatory requirements;

- challenges and increased expenses associated with staffing and managing international and cross-border operations and managing an organization spread over various jurisdictions;

- ability to recruit talent and challenges in replicating or adapting our policies and procedures to operate in new markets;

- difficulties of integrating any foreign acquisitions;

- ability to provide sufficient levels of technical support in different locations or provide sufficient oversight over the management of our overseas subsidiaries;

- difficulties in establishing cooperative relationships with international partners, including local operators;

- ability to develop and maintain relationships with customers and other local stakeholders; and

- potential damage to our brand and reputation if we are unable to provide optimal products and services to our customers or properly oversee the management of our operations in such local markets.

As we expand further into new regions and markets, these risks could intensify. If one or more of these factors were to materialize, it could adversely impact our international operations, and our efforts to expand our operations internationally may not be successful.

We are exposed to inventory management risks.

Our inventories primarily consist of raw materials, semi-finished goods, work-in-progress, materials consigned for processing, finished goods and goods in transit. As of December 31, 2022, 2023, 2024 and October 31, 2025, our inventories were RMB903.9 million, RMB972.1 million, RMB898.2 million and RMB1,716.9 million, respectively. Our inventory turnover days for the same years or period was 210 days, 296 days, 140 days and 132 days, respectively.

If we underestimate product demand or face supply disruptions, we may experience inventory shortages that could disrupt production, delay deliveries, and harm customer relationships. We cannot guarantee our inventory will meet customer needs promptly, which may reduce revenue and adversely affect our business and financial condition. On the other hand, failure to manage inventory effectively may lead to excessive inventory level, which could increase inventory and warehousing costs, increase risk of inventory obsolescence, and incur significant write-offs. We cannot ensure all inventory will be sold within a reasonable time, and any such inventory may be subject to decline in value. Any of the above could materially adversely affect our results of operations and financial condition.

In the event of any damage or deterioration caused by factors beyond our control, including catastrophic events such as outbreak of fire or explosion, we may suffer from losses and such losses may not be compensated in a timely and adequate manner. Our business performance and financial position may thereby be adversely affected.

We historically experienced decreases in our cash flow from operating activities and recorded operating cash outflows during the Track Record Period, which may adversely affect our our business, financial condition and results of operations.

We have historically experienced decreases in our cash flows from our operating activities. In 2022, 2023 and 2024, we had net cash generated from operating activities of RMB655.4 million, RMB416.8 million and RMB155.0 million, respectively. In the ten months ended October 31, 2024 and 2025 we had net cash used in operating activities of RMB123.3 million and RMB754.4 million, respectively. We recorded operating cash outflow for the ten months ended October 31, 2025, primarily due to (i) a timing mismatch between cash inflows from sales and cash outflows for purchases; and (ii) higher performance-based remuneration and an increase in headcount, which further increased cash outflows related to employee compensation. See "Financial Information — Liquidity and Capital Resources — Net Cash Flows from/(Used in) Operating Activities."

To improve the net cash outflow position as of October 31, 2025, we continued to implement liquidity measures, such as steady cash flow operations and budgeting, collaborating with sales department, adopting rolling budgets, and following up on customer payments. Further, we increased the proportion of prepayments to secure earlier cash inflows and reduce reliance on extended installment settlements, which typically delay cash collection. For example, with regards to certain types of our equipment products designed for AI servers, we initially offered credit periods ranging from 12 to 20 months upon launch. As we further upgraded our products and improved their competitiveness, and taking into account market competitive landscape, we actively negotiated with customers and were able to bargain for shortened credit periods ranging from approximately three to 12 months, with the specific credit period for each customer determined after careful analysis of each customer's creditworthiness and historical credit records. We believe such significant operating cash outflow in the ten months ended October 31, 2025 is temporary, and that the above measures will lead to improvements in our operating cash flow position for the full year of 2025.

We experienced similar operating cash outflow in the ten months ended October 31, 2024 as well, because in 2024, we experienced a significant increase in sales revenue, which in turn required us to expand our procurement scale to meet such increase in demand, resulting in a significant increase in payments to suppliers. In the ten months ended October 31, 2024, our trade receivable turnover days reached 240 days, and we experienced net cash used in operating activities of RMB123.3 million.

To reduce such turnover days and improve operating cash flow position, we focused on the following, which we also continued to implement and improve in 2025:

- maintaining steady cash flow operations and budgeting by enhancing cash flow forecasting and payment scheduling with an aim to optimize payment timing and maintain a balance between cash payments and the need to support essential operational expenditure and procurement;
- collaborating with the sales department to set collection targets;
- adopting quarterly rolling budgets, and conducting reviews and analyses on variances between budgeted and actual figures to identify underlying reasons; and
- following up on customer payments in a timely manner, including implementing targeted collection strategies, particularly for customers with longer outstanding receivables.

We also enhanced collection efforts in the last two months of 2024, adopted bank acceptance bills to optimize the procurement payment cycle, and incentivized our sales personnel to expedite cash collection. As a result of the above measures our trade receivable turnover days improved from 240 days in the ten months ended October 31, 2024 to 228 days for the year ended December 31, 2024. Benefitting from the above measures, our net operating cash outflow of RMB123.3 million in the ten months ended October 31, 2024 reverted to a net operating cash inflow of RMB155.0 million in the full year of 2024.

Our ability to generate sufficient operating cash flow depends on many factors, such as the ability to achieve profitability, carry on our business activities in an efficient manner, the ability to effectively manage payables and receivables for the purpose of liquidity, the extended inspection processes by our customers, changes in general market conditions and the regulatory environment and competition in certain sectors in which we operate. Any adverse change in any of these factors, which may be out of our control, may create capital shortfall and could adversely affect our liquidity. We cannot guarantee that our cash from operating activities will improve, and there is no assurance that our operating activities will be able to generate sufficient cash flow to satisfy our capital and liquidity needs at all times, or even at all.

We may incur additional indebtedness, and increased cost of indebtedness in the future could affect our business, results of operations and liquidity.

During the Track Record Period, we had certain borrowings to finance our business operations and capital expenditures. We expect to continue to do so in the future and our liquidity risk may increase. As of December 31, 2022, 2023, 2024 and October 31, 2025, our interest-bearing borrowings amounted to RMB17.2 million, RMB75.7 million, RMB213.5 million, and RMB825.9 million, respectively. The effective interest rate on our bank loans ranged from 2.08% to 3.60% per annum during the Track Record Period and up to November 30, 2025. See "Financial Information — Indebtedness — Interest-bearing Borrowings."

High indebtedness levels could necessitate a greater allocation of our cash flow towards principal and interest repayments, limiting funds available for working capital and strategic initiatives. Additionally, it may constrain our flexibility in adapting to industry changes or pursuing new opportunities, restrict access to further financing and heighten our exposure to interest rate fluctuations and unforeseen adverse events. Additionally, restrictive covenants in the indebtedness may further limit our capacity to raise additional debt or equity financing, potentially leading to defaults that could accelerate repayment obligations, jeopardizing our financial stability. If we fail to manage our indebtedness properly, our business, results of operations and financial condition may be materially and adversely impacted.

We are subject to credit risks related to our trade and bills receivables.

Our trade receivables and bills receivables mainly refer to outstanding amount due from our customers and related parties for the purchase of goods we sold in the ordinary course of business, less credit loss allowance. Our trade and bills receivables decreased by 22.6% from RMB2,267.7 million as of December 31, 2022, to RMB1,755.7 million as of December 31, 2023, primarily due to a decrease in sales. Our trade and bills receivables increased by 62.1% to RMB2,846.1 million as of December 31, 2024 and further increase by 64.7% to RMB4,687.2 million as of October 31, 2025, primarily due to an increase in sales resulting from the surge in demand for IT infrastructure in the AI industry chain, coupled with the recovery of the consumer electronics sector and the technological upgrade of automotive electronics. Our trade receivables turnover days were 254 days, 377 days, 228 days, 242 days, in 2022, 2023, 2024, and the ten months ended October 31, 2025 respectively. See "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Trade and Bills Receivables" for details. We cannot assure you that we will be able to collect all or any of our trade and bills receivables on time, or at all. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

If we fail to maintain an effective quality management system, particularly during production expansion, our business, reputation, financial condition and results of operations may be adversely affected.

Our product quality is critical to our success. Our quality management system may not always identify latent product defects, which could lead to failures during installation or use, resulting in safety hazards or operational issues for our customers. The effectiveness of our quality management system depends on a number of factors, including the design of the system, the machineries used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality management policies and guidelines. In the event our equipment products result in an unsafe condition or injury to any of downstream industry players as a result of component failures, production flaws, design defects or inadequate disclosure of product-related risks or information, among other factors, we could be subject to product liability or warranty claims; we could be named as a defendant in such claims, and any insurance that we carry may not be sufficient or it may not apply to all situations. Similarly, our customers could be subjected to claims as a result of such accidents and bring claims against us to hold us accountable. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we recorded six, seven, one, one and three warranty claims, with the amounts of warranty claims being approximately RMB0.1 million, RMB1.3 million, RMB3.5 thousand, RMB3.5 thousand and RMB0.2 million, respectively. In the event that our products fail to perform as expected or such failure of our products results in a recall, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers and could materially and adversely affect our business, results of operations and financial condition.

Scaling up production to meet rising demand may strain our quality assurance processes by pushing personnel and equipment beyond optimal capacity, increasing the risk of oversights or errors. Higher volumes may cause bottlenecks, rushed evaluations, and accelerated equipment wear and tear, all of which can compromise product quality. Process changes or new technologies introduced during scale-up may also lead to unforeseen quality issues for which we may experience delay in formulating and implementing appropriate quality standards and measures. Additionally, sourcing extra materials or components under time pressure can introduce variability, further elevating the risk of defects or non-compliance with standards.

Any significant failure in, or deterioration of the efficacy of, our quality management system could result in us losing accreditations and requisite certifications or qualifications, which could in turn have a material adverse effect on our reputation, business and results of operations.

We may not be able to increase our production capacity and implement other expansions as planned.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, the actual production volume of our Shenzhen production base was 3,208, 1,979, 2,600, 2,420 and 4,710 units. In 2023, 2024 and the ten months ended October 31, 2024 and 2025, the actual production volume of our Xinfeng production base was 424, 1,710, 953 and 1,227 units. We intend to maintain our competitive advantages by, among others, expanding our production capacity and exploring new business opportunities in the specialized PCB equipment industry. Such expansion plans and any other future expansion plans would require significant capital investments in new production facilities and in the engagement of additional qualified personnel. To capture these opportunities, we intend to improve the production capacity and enhance the R&D and operational capabilities. See "Future Plans and Use of Proceeds." We expect to incur substantial additional costs, such as depreciation charges, raw material costs, financial costs and labor costs in relation to the above expansion plans. In addition, the success of our existing and future expansion plans depends on factors beyond our control, such as progress of the construction conducted by third-party construction companies, government support, including the ease of obtaining relevant licenses for the expanded production capacity, and customer demand for products that could occupy our expanded production capacity. The integration of future expansion projects into our existing operations may be subject to unforeseeable delays, which may, among other things, increase our integration costs, strain our production capacity at other locations, decrease our production efficiency and cause delays in delivery of customer orders. As the success of our business expansion plans depends on various factors, many of which are beyond our control, there can be no assurance that we will be successful in implementing our strategies. Even if our strategies are implemented successfully, there can be no assurance that our strategies will lead to successful achievement of our business objectives.

Moreover, we may seek to expand our business through cooperation, strategic investments, mergers and acquisitions and partnership in the future. The success of these endeavors depends on the availability of, and competition for, suitable targets and opportunities, as well as financial resources, including available cash and financing capacity. Moreover, future cooperations, strategic investments, mergers and acquisitions and partnerships may expose us to potential risks, including the diversion of management attention and resources from our existing business and the inability to generate sufficient income to offset the costs and expenses. These endeavors may also result in an increased leverage, sharing of potential legal liabilities in respect of the target businesses and increased impairment charges related to goodwill and other intangible assets. As a result, we cannot assure you that we will be able to achieve the strategic purpose of any investment, partnership or cooperation, the desired level of control in management decisions of the partnership or our anticipated investment return from such business expansion. If we are unable to implement our expansion plans effectively, our business, financial condition and results of operations may be materially and adversely affected.

In addition, if our management, systems, resources and supporting infrastructure fail to effectively keep up with our planned expansion, we may experience difficulties in managing our growth and operations, and our financial condition and results of operations could be materially and adversely affected.

If we are unable to maintain high utilization of our production facilities, our profitability may be adversely affected, particularly if there is industry overcapacity.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, the actual production volume of our Shenzhen production base was 3,208, 1,979, 2,600, 2,420 and 4,710 units, representing a utilization rate of 90.6%, 80.6%, 90.7%, 91.4% and 95.6%, respectively. In 2023, 2024 and the ten months ended October 31, 2024 and 2025, the actual production volume of our Xinfeng production base was 424, 1,710, 953 and 1,227 units, representing a utilization rate of 89.1%, 96.7%, 93.2% and 96.8%, respectively. High utilization of production facilities is crucial for spreading fixed costs over a larger quantity of products. Consequently, our ability to maintain or improve gross margins depends significantly on sustaining high utilization rates. However, various adverse factors, such as shortages in customer orders, excess capacity, equipment malfunction, interruptions in utility availability and quality control deficiencies, could negatively affect our facility utilization.

Specifically, overcapacity caused by shortages in customer demand for specialized PCB production equipment could exacerbate the challenges of maintaining high utilization rates. The increase in global production capacity, driven by anticipated demand for more specialized PCB production equipment, may be higher than actual market demand increase. If demands industries do not grow as expected, or if our production capacity significantly exceeds this growth trajectory, we may face periods of industry-wide oversupply and the consequent price drop, as well as lower margins caused by under utilization of production capacity. If customer demand declines significantly, parts of our production facilities may become idle. This situation could lead to obsolescence of our facilities over time. Any of the above could materially and adversely affect our business, financial condition and results of operations.

Our business requires a significant amount of capital expenditure for the expansion of our production capacity, and there can be no assurance that we will be able to have enough cash to successfully implement our capital expenditure plans.

Our operations depend on the expansion of our production capacity to meet evolving customer demands and market trends. As a manufacturer of specialized PCB production equipment, we require significant capital expenditure, which primarily consists of expenditures for the purchases of property, plant and equipment, other intangible assets and other non-current assets, to ensure the quality, efficiency and competitiveness of our products.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our capital expenditures were RMB143.8 million, RMB242.4 million, RMB224.1 million, RMB195.2 million and RMB114.2 million, respectively. There can be no assurance that we will be able to generate sufficient cash from operations, or at all, to fund our planned capital expenditures. Any delays or failures in securing necessary funding and any unforeseen increases in costs or delays in the implementation of our capital expenditure plans could adversely affect our operations and financial results. Moreover, the development in industries where we operate may require us to make additional, unforeseen investments to remain competitive. If we fail to allocate sufficient resources toward adapting to these technological changes or if our investments do not yield the expected benefits, our market position and profitability may be adversely impacted.

Our production processes are potentially vulnerable to disruptions that can increase our production costs. We may experience potential disruptions in operations due to production difficulties or potential accidents.

Our production process is relatively complex, requiring regular equipment upgrades and renovations, ongoing maintenance, and expansion of our skilled assembly team to improve production yield and product performance while reducing unit production costs. From time to time, production difficulties may arise that could cause delivery delays or reduced output. There is no guarantee that we will not encounter production issues in achieving acceptable output or timely product delivery due to factors such as construction delays, challenges in upgrading or modifying existing production lines, building new plants, adapting to new production technologies or processes or delays in equipment deliveries. Any of these issues could constrain our production capacity and adversely affect our results of operations.

Furthermore, our production processes entail certain risks, such as industrial accidents, which could lead to significant property damage or personal injury. Any such incident, regardless of its location, could result in substantial production interruptions and delays, or claims for significant damages due to personal injuries or property damage, thereby adversely impacting our business, financial condition and operational results.

We may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products, and such efforts to defend and protect our intellectual property may be costly.

The success of our products and our business depends in part on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products in the jurisdictions where we operate. We rely on a combination of patent, trademark, trade secret and laws related to intellectual property in China and other countries and regions to establish and protect our proprietary rights, and yet all of which may provide only limited protection.

We cannot assure you that patents will be issued with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, if at all, or that any patent issued to us will not be challenged, invalidated or circumvented. Our currently issued patents and any patents that may be issued or registered in the future, as well as other types of intellectual property rights we own or will own, may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. We cannot assure you that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. The confidentiality procedures and contractual restrictions implemented by us may not be sufficient or effective.

Protecting against the unauthorized use of our intellectual property and other proprietary technology is expensive and difficult. Unauthorized parties may attempt to copy or reverse engineer our technologies or certain aspects of our products that we consider proprietary. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to prevent unauthorized parties from copying or reverse engineering our products, to determine the validity and scope of our proprietary rights or to block infringing products where we operate. Any such litigation, whether initiated by us or a third party, could result in substantial costs and diversion of management resources, either of which could adversely affect our business, financial condition and results of operations. Even if we obtain favorable outcomes in litigation, we may not be able to obtain adequate remedies.

If we encounter issues with our trademark licensing, our business operations may be adversely affected.

Our use of the trademarks "HANS CNC" and/or "大族數控" is based on a licensing agreement with Han's Laser, a member of our Controlling Shareholders Group. These trademark are integral to our brand identity and market recognition. If any disputes were to arise regarding the terms of the licensing agreement, our ability to use the trademarks "HANS CNC" and/or "大族數控" could be compromised. Such an event could adversely affect our business operations, as we may need to rebrand or invest in establishing a new brand identity, which could incur significant costs and impact our market position. Additionally, any legal disputes over the trademark may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our business operations, thereby adversely affect our business, financial condition and results of operations.

We may not be able to detect and prevent fraud committed by third parties.

We are exposed to the risk of fraud committed by agents, customers or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities as well as seriously harm our reputation. Our internal control system and procedures are designed to monitor our operations and overall compliance. However, they may be unable to identify non-compliance and/or suspicious transactions in a timely manner, or at all. Further, it is not always possible to detect and prevent fraud, and the precautions we take to prevent and detect such activities may not be effective. There will therefore continue to be the risk that fraud may occur, which may have an adverse effect on our business, reputation, financial performance and results of operations.

We are exposed to the risk of fraud committed by our suppliers. Failure by any of our suppliers to fulfill the commitment to integrity may lead to ethical issues and subject us to potentially severe reputational risk and loss of profit and decline in the trust of customers and partners.

We are dependent upon third parties for services in connection with our business.

We from time to time engage third-party manufacturers to meet customer demand. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we engaged a total of 142, 170, 169, 157 and 186 manufacturing contractors, with manufacturing fees of RMB58.6 million, RMB39.7 million, RMB63.1 million, RMB51.4 million and RMB92.7 million, respectively. This outsourcing exposes us to risks such as inconsistent product quality, delays in delivery, and reduced control over production processes. If third-party partners fail to meet our specifications, timelines, or compliance standards, it could result in customer dissatisfaction, reputational harm, and potential loss of business. Additionally, any disruption in their operations — due to labor issues, supply shortages, or geopolitical factors — may adversely affect our ability to fulfill orders, which could materially impact our business operations and financial performance.

In addition, we rely on certain third-party service providers for services in connection with our business, such as logistics services and labor dispatch. However, the services delivered by third-party providers may not always be timely or meet satisfactory quality standards. If the third-party service providers fail to perform satisfactorily, substantially reduce the amount and scope of services provided to us, or substantially increase the prices of their services or terminate their business relationship with us, we may need to replace the third-party service providers or take other remedial actions, which could increase our costs of operations. As we do not have direct control over the third-party service providers, if they become involved in the provision of services without relevant qualifications, or fail to comply with our requirements or those of our customers, our reputation in the industry may be adversely affected. This, in turn, may materially and adversely affect our business, financial condition and results of operations.

We may be subject to penalties relating to labor dispatch.

On December 28, 2012, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) was amended to impose more stringent requirements on labor dispatch and such amendments became effective on July 1, 2013. For example, dispatched workers may only engage in temporary, auxiliary or substitute work. In addition, the number of dispatched workers engaged by an employer may not exceed a certain percentage of its total number of workers, to be decided by the Ministry of Human Resources and Social Security. Pursuant to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) (the "**Interim Provisions on Labor Dispatch**") which has become effective since March 1, 2014, an employer shall strictly control the number of dispatched workers engaged, which shall not exceed 10% of the total number of its workers (the "**Limit**"). The total number of workers refers to the sum of (i) the number of employees who have entered into employment agreements with the employer; and (ii) the number of dispatched workers engaged by such employer.

During the Track Record Period, the number of dispatched workers engaged by us and some of our subsidiaries exceeded the Limit, primarily because (i) with the customers' order demand growth, we need additional workers to deliver customer orders in short term, resulting in the number of dispatched workers exceeding the stipulated Limit in relevant periods; and (ii) our staff were unfamiliar with and misunderstood relevant laws and regulations, and did not seek proper advice from external advisers or our management team. During the Track Record Period and up to the Latest Practicable Date, we and our subsidiaries had not been subject to any administrative penalties or other disciplinary actions relating to labor dispatch by relevant government authorities. Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, if the number of dispatched workers exceeds the Limit, the employer may be ordered to make corrections within a time limit by labor administrative authorities, and failure to make such corrections may lead to a fine ranging from RMB5,000 to RMB10,000 per dispatched worker imposed by labor administrative authorities.

We cannot assure you that the relevant government authorities will not impose penalties on us and our subsidiaries for historical non-compliance, which may adversely affect our business, profitability and reputation.

Our deferred tax assets may not be recoverable, which may affect our financial conditions in the future.

As of December 31, 2022, 2023, 2024 and October 31, 2025, our deferred tax assets amounted to RMB58.1 million, RMB67.1 million, RMB50.0 million and RMB89.3 million, respectively. Deferred tax assets arise from the deductible temporary differences between the carrying amounts of assets and liabilities from financial reporting purposes and their tax base, as well as unused tax losses and unused tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant judgment on the tax treatment of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee that the recoverability of our deferred tax assets and to what extent they may affect our financial condition in the future.

Our Share-based payments may result in shareholding dilution and have a material and adverse effect on our financial performance and condition

We have granted, and may continue to grant, share-based payments to our employees (including Directors) and other eligible persons as part of our remuneration and incentive arrangements. For example, on May 21, 2025, our share capital increased as a result of the issuance of A shares upon the vesting of share awards granted under our 2023 Restricted Share Incentive Scheme. See "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme."

The grant and vesting of share-based payments may result in the issuance of additional Shares, which may dilute the shareholding percentage of our existing Shareholders. In addition, in accordance with applicable accounting standards, expenses in respect of share-based payments are recognized as employee benefit expenses in our consolidated financial statements, which may increase our operating expenses and adversely affect our financial performance and condition. There is no assurance that the grant or vesting of share-based payments will not have a material adverse effect on our results of operations, financial position or the interests of our Shareholders.

We are subject to various operational risks during our ordinary course of business.

Our business is subject to a variety of operational risks, including production disruptions due to operational errors, power outages, equipment failures and suspension; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest; environmental or industrial accidents; and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, we bear safety risks associated with our production activities, including work injury accidents. Such dangers may result in personal injuries or fatalities and damage to property and equipment, which may cause personal injury claims, cessation of business or civil, administrative and criminal penalties.

The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities. We may not have adequate or any insurance to cover these operational risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition and results of operations may be materially and adversely affected.

Our insurance policies may not provide adequate coverage for all claims associated with our business operations.

Our employees are covered by accident insurance, critical illness insurance, overseas insurance (for employees travelling abroad) and employer's liability insurance (for interns and rehired retirees). Our company and assets are covered by property insurance and cargo transportation insurance (for machinery during shipping), property all risks insurance (for fixed assets, inventory, etc.) and motor insurance. We consider our insurance coverage to be customary for business of our size and type and in line with standard commercial practice in the PRC. For more details of our insurance policies, see "Business — Insurance." However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure, such as loss of reputation. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business and results of operations may be materially and adversely affected.

We received government grants and preferential tax treatment during the Track Record Period, and any discontinuation of government grants or preferential tax treatment or any change in the relevant policies may adversely affect our results of operations and financial performance.

During the Track Record Period, we received certain government grants and preferential tax treatment according to relevant policies. During the Track Record Period, government grants mainly comprised incentives provided by local government authorities in China, including various forms of government financial incentives and awards to facilitate technological innovation, and tax rebate on certain of the software components within our products. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our government grants amounted to RMB139.9 million, RMB64.5 million, RMB60.0 million, RMB47.7 million and RMB50.7 million, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Other Income and Gains, Net." Meanwhile, certain subsidiaries of our Company were eligible for certain preferential corporate income tax rates during the Track Record Period. Government grants are recognized when there is reasonable assurance that they will be received and that we will comply with all the conditions attaching to them. These government grants were mainly non-recurring in nature, and the amounts of these grants were subject to the discretion of local governments. We cannot guarantee that we will receive such government grants and preferential tax treatment in the future, and our business, financial condition and results of operations may be adversely affected if we fail to obtain such government grants and preferential tax treatment in the future.

Fluctuations in exchange rates could adversely affect our results of operations.

Fluctuations in exchange rates, particularly among the Renminbi, Euro, US dollars, HK dollars and other currencies, could affect our profitability. In 2022, our net foreign exchange gain was RMB1.8 million. In 2023 and 2024, our net foreign exchange losses were RMB7.1 million and RMB2.3 million, respectively. In the ten months ended October 31, 2024 and 2025, our net foreign exchange losses were RMB4.6 million and RMB34.1 million, respectively. We may not be able to accurately predict the impact of exchange rate fluctuations on our results of operations and may incur net foreign exchange losses, which may have a material and adverse effect on our business, financial condition and results of operations.

In addition, an appreciation in the value of the Renminbi against foreign currencies could increase the prices of some of our products, thereby making them less appealing to our overseas customers, which could adversely affect our strategy in our overseas markets. On the other hand, depreciation in the value of the Renminbi against foreign currencies could result in an increase in the costs of certain raw materials, parts and components that are primarily sourced from overseas suppliers, which could in return adversely affect our profit margin for certain products.

We may be the subject of unfair competition, harassing or other detrimental conduct by third parties, including complaints to regulatory authorities, negative social media postings and the public dissemination of malicious statements related to us that could harm our reputation and affect our business operations.

As an established brand, our image is sensitive to the public's perception of us as a business in entirety, which includes not only the quality of our products, but also our corporate management and culture. We cannot guarantee that we may not be the subject of unfair competition, harassment or other detrimental conduct by third parties. Such conduct includes complaints to regulatory authorities, negative social media postings and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us may be disseminated by anyone, whether or not related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. Any such detrimental conduct against our Company, Directors, employees, spokespersons or products, regardless of veracity, could harm our reputation, or lead to potential loss of consumer confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to procure new customer orders through tenders as planned or at a desirable pace or on favorable terms.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we secured 51, 41, 51, 36 and 45 customer orders through tender and bidding processes, respectively, which generated revenue of RMB307.7 million, RMB179.3 million, RMB240.8 million, RMB86.3 million and RMB165.8 million, accounting for 11.0%, 11.0%, 7.2%, 3.3% and 3.8% of our total revenue in the same years or periods, respectively. The selection of specialized PCB production equipment providers depends on a number of factors, including but not limited to the quality of products and services provided, the level of pricing and the operating capabilities of the provider. Tender outcome is ultimately at the discretion of the inviting party, and our efforts may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions and evolving government regulations as well as supply and demand dynamics within the industry. We cannot assure you that we will be able to maintain our high success rate in procuring new customer orders in the future as planned or at a desirable pace or on favorable terms.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We have been and may continue to be involved in litigation and other legal proceedings during the ordinary course of business operations such as product liability, labor disputes, contract disputes or intellectual property disputes, which may adversely affect our financial condition. In addition, we may have to pay legal costs associated with such disputes and proceeding, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our business operations. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our business, financial condition and results of operations.

Our future strategic acquisitions or investments, if any, may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.

We may engage from time to time in acquisitions and other strategic investments in order to expand our production capacity, diversify our product portfolio, gain access to new markets and stable sources of raw materials or acquire new technologies. However, there can be no assurance that our efforts, any past or future acquisitions or investments, will be successful or that we will achieve the anticipated strategic benefits and financial returns from such transactions.

There are various risks associated with our acquisitions and investments, which include the following:

- challenges related to integration of acquired company's or investee's operations into our business;
- substantial delays or reduction in anticipated synergies;
- events beyond our control, including changes in regulations, technology and economic conditions, which could adversely affect our ability to realize benefits and returns from such transaction;
- potential increase in indebtedness that could constrain our operations;
- exposure to unknown or contingent liabilities that could require significant expenditures and capital injections;
- failure to train, motivate, integrate and retain employees of acquired company or investee;
- diversion of management time and attention from our existing operations to address the transactions and related challenges or those associated with integration processes; and
- unanticipated write-offs or charges and impairment of goodwill.

Furthermore, we are subject to valuation risks in connection with acquisitions. Determining the fair value of acquired businesses, assets and liabilities involves significant management judgment and assumptions. If our estimates prove to be inaccurate or if business conditions change adversely following an acquisition, we may be required to record impairment charges that could materially harm our reported financial performance. In addition, acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the incurrence of debt, the incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

If we fail to address any of the foregoing risks, our business, financial condition and results of operations may be materially and adversely affected.

Failure to make fully and timely social insurance and housing provident fund contributions for some of our employees as required by PRC laws and regulations may subject us to payments of outstanding amounts, overdue charges or penalties imposed by relevant governmental authorities.

Companies operating in the PRC are required to make social insurance and housing provident funds for their employees. During the Track Record Period, we did not make full social insurance and housing provident fund contributions in accordance with the relevant PRC laws and regulations for certain employees. Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and take rectification measures as soon as possible within the specified period. During the Track Record Period and up to the Latest Practicable Date, we have not received any notice requiring us to pay any outstanding social insurance and housing provident fund contributions, nor have we been subject to any administrative action or penalty by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions.

According to the Judicial Interpretation (II) of the Supreme People's Court on the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated by the Supreme People's Court on August 1, 2025 and effective from September 1, 2025, any agreement between a PRC employer and an employee or an employee's undertaking to the employer on the non-contribution of social insurance shall be deemed invalid by the people's court. If an employee requests to terminate the employment agreement and seek economic compensation on the grounds that the employer has failed to pay social insurance contributions in accordance with the applicable laws, the people's court shall support such claims. Conversely, if the enterprise has lawfully paid the social insurance contributions and then requests the employee to return the compensation already paid, the people's court shall also support such claim.

We cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall, overdue charges or penalties retroactively, thereby adversely affecting our financial condition and results of operations.

Our rights to use some of our leased properties could be challenged by third parties due to defects, which may adversely affect our business operations and financial condition.

We leased certain properties in the PRC in connection with our business operations. As of the Latest Practicable Date, (i) lessors of 16 leased properties did not provide valid title certificates; and (ii) 19 lease agreements had not been registered with relevant authorities as required by applicable PRC laws and regulations. As advised by our PRC Legal Advisor, failure to complete the registration of lease agreements may lead to a fine ranging from RMB1,000 to RMB10,000 imposed by the relevant PRC authorities for each of these lease agreements if we fail to complete the registration of lease agreements within the stipulated period. As a result, we cannot assure you that we will not be subject to any challenges, lawsuits or other actions taken against us with respect to such leases. We may need to expend significant management and financial resources to arrange relocation from these relevant properties. If we fail to find qualified alternative premises on terms acceptable to us, or if we are subject to any material liability resulting from challenges to our leases of properties for which our lessors do not hold valid titles or failed to complete the necessary procedures, our ordinary course of business may be disrupted and delayed, materially adversely affecting our business operations, financial condition and results of operations. See "Business — Properties — Leased Properties."

Our business may be materially and adversely affected by force majeure events, natural disasters or other issues beyond our control.

Natural and man-made disasters and other force majeure events which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people there. An occurrence or recurrence of any of such events could result in disruptions to our operations, which could adversely affect our business, financial condition and results of operations.

Our business operations could be disrupted if any of our employees is suspected of contracting any epidemic disease, since it could require our offices or facilities to be closed for disinfection or other remedial measures, which would adversely delay or disrupt our production schedule, and we may experience raw material shortages or price surges if the operations of any of our suppliers are disrupted by pandemics.

Moreover, natural disasters, including earthquakes, floods, landslides and droughts, could result in deaths, significant economic losses and significant and extensive damage to factories, power lines and other properties, as well as blackouts, transportation and communications disruptions and other losses in the affected areas. Any future natural disasters, public health and public security hazards may, among other things, materially and adversely affect or disrupt our operations. Furthermore, such natural disasters, public health and public security hazards may severely restrict the level of economic activity in affected areas, which may in turn materially and adversely affect our business, results of operations and prospects.

RISKS RELATED TO THE LOCAL LAWS AND REGULATIONS OF THE JURISDICTIONS WHERE WE CONDUCT BUSINESS

Changes to the existing regulatory regime relating to the sectors where we operate our business may limit our ability to provide product offerings, thereby materially and adversely affecting our business, financial condition and results of operations.

In recent years, the PRC government has, on many occasions, promoted the development of the specialized PCB equipment industry. New laws, rules and regulations relevant to our businesses may be introduced in the future, or the current applicable regulations may otherwise be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. There can be no assurance that we can adapt to the evolving regulatory environment swiftly enough or in a cost-efficient manner, failure of which may adversely affect our operations and lead to substantial costs. Meanwhile, we may need to implement changes in our facilities, equipment, personnel or services to comply with the latest laws and regulations, which may increase our capital expenditures and operating expenses, thereby adversely affecting our business, financial condition and results of operations.

We are subject to the environmental protection laws and regulations as well as the complex and evolving ESG requirements, which require us to devote substantial time and resources for compliance and could adversely affect our business and financial performance.

Our business is subject to extensive and increasingly stringent environmental protection laws and regulations. There is an increasing focus on corporate responsibility and a number of regulations and requirements on ESG performance pose reputational, regulatory and other risks to us. We believe that it is our responsibility to devote substantial time and resources to develop technology and products designed to reduce our carbon footprint and maintain environmentally friendly business operations. The process of developing new production technologies and enhancing existing production technologies to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful in the time frames expected, or at all. Moreover, not all of our competitors may seek to establish climate or other ESG targets and goals, or at a comparable level to ours, which could adversely affect our competitiveness in the relevant market.

Compliance with these ESG requirements and relevant environmental protection laws and regulations requires additional investments of resources. We risk damage to our brand and our reputation in the event that our corporate responsibility procedures or standards do not meet the standards set by various third parties. In addition, in the event that we communicate certain initiatives and goals regarding ESG matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. Any of these circumstances could cause negative publicity, and our business operations could be adversely impacted.

Policies and regulations regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payments to holders of our Shares and our ability to finance in foreign currencies.

The conversion of RMB into foreign currencies should be in compliance with relevant laws and regulations. We receive a majority of our revenue in RMB, and undertake certain transactions denominated in foreign currencies. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions can be made in foreign currencies without prior approval of the SAFE by complying with certain procedural requirements. However, the laws, regulations and governmental policies regarding currency conversion are generally complex and developing. If we cannot obtain sufficient foreign currencies to satisfy our foreign currency demands via the foreign exchange regulation system, we may not be able to pay dividends in foreign currencies to our Shareholders. Foreign exchange transactions under our capital account are subject to the relevant foreign exchange regulations and policies and may need approval from the SAFE or its local branches. These regulations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures. Moreover, there is no assurance that new regulations within China will not be introduced in the future to further regulate inward or outward remittance of RMB. Any existing or future currency exchange requirements could limit our ability to purchase raw materials and components outside China or otherwise fund any future business activities conducted in foreign currencies.

Certain judgments obtained against us by our Shareholders may be difficult to enforce.

We are a company incorporated under the laws of the PRC, and nearly all of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. Judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (the "**Arrangement**") (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) are met. Nonetheless, there is no assurance that all judgments rendered by the Hong Kong courts will be recognized and enforced in China, as recognition and enforcement of a particular judgment is subject to the relevant courts' case-by-case review of the relevant courts according to the Arrangement. It may be difficult for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the applicable securities laws or other laws. In addition, it may be difficult for you to bring an original action against us or our PRC resident officers and Directors in a PRC court based on the liability provisions of non-PRC securities laws.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject the enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in some of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of the specialized PCB production equipment and affect our business, financial condition and results of operations.

We are a mainland China enterprise and we are subject to mainland China tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to mainland China income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China but the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of Shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a 20% mainland China withholding tax rate, and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption under applicable tax treaties and laws in mainland China. Pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and

Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to the individual income tax of mainland China at a withholding tax rate of 10%, depending on whether there are tax arrangements between the jurisdictions where the individual holders reside, as well as the tax arrangements between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us.

If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of mainland China and Hong Kong.

As we are listed on the Shenzhen Stock Exchange and will be listed on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange's ChiNext Market. Following the Global Offering, our A Shares will continue to be traded on the Shenzhen Stock Exchange's ChiNext Market and our H Shares will be traded on the Stock Exchange. Under the current laws and regulations of China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes and liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, and their liquidity and market price may be volatile.

There was no public market for our H Shares prior to the Global Offering. There can be no guarantee that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our H Shares is expected to be fixed by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and us, which may not be indicative of the market price of our H Shares following the completion of the Global Offering.

If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected.

The liquidity, trading volume and market price of our H Shares following the Global Offering may be volatile, which could result in substantial losses to investors.

The price at which our H Shares will trade after the Global Offering will be determined by the marketplace, which may be affected by various factors beyond our control, including:

- our financial performance;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, ourselves and the industry in which we operate;
- an assessment on the prospects for, and timing of, our future revenue and cost;
- structures that independent research analysts may publish, if any;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities;
- general market sentiment regarding the industry we operate in;

- changes in laws and regulations of China;
- our actual or perceived failure to compete effectively in the market; and
- political, economic, financial and social conditions.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant volatility in trading prices and volumes that have affected the market prices of securities of companies quoted on the Hong Kong Stock Exchange. As a result, investors in our H Shares may experience volatility in the market price of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

Actual or perceived sale, availability for sale or enforcement of share pledges of substantial amounts of our Shares could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders Group, or the perception or anticipation that such sales might occur, could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. In addition, 3,231,900 A Shares directly held by Dazu Holdings are subject to the Share Pledge granted in favour of Shenzhen High Tech Investment. See "Substantial Shareholders — Share Pledge by Dazu Holdings" for details. Certain amount of the Shares controlled by our Controlling Shareholders Group are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. We cannot assure you that such persons will not dispose of any Shares they may own now or in the future. If Dazu Holdings fail to fullfil its obligations in respect of the Share Pledge, the Share Pledge may be enforced, leading to transfer of the pledged A Share and Dazu Holdings' failure to comply with Rule 10.07 of the Listing Rules. In addition, certain existing Shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

You will incur immediate and substantial dilution, and may experience further dilution in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

Our Controlling Shareholders Group has substantial influence over our Group and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders Group has significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors and other significant corporate actions. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the Controlling Shareholders Group will be together entitled to control the exercise of approximately 71.45% of the voting rights and thus remain as the Controlling Shareholders Group of our Company. The interests of our Controlling Shareholders Group might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders Group causes us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders Group and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We protect our Shareholders' interest by ensuring a consistent dividend policy. See "Financial Information — Dividends and Dividend Policy." However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of mainland China, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including, but not limited to, our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to approval at the general meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of mainland China. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of mainland China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural provisions. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of mainland China to pay capital expenditure such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then-existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may:

- further limit our ability or discretion to pay dividends;
- increase our risks in adverse economic conditions;
- adversely affect our cash flows; or
- limit our flexibility in business development and strategic plans.

Certain facts, forecasts and other statistics in this Prospectus are derived from official government sources which had not been independently verified.

This Prospectus, particularly the section headed “Industry Overview” contains information and statistics relating to the PCB industry in China and globally, as well as other economic data. Such information and statistics are derived from official government sources, which had not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the

Underwriters, the Capital Market Intermediaries, or any of our or their respective affiliatesor advisors. You should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. The words “aim,” “anticipate,” “believe,” “could,” “predict,” “potential,” “continue,” “expect,” “intend,” “may,” “might,” “plan,” “seek,” “will,” “would,” “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Consequently, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and investors should not place undue reliance on them.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or our Shares or the Global Offering.

We strongly caution our investors not to rely on any information contained in press articles or other media regarding us, our Shares and the Global Offering. Prior to the publication of this document, there may be press and media coverage regarding the Global Offering and us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our investors should not rely on such information.

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that the appointment of executive Director(s) who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives (the "**Authorized Representative(s)**") who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our Authorized Representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our Authorized Representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two Authorized Representatives are Mr. YANG Chaohui (楊朝輝), our executive Director, chairperson of the Board and general manager, and Ms. ZHOU Yuanyuan (周鴛鴛) ("**Ms. Zhou**"), our joint company secretary. We have also appointed Ms. WONG Nga Sim (黃雅嬋) ("**Ms. Wong**"), our joint company secretary and who is ordinarily resident in Hong Kong, as an alternate to the Authorized Representatives.

(b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide their contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;

(c) we will endeavor to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and

(d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Somerley Capital Limited as compliance advisor (the "**Compliance Advisor**"), who will act as an additional channel of communication with the Stock Exchange. We will ensure that the Compliance Advisor will have access at all times to our Authorized Representatives, our Directors and other officers. We shall also ensure that such persons will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our Authorized Representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Institute of Chartered Secretaries;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company appointed Ms. Zhou and Ms. Wong as joint company secretaries of our Company. For further details, see the section headed "Directors and Senior Management — Joint Company Secretaries" for their biographies.

Ms. Wong is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our Company's principal business activities are outside Hong Kong. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Ms. Zhou, who is an employee of our Company and who has day-to-day knowledge of our Company's affairs. Ms. Zhou has the necessary nexus to the Board and close working relationship with the management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a three-year period from the Listing Date, in accordance with paragraphs 11 to 17 of Chapter 3.10 of the Guide for New Listing Applicants, on the conditions that: (i) Ms. Wong is appointed as a joint company secretary to assist Ms. Zhou in discharging her functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; the waiver will be revoked immediately if Ms. Zhou is no longer assisted by Ms. Wong who is with qualifications under Rules 3.28 and 8.17 of the Listing Rules, or; and (ii) the waiver will be revoked with immediate effect if there are material breaches of the Listing Rules by our Company. In addition, Ms. Zhou will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing Date. Our Company will further ensure that Ms. Zhou has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the expiry of the three-year waiver period, our Company will evaluate and demonstrate to the Stock Exchange that Ms. Zhou has acquired the relevant experience required under Rule 3.28 of the Listing Rules, and whether ongoing assistance should be arranged so that Ms. Zhou's appointment as the company secretary of the Company satisfies the requirements under Rules 3.28 and 8.17 of the Listing Rules. We will seek the Stock Exchange's confirmation as to whether Ms. Zhou, having benefited from the assistance of Ms. Wong for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under the Listing Rules. For further details in this respect, see the section headed "Connected Transactions."

DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING SHARE AWARDS

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the Share Awards granted by our Company (the "**Share Award Disclosure Requirements**"):

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a share scheme must be clearly set out in this Prospectus. Our Company is also required to disclose in this Prospectus full details of all outstanding Share Awards and their potential dilution effect on the shareholdings upon Listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding Share Awards;

(b) paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this Prospectus particulars of any capital of any members of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

(c) paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that our Company shall disclose, inter alia, the number, description and amount of any shares or debentures of our Company which may be subscribed for by any person by virtue of an option or a right to acquire an option, together with the particulars of the option, i.e. (i) the period for which the option is exercisable; (ii) the price to be paid for the subscription for the shares or debentures pursuant to the option; (iii) the consideration, if any, paid or to be paid for the acquisition of the option, or the right to acquire the same; and (iv) the name and address of the person to whom the option is granted or who is entitled to receive the option or, in the case of existing shareholders or debenture holders, the Prospectus must specify the shares or debentures.

Paragraph 6 of Chapter 3.6 of the Guide for New Listing Applicants provides that in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the listing document.

As of the Latest Practicable Date, (i) our Company granted Share Awards (i.e., (type II) restricted share(s), each representing a right to subscribe for one A Share of our Company at the exercise price upon vesting) under the 2023 Restricted Share Incentive Scheme to subscribe for an aggregate of 16,800,000 A Shares and the maximum number of Share Awards under the 2023 Restricted Share Incentive Scheme had been granted; and (ii) the total number of A Shares underlying the outstanding Share Awards which had not been vested (excluding any Share Awards which have been forfeited, expired or cancelled) under the 2023 Restricted Share Incentive Scheme amounted to 11,195,298, representing approximately 2.35% of the total issued Shares immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), which will be settled by newly issued A Shares pursuant to the vesting schedule. Among the Share Awards which had not been vested (excluding any Share Awards which have been forfeited, expired or cancelled), Share Awards representing in aggregate 2,814,000 A Shares, 1,587,900 A Shares, 304,180 A Shares and 6,489,218 A Shares were granted to one Director, eight senior management members, three connected persons and 365 key employees of our Company, respectively, accounting for approximately 0.59%, 0.33%, 0.06% and 1.36% of the total issued Shares upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date). As of the Latest Practicable Date, none of the grantees of the Share Awards under the 2023 Restricted Share Incentive Scheme were consultants of our Company. Since each Share Award entitles the grantee, upon vesting, to subscribe for one A Share of our Company at the exercise price, each Share Award constitutes an option to acquire one A Share at the exercise price.

We have applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, on the grounds that strict compliance with the Share Award Disclosure Requirements would be unduly burdensome for our Company and the waiver and exemption would not prejudice the interest of the investing public for the following reasons:

(a) given that over 300 grantees (other than our Directors, senior management and connected persons) are involved under the 2023 Restricted Share Incentive Scheme, setting out full details of all the grantees under the 2023 Restricted Share Incentive Scheme in this Prospectus would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and Prospectus preparation. For example, the disclosure of personal information of each grantee may require the consent of all grantees to comply with personal information privacy laws and principles. Given the number of grantees, obtaining their consent would cause an unnecessary burden on our Company;

(b) the grant and exercise in full of the Share Awards under the 2023 Restricted Share Incentive Scheme will not cause any material adverse impact to the financial position of our Group;

(c) there will not be any new H Shares issued under the 2023 Restricted Share Incentive Scheme as such scheme is an A Share incentive scheme;

(d) non-compliance with the above Share Award Disclosure Requirements would not prevent us from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(e) material information relating to the Share Awards under the 2023 Restricted Share Incentive Scheme has been disclosed in this Prospectus to provide prospective investors with sufficient information to make informed decisions.

Therefore, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the applicable Share Award Disclosure Requirements on the conditions that:

(a) on an individual basis, full details of all outstanding the Share Awards granted by our Company to our Directors, senior management and connected persons including all the particulars required under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules, and the conditions for the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, are disclosed in "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" to this Prospectus;

(b) in respect of the outstanding Share Awards granted by the Company to grantees other than those referred to in sub-paragraph (b) above disclosure is made on an aggregate basis, categorized into lots based on the total number of Shares underlying each Other Grantee, being (1) 1 to 9,999; (2) 10,000 to 19,999; and (3) 20,000 to 29,999; (4) 30,000 to 49,999; (5) 50,000 to 99,999; and (6) 100,000 to 300,000 and for each lots of Shares, with the following details are disclosed in this Prospectus: (i) the aggregate number of grantees and the number of Shares underlying the Share Awards, (ii) the consideration paid for the grant of the Share Awards, and (iii) the exercise period and the exercise price for the Share Awards;

(c) the dilutive effect and impact on earnings per share upon the full exercise of the Share Awards upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date) are disclosed in "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" to this Prospectus;

(d) the aggregate number of Shares underlying the outstanding Share Awards under the 2023 Restricted Share Incentive Scheme and the percentage to our total issued Shares represented by such number of Shares upon Listing are disclosed in "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" to this Prospectus;

(e) a summary of the principal terms of the 2023 Restricted Share Incentive Scheme is disclosed in the section headed "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" in this Prospectus;

(f) the particulars of this waiver are disclosed in this Prospectus;

(g) a full list of all the grantees who have been granted the Share Awards (including the persons referred to in sub-paragraphs (a) above), containing all the details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules, and the conditions for the certificate of exemption under section 342A of the Companies (Winding Up and MiscellaneousProvisions) Ordinance from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Upand Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII to this Prospectus; and

(h) a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance having been granted.

We have applied for, and the SFC has granted us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) full details of the Share Awards granted by the Company to each of the Directors, senior management and connected persons are disclosed in "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" to this Prospectus, such details to include all the particulars required under paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the outstanding Share Awards granted by the Company to grantees other than those referred to in sub-paragraph (a) above, disclosure is made on an aggregate basis, categorized into lots based on the total number of Shares underlying each Other Grantee, being (1) 1 to 9,999; (2) 10,000 to 19,999; and (3) 20,000 to 29,999; (4) 30,000 to 49,999; (5) 50,000 to 99,999; and (6) 100,000 to 300,000 and for each lots of Shares, with the following details in this Prospectus: (i) the aggregate number of grantees and the number of Shares underlying the Share Awards, (ii) the consideration paid for the grant of the Share Awards, and (iii) the exercise period and the exercise price for the Share Awards;

(c) a full list of all the grantees who have been granted the Share Awards (including the persons referred to in sub-paragraph (a) above) containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII to this Prospectus; and

(d) the particulars of the exemption are disclosed in this Prospectus, and this Prospectus is issued on or before January 29, 2026.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of the issuer either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Listing Rules that no securities may be offered to existing shareholders on a preferential basis and no preferential treatment may be given to them in the allocation of the securities; and in Rule 10.03(2) of the Listing Rules that the minimum prescribed percentage of public shareholders required by Rule 8.08(1) must be achieved.

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides that, without the prior written consent of the Stock Exchange, no allocations will be permitted to the existing shareholders of the applicant or their close associates, whether in their own names or through nominees, in the Global Offering unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider granting a waiver from Rule 10.04 of the Listing Rules and a consent, pursuant to paragraph 1C(2) of Appendix F1 to the Listing Rules, to allow a listing applicant's existing shareholders or their close associates to participate in its initial public offering if any actual or perceived preferential treatment arising from their ability to influence the listing applicant during the allocation process can be addressed.

Prior to the Listing, our Company's share capital comprises entirely A Shares listed on the Shenzhen Stock Exchange. As a company listed on the Shenzhen Stock Exchange with its A Shares publicly traded thereon and with a large public A Shares shareholder base, it would be unduly burdensome for our Company to seek the prior consent of the Stock Exchange for each of the minority existing Shareholders or their close associates who subscribe for the H Shares in the Global Offering.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 10.04 of, and a consent under paragraph 1C(2) of Appendix F1 to, the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of the total number of A Shares in issue of our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the "**Existing Minority Shareholders**"), on the following conditions:

(i) each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of the total number of A Shares in issue of our Company before Listing;

(ii) each Existing Minority Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(iii) none of the Existing Minority Shareholders has the right to appoint a Director and/or have any other special rights;

(iv) allocation to the Existing Minority Shareholders or their close associates will not affect our Company's ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules;

(v) the Sole Sponsor confirms to the Stock Exchange in writing that based on (i) its discussions with our Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (confirmations (vi) and (vii) mentioned below), and to the best of its knowledge and belief, it has no reason to believe that any of the Existing Minority Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on our Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of our Company immediately prior to the completion of the Global Offering will be disclosed in this Prospectus and/or the allotment results announcement, as the case may be;

(vi) our Company will confirm to the Stock Exchange in writing that:

a. in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, nor is the Existing Minority Shareholder in a position to exert influence on our Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or

b. in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on our Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;

(vii) the Overall Coordinators will confirm to the Stock Exchange that, to their best knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche, other than the assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants.

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1)(B) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Pursuant to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in the prospectus must include, inter alia, the results of our Company in respect of each of the three financial years immediately preceding the issue of the prospectus or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires, subject to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, all prospectuses to state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as may be appropriate) of the company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a company is required to include in the prospectus a report by auditors of the listing applicant with respect to profits and losses in respect of each of the three financial years immediately preceding the issue of the prospectus and assets and liabilities of the listing applicant at the last date to which the financial statements of the listing applicant were prepared.

Pursuant to section 342A(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may, subject to such conditions (if any) as the SFC thinks fit, issue a certificate of exemption from compliance with the relevant requirements under Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the

SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Chapter 1.1A of the Guide for New Listing Applicants has provided the conditions for granting a waiver from strict compliance with Rule 4.04(1) of the Listing Rules.

The Accountants' Report for each of the three years ended December 31, 2024 and the ten months ended October 31, 2025 has been prepared and is set out in Appendix I to this Prospectus.

Pursuant to the relevant requirements set out above, our Company is required to include three full years of audited accounts for the three years ended December 31, 2025 in this Prospectus. As such, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

(a) this Prospectus will be issued on or before January 29, 2026 and the H Shares will be listed on or before March 31, 2026, i.e. three months after the latest financial year-end;

(b) in accordance with Chapter 1.1A of the Guide for New Listing Applicants, a profit estimate for the financial year ended December 31, 2025 has been included in this Prospectus, in compliance with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that there is no material and adverse change to the financial and trading positions or prospects of our Company, with specific reference to the trading results from November 1, 2025 to December 31, 2025; and

(c) our Company obtains a certificate of exemption from the SFC on strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

    (a) the particulars of the exemption are disclosed in this Prospectus;

(b) the issuance of the Prospectus on or before January 29, 2026; and

(c) our H Shares will be listed on the Stock Exchange on or before March 31, 2026.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) the particulars of the exemption are set out in this Prospectus; and

(b) this Prospectus will be issued on or before January 29, 2026 and H Shares will be listed on the Stock Exchange on or before March 31, 2026 (i.e. three months after the latest financial year end of our Company).

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have been made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the waiver and exemption would not prejudice the interests of the investing public as:

(a) there would not be sufficient time for our Company and the reporting accountants of our Company (the "**Reporting Accountants**") to finalize the audited financial statements for the year ended December 31, 2025 for inclusion in this Prospectus. If the financial information for the year ended December 31, 2025 is required to be audited, our Company and the Reporting Accountants would have to carry out substantial volume of work to prepare, update and finalize the Accountants' Report and this Prospectus, and the relevant sections of the Prospectus will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2025 to be finalized in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective shareholders of our Company may not justify the additional work and expenses involved and the delay of the listing timetable;

(b) our Directors and the Sole Sponsor confirm, after performing sufficient due diligence work up to the date of this Prospectus, that there has been no material adverse change to the financial and trading positions or prospects of the Group since November 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report set out in Appendix I to this Prospectus) up to the date of this Prospectus, and there has been no event since November 1, 2025 which would materially affect the information contained in the Accountants' Report as set out in Appendix I to this Prospectus, the financial information section, the profit estimate as set out in Appendix IIA to this Prospectus and information regarding the Company's recent development subsequent to the Track Record Period and up to the date of this Prospectus;

(c) our Company and the Sole Sponsor are of the view that the Accountants' Report covering the three years ended December 31, 2024 and the ten months ended October 31, 2025, together with the profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this Prospectus have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company; and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of the activities, assets and liabilities, financial position, trading position, management and prospects has been included in this Prospectus. Therefore, the waiver and exemption would not prejudice the interests of the investing public; and

(d) our Company will comply with the requirements under Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of our annual results and annual report. Our Company currently expects to issue our annual results and annual report for the financial year ended December 31, 2025 on or before March 31, 2026 and April 30, 2026, respectively. In this regard, our Directors consider that the Shareholders, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the financial year ended December 31, 2025.

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in this Prospectus. Pursuant to paragraph 12 of Chapter 4.14 of the Guide for New Listing Applicants, the Stock Exchange also allows an indicative offer price range to be included in this Prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that our Company will only disclose the maximum Offer Price in this Prospectus on the below basis:

(a) the Offer Price will be determined with reference to, among other factors, the closing price of our A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shenzhen Stock Exchange;

(b) setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Offer Shares;

(c) pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in this Prospectus, respectively. Disclosure of a maximum Offer Price complies with the requirements prescribed under paragraphs 9 and 10(b) of Part A the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and

(d) a maximum Offer Price will be disclosed in this Prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that this Prospectus will disclose:

(a) the maximum Offer Price;

(b) the time for the determination of the Offer Price and the form of its publication;

(c) the historical closing prices of our A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;

(d) the determinants of the final Offer Price; and

(e) the source for investors to access the latest market price of our A Shares.

See "Structure of the Global Offering — Pricing and Allocation" in this Prospectus for the historical closing prices of our A Shares and trading volume on the Shenzhen Stock Exchange.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF OFFER SHARES BY A CORNERSTONE INVESTOR WHO IS A CONNECTED CLIENT

Paragraph 1C(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Hong Kong Stock Exchange.

Paragraph 1B(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

CICC Financial Trading Limited ("**CICC FT**") has entered into a cornerstone investment agreement with the Company and China International Capital Corporation Hong Kong Securities Limited ("**CICCHKS**"). CICC FT and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Tibet Longrising OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Tibet Longrising)**"), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Tibet Longrising OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Tibet Longrising), subject to customary fees and commissions. CICC FT, China International Capital Corporation Limited and CICCHKS, the Sole Sponsor, Sponsor-Overall Coordinator, one of the Overall Coordinators and Underwriters, are members of the same group of companies. Accordingly, CICC FT is a connected client of CICCHKS.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit CICC FT to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 6 of Chapter 4.15 of the Guide:

(a) any Offer Shares to be allocated to CICC FT will be held on behalf of independent third parties;

(b) the cornerstone investment agreement of CICC FT does not contain any material terms which are more favorable to CICC FT than those in other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to CICC FT by virtue of its relationship with CICCHKS in any allocation of Offer Shares in the International Offering other than the assured entitlement under the cornerstone investment agreement;

(d) CICC FT confirms that to the best of its knowledge and belief, it has not received and will not receive any preferential treatment in the allocation of Offer Shares in the Global Offering by virtue of its relationship with CICCHKS other than the preferential treatment of assured entitlement as a cornerstone investor;

(e) each of the Company, the Overall Coordinators, CICC FT and CICCHKS has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

(f) details of the cornerstone investment and details of the allocations will be disclosed in this Prospectus and the allotment results announcement of the Company.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus, for which our Directors (including any proposed Director who is named as such in this Prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

RESTRICTIONS ON OFFER AND SALE OF H SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Hong Kong Offer Shares to, confirm that he is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this Prospectus.

No action has been taken to permit a public offering of the H Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered and sold, and will not be offered and sold, directly or indirectly, in mainland China or the U.S.

CSRC FILING

We have filed the required documents with the CSRC, and the CSRC has issued the filing notice dated December 12, 2025, confirming our completion of the filing pursuant to the new filing regime introduced by the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies for the Global Offering and the application for listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 5,045,200 Offer Shares and the International Offering of initially 45,406,600 Offer Shares (assuming the Over-allotment Option is not exercised and subject, in each, to reallocation on the basis as set out in "Structure of the Global Offering").

The Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their affiliates or any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this Prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Prospectus or that the information in this Prospectus is correct as of any subsequent time.

UNDERWRITING

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Sponsor-Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement and is subject to us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters, subject to the terms and conditions of the International Underwriting Agreement. See "Underwriting" for further details on the Underwriters and the underwriting arrangements.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option). Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, February 6, 2026. Except for our A Shares that have been listed on the Shenzhen Stock Exchange and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our share or debt securities is listed on or dealt in on the Hong Kong Stock Exchange or any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisers for the details of the settlement arrangements as such arrangements may affect their rights and interests. All necessary arrangements have been made for the H Shares to be admitted into CCASS.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Our principal register of members will be maintained by us at our headquarters in mainland China.

Dealings in the H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the Shareholders as recorded on the H Share register of members of our Company and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisers if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, dealing in or the exercise of any rights in relation to our H Shares. None of our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their affiliates or any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, dealing in, or the exercise of any rights in relation to, our H Shares.

LANGUAGE

If there is any inconsistency between this Prospectus and its Chinese translation, this Prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this Prospectus in both the Chinese and English languages, and the Chinese version shall prevail in the event of any inconsistency.

ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this Prospectus may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

CURRENCY TRANSLATIONS

Solely for your convenience, this Prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless otherwise specified, this Prospectus contains certain translations for convenience purposes at the following rates: Renminbi into Hong Kong dollars at the rate of RMB1.00 to HK$1.1138, Renminbi into U.S. dollars at the rate of US$1.00 to RMB7.0014 and Hong Kong dollars into U.S. dollars at the rate of US$1.00 to HK$7.7985.

No representation is made that any amounts in Renminbi, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rate or any other rates or at all.

DIRECTORS

Name	Position	Address	Nationality
Mr. YANG Chaohui (楊朝輝)	Executive Director	Block B, Building 17 Shenye New Coastline 203 South Baoyuan Road Bao'an District Shenzhen, Guangdong Province PRC	Chinese
Mr. ZHANG Jianqun (張建群)	Non-executive Director	Building 2 Yujing Oriental Garden 168 Baishi Road Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Mr. ZHOU Huiqiang (周輝強)	Non-executive Director	Building 9 Tiandi Fengjing Garden 38 Longzhu Boulevard Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Mr. DU Yonggang (杜永剛)	Non-executive Director	Building C1 Fuyuan Commercial and Residential Garden Guihua Road Futian District Shenzhen, Guangdong Province PRC	Chinese
Ms. HUANG Linting (黃麟婷)	Non-executive Director (Employee Director)	Building B Binfen Nianhua Jiayuan 38 East Yiyuan Road Nanshan District Shenzhen, Guangdong Province PRC	Chinese

Name	Position	Address	Nationality
Mr. QIU Yunliang (丘運良).	Independent non-executive Director	Room 1004, Building 3 of Blocks 1-8, Vanke Jinyu Huafu Phase I East side of Xinqu Boulevard Minzhi Street, Longhua District Shenzhen, Guangdong Province PRC	Chinese
Ms. LI Weiwei (李薇薇).	Independent non-executive Director	34D, Building 7 Shenyun Village Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Dr. XIN Guosheng (辛國勝).	Independent non-executive Director	2D, Building 1 Lanxi Valley Phase II, Shekou Nanshan District, Shenzhen PRC	Chinese
Ms. XIA Liya (夏麗雅).	Independent non-executive Director	Room 1905, Block A Wah Ming Centre 421 Queens Road Sai Ying Pun Hong Kong	Chinese (Hong Kong)

See "Directors and Senior Management" for further details.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Sponsor-Overall Coordinator	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Overall Coordinators	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **Deutsche Bank AG, Hong Kong Branch** 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Joint Global Coordinators and Joint Bookrunners	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **Deutsche Bank AG, Hong Kong Branch** 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong **Sinolink Securities (Hong Kong) Company Limited** Unit 3501–08, 35/F Cosco tower 183 Queen’s Road Central Sheung Wan Hong Kong **SDIC Securities (Hong Kong) Limited** 39/F, One Exchange Square Central Hong Kong

	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Joint Lead Managers	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	Deutsche Bank AG, Hong Kong Branch 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	Sinolink Securities (Hong Kong) Company Limited Unit 3501–08, 35/F Cosco tower 183 Queen's Road Central Sheung Wan Hong Kong
	SDIC Securities (Hong Kong) Limited 39/F, One Exchange Square Central Hong Kong
	ABCI Securities Company Limited 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Capital Market Intermediaries	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong

Deutsche Bank AG, Hong Kong Branch
60/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Sinolink Securities (Hong Kong) Company Limited
Unit 3501–08, 35/F
Cosco tower
183 Queen's Road Central
Sheung Wan
Hong Kong

SDIC Securities (Hong Kong) Limited
39/F, One Exchange Square
Central
Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Legal advisors to our Company

As to Hong Kong and U.S. laws:
Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC laws:
China Commercial Law Firm
21-26/F, Hong Kong CTS Tower
No. 4011 Shennan Boulevard
Futian District, Shenzhen
PRC

Legal advisors to the Sole Sponsor and the Underwriters	*As to Hong Kong and U.S. laws:* **Freshfields** 55th Floor, One Island East Taikoo Place, Quarry Bay Hong Kong *As to PRC laws:* **Han Kun Law Offices** 9/F, Office Tower C1, Oriental Plaza 1 East Chang An Ave Dongcheng District, Beijing PRC
Independent Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC
Receiving Banks	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong **CMB Wing Lung Bank Limited** 14/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong

Registered Office	No. 101 of Building 3, 1-2/F, 4/F and 7/F of Building 3, and 1/F and 4/F of Building 4 Han's Laser Intelligence Manufacturing Center 12 Chongqing Road, Heping Community Fuhai Street Bao'an District Shenzhen, Guangdong Province PRC
Headquarter and Principal Place of Business in the PRC	No. 101 of Building 3, 1-2/F, 4/F and 7/F of Building 3, and 1/F and 4/F of Building 4 Han's Laser Intelligence Manufacturing Center 12 Chongqing Road, Heping Community Fuhai Street Bao'an District Shenzhen, Guangdong Province PRC
Principal Place of Business in Hong Kong	Room 1916, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company's Website	**www.hanscnc.com** *(The information contained in this website does not form part of this Prospectus)*
Joint Company Secretaries	**Ms. ZHOU Yuanyuan (周鴛鴛)** No. 101 of Building 3, 1-2/F, 4/F and 7/F of Building 3, and 1/F and 4/F of Building 4 Han's Laser Intelligence Manufacturing Center 12 Chongqing Road, Heping Community Fuhai Street Bao'an District Shenzhen, Guangdong Province PRC

	Ms. WONG Nga Sim (黃雅嬋) *(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1916, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Authorized Representatives	Mr. YANG Chaohui (楊朝輝) Ms. ZHOU Yuanyuan (周鴛鴛)
Audit Committee	Mr. QIU Yunliang (丘運良) *(chairperson)* Mr. ZHOU Huiqiang (周輝強) Ms. LI Weiwei (李薇薇)
Remuneration and Appraisal Committee	Dr. XIN Guosheng (辛國勝) *(chairperson)* Mr. ZHOU Huiqiang (周輝強) Mr. QIU Yunliang (丘運良)
Nomination Committee	Ms. LI Weiwei (李薇薇) *(chairperson)* Dr. XIN Guosheng (辛國勝) Mr. DU Yonggang (杜永剛)
Strategy Committee	Mr. YANG Chaohui (楊朝輝) (*chairperson*) Mr. ZHANG Jianqun (張建群) Mr. QIU Yunliang (丘運良)
Compliance Advisor	**Somerley Capital Limited** 20th Floor, China Building 29 Queen's Road Central Hong Kong
H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Principal Banks

Ping An Bank Co., Ltd., Shenzhen Branch
1-2/F, Ping An Bank Building,
1099 Middle Shennan Road, Futian District
Shenzhen, Guangdong Province
PRC

Industrial and Commercial Bank of China Limited, Central Area of Shenzhen Hi-Tech Park Branch
South-East corner of
1-2/F, Dazu Technology Center
9988 Shennan Boulevard
Nanshan District
Shenzhen, Guangdong Province
PRC

The information and statistics set out in this section and other sections of this Prospectus were extracted from the CIC Report prepared by CIC, which was commissioned by us and from various official government publications and other publicly available publications. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by any of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

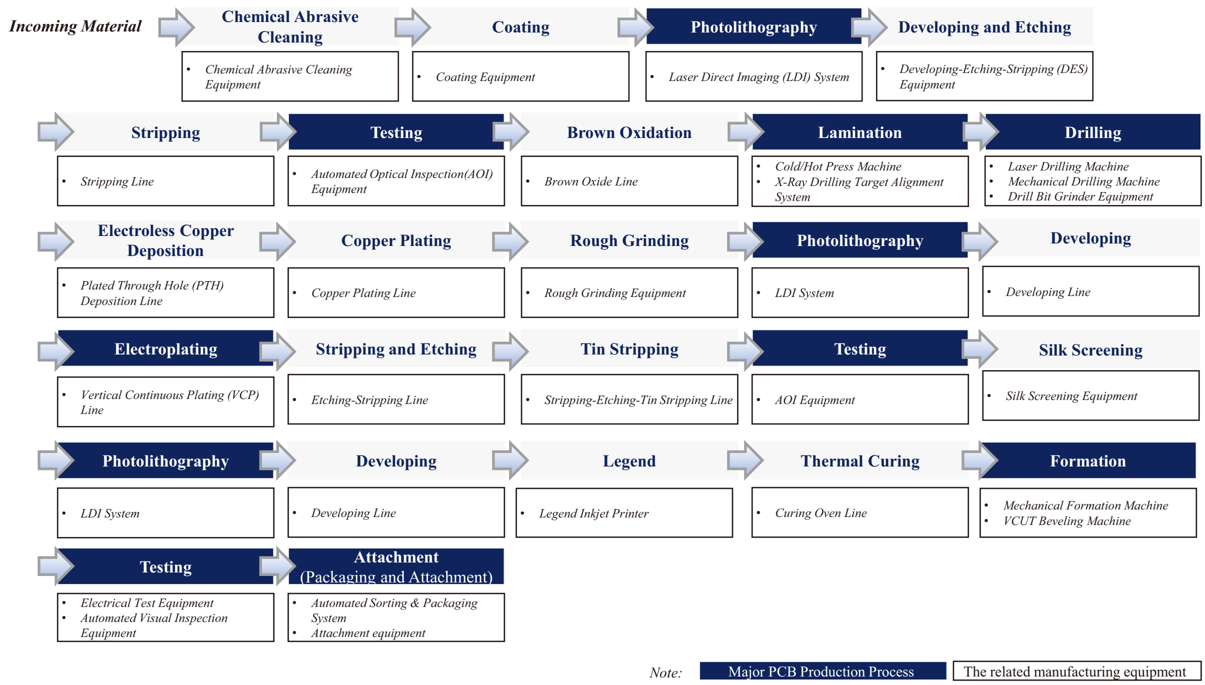
We primarily engage in the R&D, production and sales of specialized PCB production equipment. Our products cover nearly all major PCB production processes such as drilling, photolithography, lamination, formation and testing, making us become the leading player with an extensive product portfolio in the global specialized PCB equipment industry.

THE SPECIALIZED PCB EQUIPMENT INDUSTRY EMBRACES A NEW ERA OF INTELLIGENT PRODUCTION

Driven by the rapid development of the infrastructure of AI industrial chain, the global electronics terminal industry has experienced sustained robust revenue growth from 2023 to 2024, with servers and data storage devices emerging as the most dynamic segments. As the PCB is the foundational enablers of modern electronics, surging demand for electronic terminal devices, combined with continuous functional advancements, has propelled significant growth in PCB products, while catalyzing a profound transformation within the specialized PCB equipment industry.

In particular, the increasing demand for high-value PCB products, brought the innovation of AI-related applications, is driving significant advancements in the precision, efficiency, and intelligence of specialized PCB production equipment. This trend is further stimulating technological innovation throughout the specialized PCB equipment industry. In response to the continuous improvement of AI infrastructure and related industrial chain, the specialized PCB equipment industry is expected to make continuous advancements in intelligent production, precision engineering, and high-efficiency production, providing strong momentum for the industry's growth and innovation. The following table sets forth the PCB production processes and required equipment:

Overview of PCB Production Processes[(1)]



Source: *CIC.*

Note:

(1) The above processes take the production of multi-layer PCB as an example.

OVERVIEW OF THE SPECIALIZED PCB EQUIPMENT INDUSTRY

Definition and Classification of Specialized PCB Equipment Industry

Compared to the manufacturing processes of other electronic components, PCB production is distinguished by its multi-stage production processes, stringent precision tolerances, and adaptability to diverse substrate materials. These characteristics necessitate a highly specialized production workflow that demands production machinery engineered explicitly for PCB production. Consequently, the production equipment utilized in PCB production process is specifically designed in accordance with the technical requirements of PCB production, and is not applicable to the production of other electronic components. The production equipment involved in the PCB production process is referred to as specialized PCB production equipment, which denotes advanced machinery that is purpose-built and custom-designed based on the specific requirements of PCB production flow, spanning from substrate material processing to the final formation of finished circuit boards. The term of "Specialized PCB Equipment" is widely accepted in the industry. For example, relevant industry associations and organizers of electronics trade exhibitions have also adopted this term in their published materials. Specialized PCB production equipment leverages precision processing and inspection technologies to meet the high precision, operational stability, and production efficiency across various PCB products and application scenarios.

While there are process variations among different PCB products, the major PCB production processes encompass photolithography, lamination, drilling, electroplating, formation, testing and attachment. Each of these processes leverages major specialized PCB production equipment, which ensure the precision, performance, and reliability of the PCB products and require substantial capital investment in a PCB production line. The following table sets forth the PCB production processes and required equipment.

The following table sets forth a description of major specialized PCB production equipment.

Introduction of the Major Specialized PCB Production Equipment

Category	Description
Photolithography Equipment 	■ The photolithography systems mainly encompass LDI systems that define circuit patterns on photoresist-coated copper layers, addressing high resolution and alignment accuracy challenges of PCB production.
Lamination Equipment 	■ The lamination process in PCB production involves bonding multiple double-sided boards or HDI core layers with prepreg (pre-impregnated material) and copper foil to form a multilayered PCB structure. This process ensure mechanical integrity and electrical consistency.
Drilling Equipment 	■ The drilling equipment utilizes the advanced laser ablation and mechanical drilling technologies to fabricate through-holes, blind vias, and microvias, addressing critical interconnect challenges of PCB production.
Electroplating Equipment 	■ The electroplating equipment refers to specialized machinery and systems designed to deposit metallic layers onto PCB through electrochemical processes. This equipment ensures conductive pathways, interlayer connectivity, and surface protection by precisely controlling the thickness, uniformity, and adhesion of metal coatings.
Testing Equipment 	■ The testing equipment covers utilizes different inspection systems to verify layer alignment, connectivity, and defect-free circuitry of PCB production.
Formation Equipment 	■ The formation equipment defines the final outline and mechanical features of PCB through precision cutting, contour milling, and stress-relief processes. This step ensures dimensional accuracy and compatibility with downstream assembly operations.
Attachment Equipment 	■ The attachment equipment refers to specialized process automation systems designed to apply precise, uniform layers of dry film photoresist onto copper-clad laminate surfaces before photolithography, or to bond stiffeners and polyimide films onto flexible printed circuit boards. These systems play a critical role in electronic manufacturing by ensuring consistent material deposition.

Source: CIC.

Value-Chain of the Specialized PCB Equipment Industry

The specialized PCB equipment industry chain mainly includes:

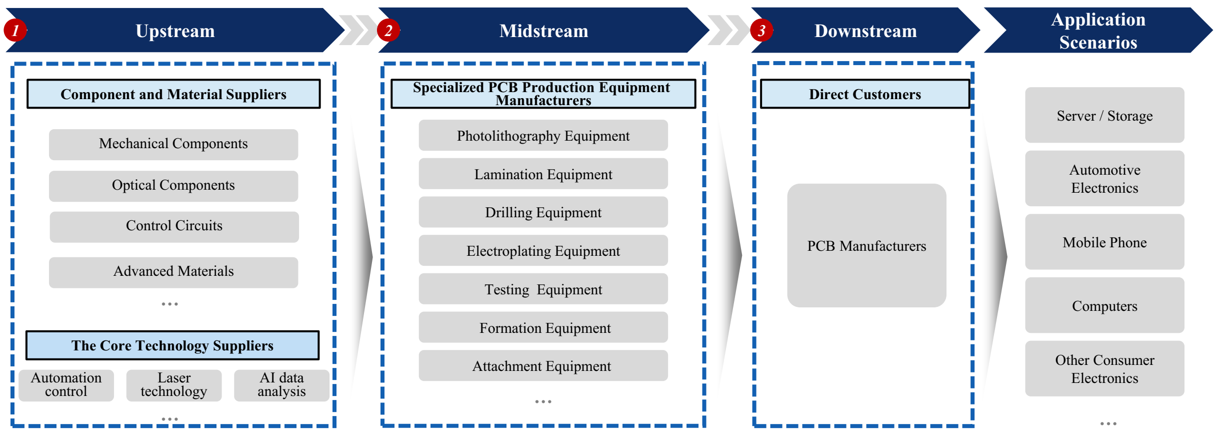
- Upstream suppliers of the component and material of specialized PCB production equipment, as well as core technology. The component and material of specialized PCB production equipment mainly comprises mechanical components, optical components, control circuits, and advanced materials. The suppliers of core technology provide automation control, laser technology, and AI data analysis to specialized PCB production equipment;

- Midstream consists of the specialized PCB production equipment manufacturers responsible for the R&D, production and sales of specialized PCB production equipment; and

- Downstream participants of the industry primarily comprise PCB production manufacturers, which are considered as the direct customer of the specialized PCB production equipment manufacturers and provide multiple types of PCB products to various application scenarios, such as server and storage, automotive electronics, mobile phones, computers, consumer electronics, and others. Given the high technology barrier for PCB production, leading specialized PCB production equipment manufacturers are adopting vertical integration strategies to enhance their technological ecosystems. It has become an industry standard practice for specialized PCB production equipment manufacturers to procure core components from upstream suppliers, who also simultaneously purchase PCB production equipment from these manufacturers.

The following table sets forth a description of the value chain of the specialized PCB equipment industry:

Value Chain of the Specialized PCB Equipment Industry

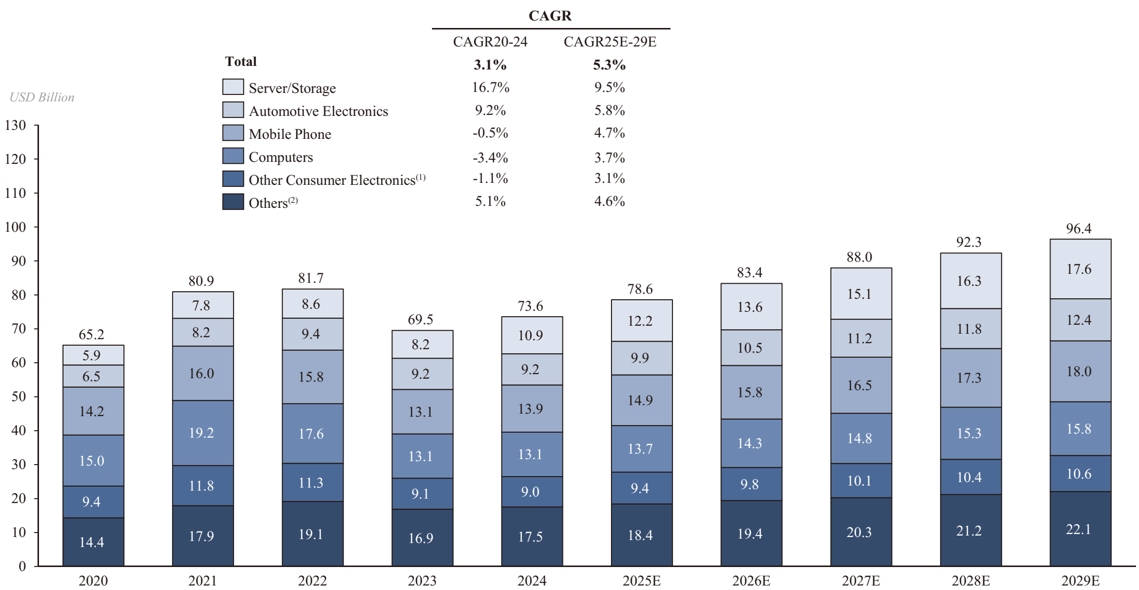


Source: CIC.

With the continued acceleration of the AI technologies and automotive intelligence, the global PCB industry experienced a stable increase in market demand in 2024. The global PCB industry output value, which refers to the total market value of PCB products, increased from US$65.2 billion in 2020 to US$73.6 billion in 2024, with a CAGR of 3.1% from 2020 to 2024. The global PCB industry output value is expected to reach US$96.4 billion in 2029, representing a CAGR of 5.3% from 2025 to 2029. The fast growth of end-use applications is directly driving the upgrade and replacement of production equipment. Scenarios such as the increasing electrification of smart vehicles, surging demand for high-performance servers, and the functional upgrade of consumer electronics are placing higher demands on PCBs in terms of reliability, miniaturization, and integration. Traditional specialized PCB production equipment can no longer meet the requirements of these advanced processes, compelling enterprises to adopt more advanced, high-performance specialized PCB production equipment. Furthermore, leading global PCB manufacturers are accelerating capacity expansion, further fueling demand for specialized PCB production equipment. The global PCB output value declined by 15% in 2023 compared to 2022, primarily due to a contraction in demand from the consumer electronics sector, which is a major end-use application for PCB products. For instance, PCB output value for mobile phones decreased from US$15.8 billion in 2022 to US$13.1 billion in 2023, representing a decrease of 17.1%, while the global PCB output value of computer decreased from US$17.6 billion in 2022 to US$13.1 billion in 2023.

The following table sets forth a breakdown of the industry output value, which refers to the total market value of PCB products, by major application type from 2020 to 2029.

Global PCB Industry Output Value, by Major Applications, 2020–2029E



Sources: Prismark, CIC.

Notes:

(1) Consumer electronics refer to mass-produced electronic devices designed for personal, household, or recreational use. These products are intended to enhance convenience, entertainment, communication, and daily living. Other consumer electronics mainly refer to audio-visual equipment, home appliances, wearables and etc..

(2) Others including wired and wireless communication infrastructure, industrial products, medical and aerospace.

MARKET SIZE OF SPECIALIZED PCB EQUIPMENT INDUSTRY

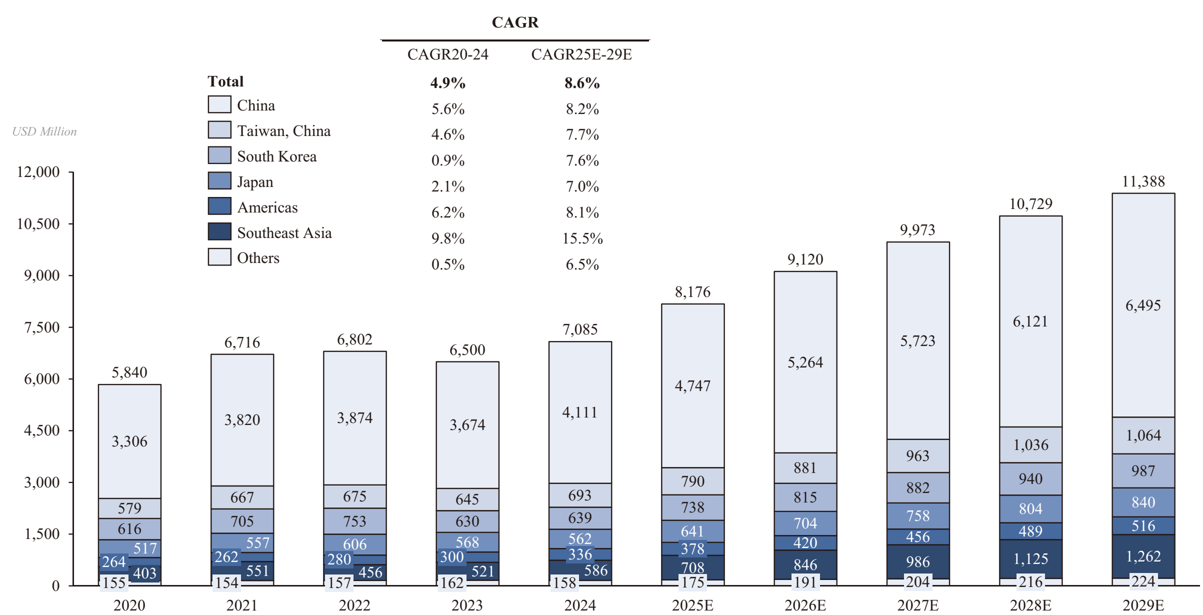
Market Size of Global Specialized PCB Equipment Industry

The main development region for specialized PCB production equipment include China, Taiwan China, Japan, South Korea and Americas, which together accounted for approximately 89.5% of global market size as of 2024. From 2020 to 2024, these regions recorded a CAGR of 5.6%, 4.6%, 0.9%, 2.1% and 6.2%, respectively. The global specialized PCB equipment industry is undergoing a strategic shift towards emerging markets, with Southeast Asia market as the major hub for this transition. The market size of the specialized PCB equipment in Southeast Asia increased from approximately US$403 million in 2020 to approximately US$586 million in 2024, representing a CAGR of 9.8% from 2020 to 2024. This shift is driven by cost competitiveness, favorable trade policies, and regional supply chain resilience, propelling the specialized PCB equipment market in Southeast Asia and other emerging market to achieve faster growth in the coming future. The market size of the specialized PCB equipment in Southeast Asia is expected to reach US$1,262 million in 2029, reflecting a CAGR of 15.5% from 2025 to 2029.

The global market size of the specialized PCB equipment increased from approximately US$5,840 million in 2020 to approximately US$7,085 million in 2024, representing a CAGR of 4.9%, and is projected to reach approximately US$11,388 million in 2029 at a CAGR of 8.6% from 2025 to 2029. As an important part of the global PCB industry, the market size of China's specialized PCB equipment industry increased from approximately US$3,306 million in 2020 to approximately US$4,111 million in 2024, representing a CAGR of 5.6% from 2020 to 2024, and the market size of China's specialized PCB equipment industry is projected to grow at a CAGR of 8.2% from 2025 to 2029, reaching approximately US$6,495 million by 2029.

The following table sets forth a breakdown of the market size, measured by revenue, of global specialized PCB equipment market by region from 2020 to 2029.

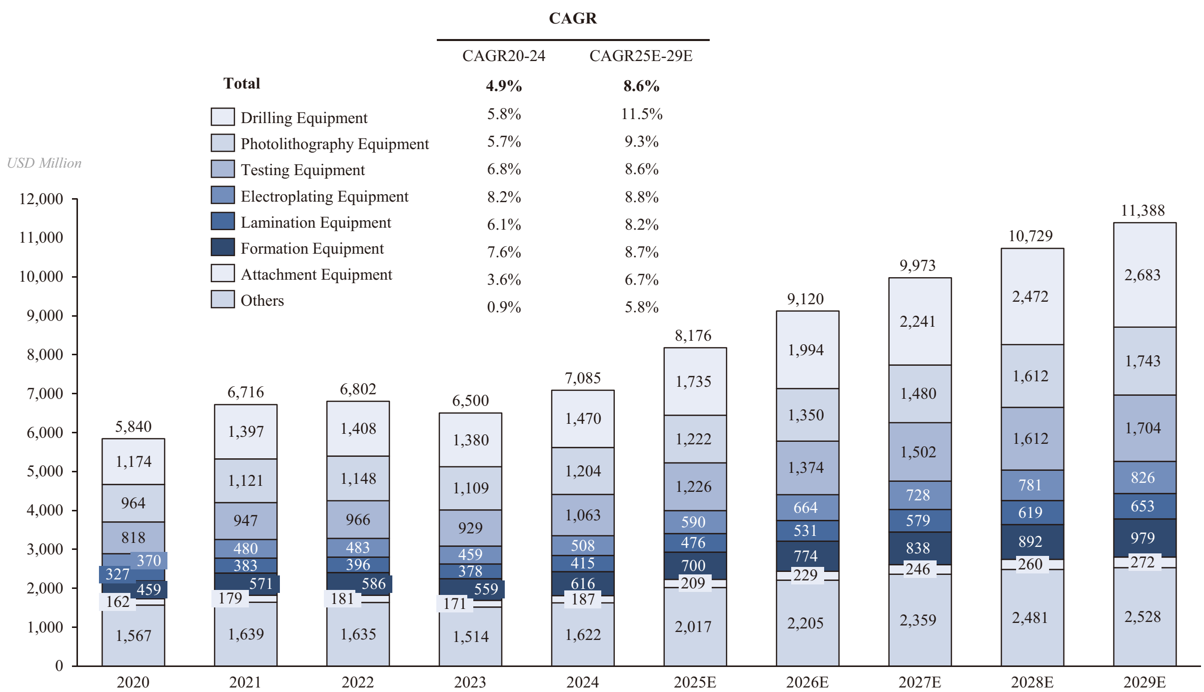
Market Size of Global Specialized PCB Equipment, by Region, in Terms of Revenue, 2020–2029E



Sources: Prismark, CIC.

The specialized PCB equipment market is undergoing a technology-driven transformation, characterized by precision upgrades, intelligent automation and capital intensity escalation, further accelerated by breakthroughs in AI technologies and automotive intelligence applications. This trend is expected to accelerate the market development and drive the market size of the specialized PCB equipment to reach approximately US$11,388 million by 2029, representing a CAGR of 8.6% from 2025 to 2029. The following table sets forth a breakdown of the market size, measured by revenue, of global specialized PCB equipment market by equipment type from 2020 to 2029.

Market Size of Global Specialized PCB Equipment, by Equipment Type, in Terms of Revenue, 2020-2029E



Source: Prismark, CIC.

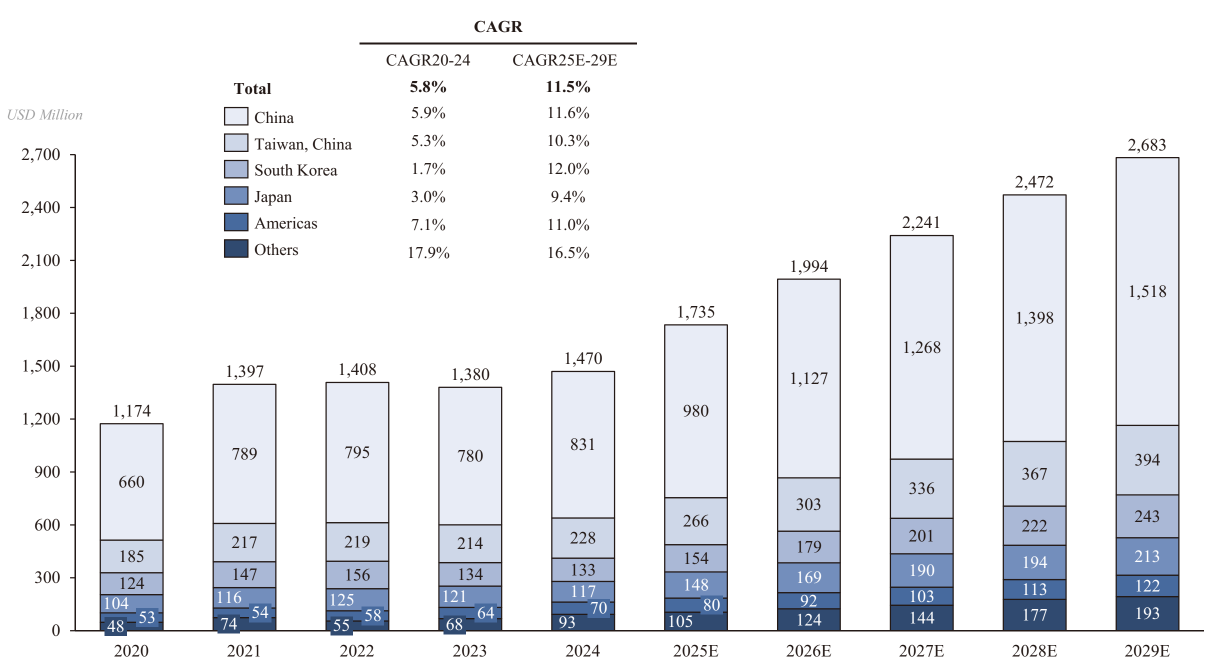
Drilling equipment and photolithography equipment are two categories of specialized PCB equipment with relatively high value and critical importance within the overall production process, Such significance is primarily attributable to the characteristics of the corresponding processes of PCB production. Unlike other specialized PCB equipment, drilling and photolithography equipment feature higher usage frequency and amount in terms of number of units of equipment required during the PCB production process compared to other specialized PCB production equipment. Consequently, the capital expenditure allocated to drilling and photolithography equipment in a single PCB production line accounts for over 30% of the total investment of specialized PCB production equipment.

Driven by both technological advancements in PCB products and the expansion of downstream application scenarios, the growth potential for drilling and photolithography equipment markets is expected to further expand. As PCBs evolve toward higher density and layer counts, market demand for high-end PCB products such as high-multilayer boards and HDI boards continues to grow, imposing escalating requirements on the quantity and precision of drilling and photolithography equipment in their production processes.

Drilling Equipment

The global market size of the drilling equipment increased from approximately US$1,174 million in 2020 to approximately US$1,470 million in 2024, representing a CAGR of 5.8%, and is projected to reach approximately US$2,683 million at a CAGR of 11.5% from 2025 to 2029. The criticality of the drilling equipment lies in the mechanics of PCB signal transmission, which depends on interlayer vias. As PCBs evolve to accommodate more layers and higher via densities, the number of holes per board increases significantly. Drilling equipment is tasked with executing multiple high-precision operations on each board to create these vias. Consequently, as layer counts and via densities rise, the demand for drilling per PCB grows exponentially. To maintain production capacity, this escalating requirement necessitates the deployment of multiple drilling units operating in parallel within a single production line. The following table sets forth a breakdown of the market size, measured by revenue, of global drilling equipment market by region from 2020 to 2029.

Market Size of Global Drilling Equipment, by Region, in Terms of Revenue, 2020–2029E



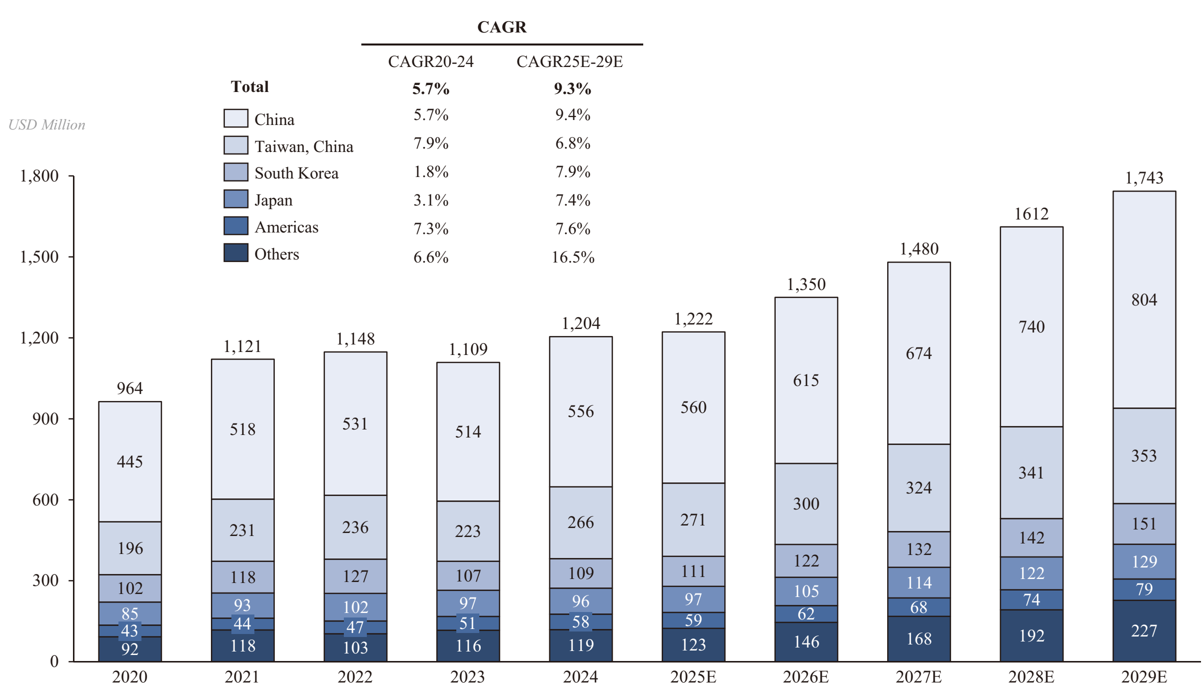
Source: Prismark, CIC.

Photolithography Equipment

The global market size of the photolithography equipment increased from approximately US$964 million in 2020 to approximately US$1,204 million in 2024, representing a CAGR of 5.7%, and is projected to grow at a CAGR of 9.3% from 2025 to 2029, reaching approximately US$1,743 million by 2029. The growth of the market is mainly driven by the importance of photolithography equipment in a PCB production line. Firstly, each layer of PCB circuitry demands independent exposure to ensure precise pattern transfer. Additionally, HDI boards require multi-layer interconnection and additional exposure steps after single-layer processing to meet stringent production specifications. These dual demands ensure photolithography equipment's irreplaceable function in enabling complex PCB production process.

The following table sets forth a breakdown of the market size, measured by revenue, of global photolithography equipment market by region from 2020 to 2029.

Market Size of Global Photolithography Equipment, by Region, in Terms of Revenue, 2020–2029E



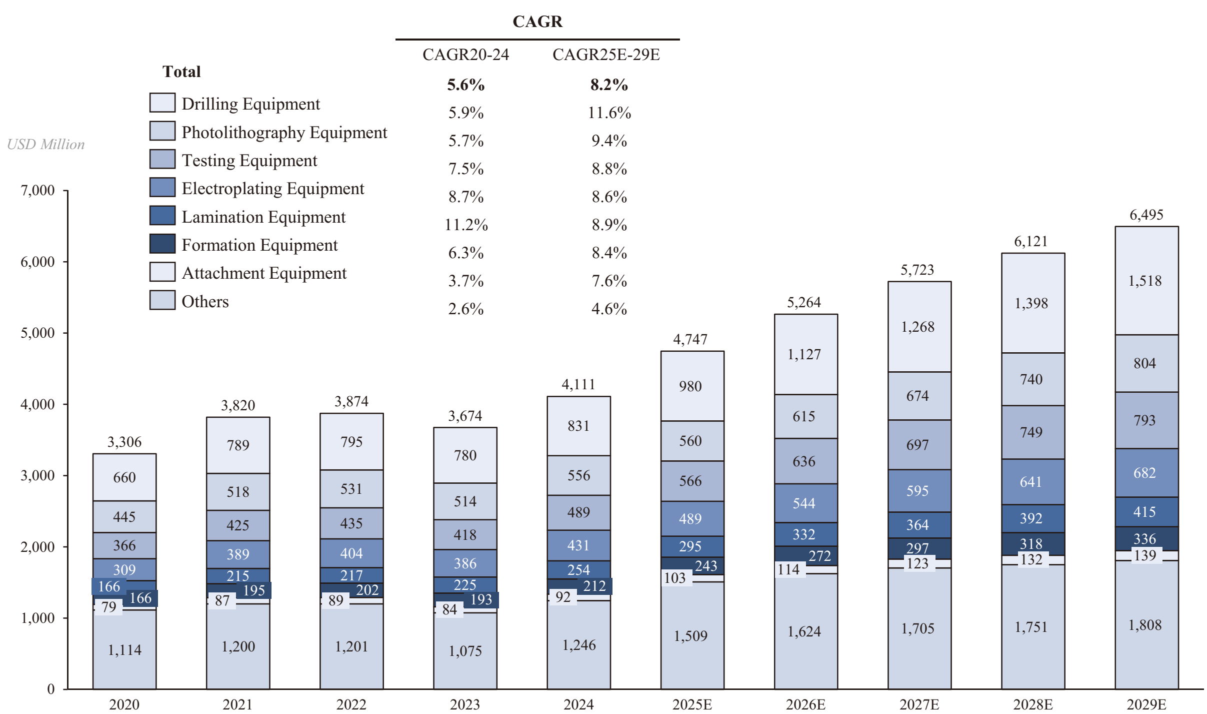
Source: Prismark, CIC.

Market Size of China's Specialized PCB Equipment Industry

The market size of the specialized PCB equipment in China increased from approximately US$3,306 million in 2020 to approximately US$4,111 million in 2024, representing a CAGR of 5.6% from 2020 to 2024, and the market size of the specialized PCB equipment in China is expected to reach approximately US$6,495 million in 2029, representing a CAGR of 8.2% from 2025 to 2029.

The following table sets forth a breakdown of the market size, measured by revenue, of China's specialized PCB equipment market by equipment type from 2020 to 2029.

Market Size of China's Specialized PCB Equipment, by Equipment Type, in Terms of Revenue, 2020–2029E



Source: *Prismark, CIC.*

DRIVERS AND TRENDS OF THE SPECIALIZED PCB EQUIPMENT INDUSTRY

The following outlines key factors that have driven and are expected to drive the growth of the global specialized PCB equipment market, along with the future trends shaping the further development:

- ***Surging Demand for High-Precision Equipment:*** Driven by the continued adoption of generative AI, physical AI, and 5G, there is growing demand for high-value PCB products, such as high-multilayer boards, HDI boards, packaging substrates and multi-layer FPCs, across applications such as AI servers, autonomous driving computing modules, AI-powered smartphones, and optical transceivers. These advanced applications are accelerating the shift toward high-density and multilayer PCB architectures, raising precision requirements for equipment such as drilling machines to the micron level. Consequently, high-precision systems, including laser drilling equipment, are becoming core systems in modern PCB production.

- ***Strong Policy Support from National Industrial Initiatives:*** As a foundational pillar of modern electronics production, PCB specialized equipment embodies the convergence of multidisciplinary technologies spanning mechanical systems, electrical engineering, optical precision, advanced control systems, and materials science. Recognized as a strategic priority within China's high-end equipment production road map, this sector has received substantial policy reinforcement in recent years. Major national initiatives, including 14th Five-Year Plan for Intelligent Manufacturing Development, have significantly emphasized governmental support for indigenous R&D breakthroughs, technological upgrading, and domestic substitution of critical electronic production equipment. These concerted efforts are not merely propelling technological innovation but are strategically accelerating the industry's evolution toward greater supply chain autonomy and high-quality development anchored in sustainable competitiveness. Furthermore, the plan explicitly calls for promoting the development of key strategic emerging industries such as electronic information, high-end equipment, new energy vehicles, and aerospace, which further unleashes downstream demand for high-end PCB products. This is expected to drive the expansion and upgrading of the specialized PCB equipment market. Additionally, the plan emphasizes the construction of smart factories and digital workshops, encouraging the introduction of automated and intelligent equipment in key manufacturing processes. This is likely to generate increased demand for high-end specialized PCB equipment during the digital and intelligent transformation of PCB manufacturers.

- ***PCB Production Capacity Expansion Drives Equipment Demand Surge:*** Fueled by robust downstream demand in sectors such as AI, high-end consumer electronics, and NEVs, the global electronics production supply chain is undergoing accelerated geographic consolidation, with China and Southeast Asia emerging as dominant strategic nodes in this structural realignment. As production capacity for PCB expands, demand for specialized PCB production equipment has increased accordingly. The surge in equipment replacement across critical PCB production steps (photolithography, lamination, drilling, formation and testing) and the scale of equipment procurement in Southeast Asia's greenfield projects reflect transformative trends driven by technological advancement, regional industrialization, and market expansion.

- ***Accelerated Equipment Export Driven by Global Supply Chain Restructuring:*** Geopolitical tensions and evolving trade protection policies are driving PCB production relocation to cost-competitive regions such as Southeast Asia. In response, specialized PCB production equipment manufacturers must adapt to varying regional standards, prompting the development of modular, easy-to-maintain, and customized solutions for specialized PCB production equipment.

- ***Ongoing Improvement in the International Competitiveness of China's Specialized PCB Production Equipment:*** China's specialized PCB production equipment is rapidly enhancing its global competitiveness through technological advancement and industrial upgrading. Supported by favorable policies and accumulated expertise, China's specialized PCB production equipment is expected to be widely accepted and acquire additional market share in the global high-end market. This development will significantly enhance China's specialized PCB production equipment's influence in the global PCB industry.

- ***PCBs in AI-related sectors are expected to become a key growth driver over the next few years, significantly boosting demand for high value-added production equipment:*** With the rapid advancement of AI large models and intelligent hardware applications, demand for computing infrastructure is surging, which in turn is driving substantial growth in demand for high-performance servers, GPUs, and advanced PCBs. AI-specific devices place higher requirements on PCBs such as increased layer counts, high-frequency and high-speed signal transmission, and precision production thus accelerating the demand for high-end, value-added PCB products. This trend is expanding the market for specialized PCB equipment.

COMPETITIVE LANDSCAPE OF THE SPECIALIZED PCB EQUIPMENT INDUSTRY

The global specialized PCB equipment industry exhibits a relatively fragmented competitive landscape, with the top five global market players collectively accounting for approximately 20.9% of the total market share in terms of revenue in 2024. The key market players include well-known electronics instrumentation manufacturers that also supply specialized PCB production equipment, alongside market participants that similar to us that are dedicated to the development of the specialized PCB production equipment. We rank the first among all specialized PCB production equipment manufacturers globally in terms of sales revenue in 2024, capturing approximately 6.5% of the global market. The following table sets forth the key players in global specialized PCB equipment industry in 2024.

Top 5 Specialized PCB Production Equipment Manufacturers by Revenue, Global, 2024

Ranking	Company	Description	Revenue[(1)] (RMB billion)	Market Share
1	Our Group	• Our Group is a solutions provider of specialized PCB production equipment. We have a product portfolio, covering nearly all major PCB production processes such as drilling, photolithography, lamination, formation and testing.	3.3	6.5%
2	Competitor A	• Headquartered in Japan, Competitor A has a history of over a century in operations, primarily focusing on automotive electronics, telecommunications equipment, and industrial automation applications. Competitor A is listed on the Tokyo Stock Exchange. In the global specialized PCB equipment market, Competitor A engages in the R&D, production, and sales of drilling equipment, which are primarily used in the HDI board and IC packaging substrate markets.	~2.5	4.9%
3	Competitor B	• Headquartered in the United States, Competitor B is a leading player in the advancing electronics industry through its expertise in semiconductor process control and the production of high-precision electronics equipment. Competitor B was listed on the NASDAQ. In the global specialized PCB equipment market, the Competitor B mainly provides AOI equipment and LDI systems for global customers.	~2.0	3.9%
4	Competitor C	• Headquartered in the United States, Competitor C is a leading provider of foundational technology solutions for advanced semiconductor production, electronics and packaging, as well as specialized industrial applications. Competitor C was listed on the NASDAQ. In the global specialized PCB equipment market, Competitor C mainly provides laser drilling equipment for global customers.	~1.5	2.9%
5	Competitor D	• Headquartered in the Germany, Competitor D is primarily engaged in the development of high-precision mechanical drilling machines, laser cutting equipment, and metrology systems. Competitor D is a privately held company.	~1.4	2.7%
Total of the top five companies			**~10.7**	**20.9%**

Sources: Annual reports of companies pursuant to laws and regulations of where their shares were listed, CPCA, CIC.
Note:
(1) Represents global revenue in 2024.

The specialized PCB equipment industry in China remains characterized by a fragmented competitive landscape, with the top five domestic manufacturers collectively holding approximately 23.9% of the total market share in 2024. Within this decentralized environment, we emerged as the market leader, ranking first among specialized PCB production equipment manufacturers in China by sales revenue in 2024, capturing approximately 10.1% of the domestic market. China's specialized PCB equipment sector commands a major position globally. In 2024, the market size of China's specialized PCB equipment industry accounted for approximately 58%

of the global market, and this share is expected to remain stable at 57% in 2029 despite the development of other emerging markets. Owing to this critical global role, leading specialized PCB production equipment manufacturers in China continue to reinforce their global competitive advantages. The following table sets forth the key players in specialized PCB equipment industry in China in 2024.

Top 5 Specialized PCB Production Equipment Manufacturers by Revenue, China, 2024

Ranking	Company	Description	Revenue[(1)] (RMB billion)	Market Share
1	Our Group	• Our Group is a solutions provider of specialized PCB production equipment. We have a product portfolio, covering nearly all major PCB production processes such as drilling, photolithography, lamination, formation and testing.	3.0	10.1%
2	Competitor A	• Headquartered in Japan, Competitor A has a history of over a century in operations, primarily focusing on automotive electronics, telecommunications equipment, and industrial automation applications. Competitor A is listed on the Tokyo Stock Exchange. In the global specialized PCB equipment market, Competitor A engages in the R&D, production, and sales of drilling equipment, which are primarily used in the HDI board and IC packaging substrate markets.	~1.5	5.1%
3	Competitor E	• Headquartered in China, Competitor E has over 36 years of industry experience and mainly provides chemical wet process equipment, such as electroplating and etching equipment.	~1.3	4.4%
4	Competitor F	• Headquartered in China, Competitor F is a high-end equipment production company specializing in the research, development, and production of direct imaging and maskless lithography equipment. Competitor F was listed on the Shanghai Stock Exchange.	~0.8	2.6%
5	Competitor G	• Headquartered in China, Competitor G specializes in the research and development, design, production, and sales of high-end precision electroplating equipment and its supporting systems. Competitor G was listed on the Shanghai Stock Exchange.	~0.5	1.7%
Total of the top five companies			~7.1	23.9%

Source: Annual reports of companies pursuant to laws and regulations of where their shares were listed, CPCA, CIC.
Note:
(1) Represents revenue in China in 2024.

Entry Barriers and Key Success Factors for the Specialized PCB Equipment Industry

- ***Technological Barriers:*** To achieve high precision, multi-functionality, and rapid iteration, specialized PCB production equipment manufacturers must establish solid technological barriers. Building these barriers relies on continuous R&D investment, the accumulation of experience by core teams, and strategic patenting. As market demand for high precision equipment continues to rise, manufacturers with strong technological barriers will be able to meet the increasing demands of downstream clients for high-quality, reliable equipment, thereby gaining a competitive edge.

- ***Product Portfolio Barriers:*** PCB production involves multiple steps that require the coordination and integration of specialized equipment. To meet diverse customer needs and enhance market competitiveness, equipment suppliers must establish a comprehensive and diversified product portfolio covering various stages of the PCB production process. By continuously optimizing and expanding their product lines, suppliers can meet diverse market demands, offer more convenient integrated services, reduce procurement and production costs for clients, and improve the customer experience.

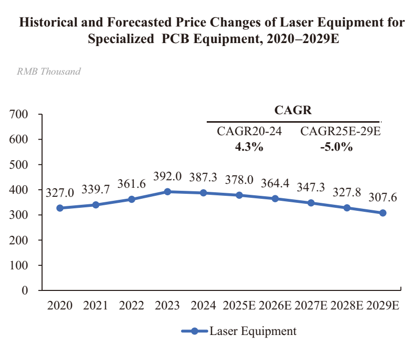
- ***Capital Barriers:*** To meet the ever-increasing demands for precision, efficiency, and automation in PCB production processes, specialized PCB production equipment suppliers should make sustained, large-scale investments in core technology development and iterative upgrades. In addition, leading PCB manufacturers impose stringent requirements on suppliers regarding qualifications, operational stability, and after-sales service capabilities. The specialized PCB production equipment supplier validation process often involves several months — or even years — of testing and evaluation, placing significant pressure on a supplier's cash flow and long-term operational resilience.

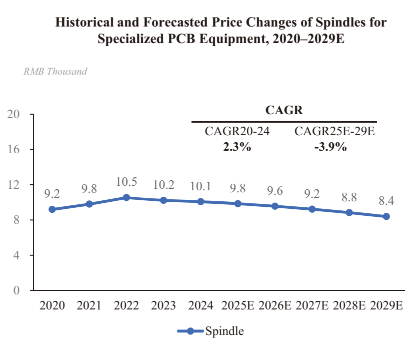
- ***Customer Resource Barriers:*** In the PCB production industry, large customers have extremely high requirements for equipment quality, delivery times, and after-sales service. Once equipment suppliers gain the trust of these customers through reliable product performance and in-depth, tailored services, they establish a strong customer resource barrier. This trust not only secures long-term orders but also enhances brand influence through word-of-mouth marketing, leading to more business opportunities in the market.

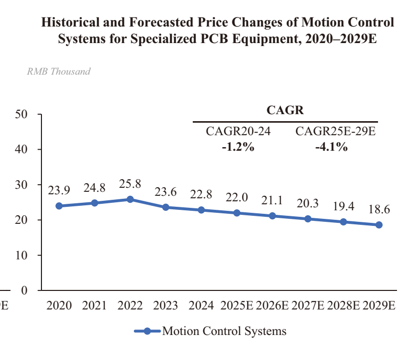
Analysis of Raw Material Prices in China's Specialized PCB Equipment Industry

Laser equipment, spindles, and motion control systems constitute the foundational raw materials for specialized PCB production equipment. Laser equipment serves as the primary energy mechanism for drilling equipment, enabling ultra-precision microvia formation. Spindles are critical for maintaining rotational stability during drilling process, directly impacting hole wall integrity by minimizing defects such as burring or delamination, particularly in HDI and IC substrate manufacturing. Motion control systems facilitate coordinated multi-axis movement, thereby reducing deviation in drilling trajectories. Historically, these raw materials were predominantly supplied by overseas manufacturers. However, accelerated localisation in China, driven by domestic technological advancements and supply chain resilience efforts, has significantly reduced dependency. Consequently, price fluctuations for these raw materials are influenced by macroeconomic conditions, localisation process, and supply-demand dynamics of critical components. The prices of laser equipment, spindles, and motion control systems demonstrated a general upward trend from 2020 to 2022, peaking in 2022. This increase was primarily attributed to induced supply chain disruptions due to COVID-19, including prolonged material delivery delays and factory shutdowns, that constrained global supply. Unlike spindles and motion control systems, whose prices began a gradual decline after 2022, the price of laser equipment rose by 8.4% in 2023 compared to 2022. This divergence was driven by global supply constraints of laser components. Looking ahead, as supply-demand dynamics gradually stabilize and localisation accelerates, the prices of these core raw materials for China's specialized PCB production equipment are expected to exhibit a downward trend. These components are often customized to meet highly specialized specifications, resulting in pricing structures that vary significantly based on precision requirements, technical complexity, and application-specific adaptations. Unlike standardized commodities with fixed pricing models, the cost of such equipment is dictated by bespoke engineering solutions rather than bulk market dynamics.

Potential pricing fluctuations in the raw materials can arise due to factors including global and domestic economic conditions, governmental regulations, supply-demand dynamics and geopolitical conditions. In procuring raw materials from suppliers, most of the companies in the industry generally adopt a one-time pricing model. The one-time pricing model sets a fixed price during the term of a contract, providing certainty for both parties. The following tables illustrate the historical pricing trends of major core materials in China's specialized PCB equipment industry:







Source: *CIC*

SOURCE OF INFORMATION

We engaged CIC, an independent market research and consulting company that provides industry consulting services, commercial due diligence, and strategic consulting, to conduct detailed research on and analysis of the global specialized PCB equipment industry. We have agreed to pay a fee of RMB349,800 to CIC in connection with the preparation of the CIC Report. We have incorporated certain information from the CIC Report into this section, as well as into "Summary," "Business," "Financial Information," and elsewhere in this document to provide potential investors with a comprehensive presentation of the industries where we operate.

During the preparation of the CIC Report, CIC conducted both primary and secondary research, and gathered knowledge, statistics, information, and insights on industry trends within the target research markets. The primary research involved interviews with key industry experts and leading industry participants. The secondary research consisted of analyzing data from various publicly available sources, such as the National Bureau of Statistics.

The CIC Report was compiled based on the following assumptions: (i) the overall social, economic, and political environment is expected to remain stable during the forecast period; (ii) related key industry drivers are likely to propel continued growth in the global specialized PCB equipment industry throughout the forecast period, including favorable policies and wider acceptance of different levels of autonomous driving features in vehicle; and (iii) there will be no extreme force majeure or unforeseen industry regulations in which the market may be affected in either a dramatic or fundamental way during the forecast period.

We are subject to the laws, rules and regulations of the relevant jurisdictions in which we operate in many aspects of our business. This section contains a summary of PRC laws, rules and regulations that have a material impact on our current business activities in China.

LAWS AND REGULATIONS RELATING TO COMPANIES

Company entities established, operated, and managed within the territory of the People's Republic of China are subject to the Company Law of the People's Republic of China (《中華人民共和國公司法》, the **"Company Law"**), which was promulgated by Standing Committee of the National People's Congress (the "**SCNPC**") in December 1993 and has been further amended in December 1999, August 2004, October 2005, December 2013, October 2018, and on December 29, 2023, with the latest revisions coming into effect on July 1, 2024. The Company Law regulates the establishment, operation, corporate structure, and management of corporate entities in China. According to the Company Law, the companies established in China may take the form of limited liability company or joint stock company with limited liability. Each company has the status of a legal person and owns the assets itself. The Company Law also applies to foreign-invested companies.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Foreign investors' investment activities in China are mainly regulated by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》, the "**Encouraged Catalog**"), the Special Administrative Measures for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》, the "**Negative List**") and the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》, the "**Foreign Investment Law**"), as amended from time to time, together with their implementing rules and subsidiary provisions, which are promulgated by the Ministry of Commerce (the "**MOFCOM**") and the National Development and Reform Commission (the "**NDRC**").

The Foreign Investment Law was promulgated by the National People's Congress on March 15, 2019 and came into effect on January 1, 2020, replacing China's three then foreign investment laws, namely the Law of the PRC on Chinese-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), Law of the PRC on Wholly Foreign-owned Enterprise (《中華人民共和國外資企業法》) and Law of the PRC on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》). The Foreign Investment Law establishes a basic framework for the access, promotion, protection and regulation of foreign investment through legislation to protect investment and fair competition. According to the Foreign Investment Law, foreign investments are entitled to pre-establishment national treatment, except for foreign investment in industries that are considered to be "restricted" or "prohibited" under the Negative List issued and approved by the State Council. To ensure the effective implementation of the Foreign investment Law, the

Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》, the "**Foreign Investment Law Implementation Regulations**") was promulgated by the State Council in December 2019 and came into effect on January 1, 2020.

On September 6, 2024, the NDRC and the MOFCOM jointly promulgated and implemented the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》, the "**2024 Negative List**") on November 1, 2024 to replace the original Negative List. According to the Foreign Investment Law, the Foreign Investment Law Implementation Regulations and the 2024 Negative List, foreign investors are not allowed to invest in prohibited industries listed in the Negative List, and at the same time, foreign investment in the restricted industries listed in the Negative List must meet the specified conditions. Industries not included in the Negative List are considered to be "permitted" for foreign investment.

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT

According to the Administrative Measures for Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and the provincial-level competent departments of commerce shall respectively implement the administration of filing and approval according to the different circumstances of enterprises' overseas investments. Where an enterprise's overseas investment involves sensitive countries and regions or sensitive industries, it shall be subject to approval management. Overseas investment by enterprises under other circumstances shall be subject to record-filing management.

According to the Administrative Measures for Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, domestic enterprises (the "**Investors**") carrying out overseas investments shall complete the formalities such as approval and filing of overseas investment projects, report relevant information, and cooperate with supervision and inspection. The scope of the approval management is sensitive projects carried out by the Investors directly or through the overseas enterprises controlled by the Investors. The scope of record-filing management is non-sensitive projects directly carried out by the investment entity, that is, non-sensitive projects involving the Investors' direct investment in assets, rights and interests, or the provision of financing and guarantees. The above-mentioned sensitive projects refer to projects involving sensitive countries or regions or sensitive industries. The Catalogue of Sensitive Industries is published by the NDRC. The current effective catalogue of sensitive industries is the Catalog of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), which came into effect on March 1, 2018.

LAWS AND REGULATIONS RELATING TO THE QUALITY OF PRODUCTS

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》, the "**Product Quality Law**") promulgated by the SCNPC on February 22, 1993, implemented on September 1, 1993, and amended on December 29, 2018, the production and sales of products in China shall comply with the Product Quality Law. Producers shall be responsible for the quality of the products they produce and sell. The market supervision and administration department under the State Council is in charge of the national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines; earnings from sales in contravention of such standards or requirements, if any, may also be confiscated, and in severe cases, an offender's business license may be revoked.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the National People's Congress on May 28, 2020 and effective on January 1, 2021, if damage is caused to the other party due to product defects, the infringed party may claim compensation from the producer or seller of the product, and has the right to require the producer and seller to bear tort liability, such as stopping the infringing act, removing the obstruction and eliminating the danger.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》, the "**Production Safety Law**"), promulgated by the SCNPC on June 29, 2002, implemented on November 1, 2002, and amended on June 10, 2021, entities engaged in production and business activities in China must comply with the Production Safety Law and other laws and regulations related to work safety. Production and business operation units should strengthen the management of production safety, establish and improve the responsibility system for production safety and the rules and regulations for production safety, improve the conditions for production safety, promote the standardization of production safety, improve the level of production safety, and ensure safe production. The main person in charge of the production and business operation unit shall be fully responsible for the safety production work of the unit. Violation of the Production Safety Law will result in fines, suspension of production and operation, and orders to suspend production and business, and criminal liability will be investigated if serious consequences are caused.

According to the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》) promulgated by the former State Administration of Work Safety (currently known as the Ministry of Emergency Management) on December 14, 2010 and amended on April 2, 2015, the safety facilities in a newly built, reconstructed or expanded construction project must be designed, constructed and put into use simultaneously with the main body of the project. The enterprises shall demonstrate and pre-assess the safety conditions of its construction projects, prepare a dedicated safety design report, submit to the relevant work safety administrative department for examination or filing, complete acceptance of safety facilities and prepare reports for inspection according to requirements. If an enterprise violates the relevant requirements, it may be ordered to make corrections within a specified time limit, discontinue the construction process or suspend its production and business operation for rectification, and imposed a fine.

LAWS AND REGULATIONS RELATING TO FIRE PREVENTION

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was last amended by the SCNPC on April 29, 2021 and took effect on the same day, the emergency management department under the State Council and the emergency management department under the local people's governments at or above the county level shall supervise and manage fire protection work. Fire prevention design and construction must comply with national technical standards for fire protection in construction projects.

LAWS AND REGULATIONS RELATING TO ENVIRONMENT PROTECTION

Environment Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was last amended by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The State implements a pollutant discharge permit management system in accordance with the law.

Atmospheric Pollution

According to the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), promulgated by the SCNPC on September 5, 1987 and implemented on June 1, 1988, and then amended on October 26, 2018 and implemented on the same day, enterprise production units and other producers and operators shall, in accordance with relevant national regulations and monitoring norms, monitor the industrial waste gas emitted by them and the toxic and harmful air pollutants listed in the list of Article 78 of the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》) and keep the original monitoring records. Enterprises, public institutions, and other units that emit industrial waste gases or toxic and harmful atmospheric pollutants listed in the above-mentioned directory, as well as other units that implement pollutant discharge permit management in accordance with the law, shall obtain pollutant discharge permits. In addition, enterprises, public institutions and other production and operation units constructing projects that have an impact on the atmospheric environment shall carry out environmental impact assessment and make environmental impact assessment documents public in accordance with the law; the units that emit pollutants into the atmosphere must comply with the discharging standard for atmospheric pollutants as well as the requirements on control of the total discharging amount of key atmospheric pollutants.

Water Pollution

According to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), promulgated by the SCNPC on May 11, 1984 and implemented on November 1, 1984, and then amended on June 27, 2017 and came into effect on January 1, 2018, enterprises, public institutions and other producers and operators who directly or indirectly discharge industrial wastewater and medical sewage into water bodies, as well as other wastewater and sewage that can only be discharged in accordance with the provisions of the regulations by obtaining a pollutant discharge permit, shall obtain a pollutant discharge permit.

Solid Waste

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), promulgated by the SCNPC on October 30, 1995 and implemented on April 1, 1996, and then amended on April 29, 2020 and came into effect on September 1, 2020, any unit or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of the environment by solid waste, and shall bear responsibility for the environmental pollution caused by it in accordance with the law.

Noise Pollution

According to the Law of the PRC on Prevention and Control of Pollution From Noise (《中華人民共和國噪聲污染防治法》), promulgated by the SCNPC on December 24, 2021 and implemented on June 5, 2022, the emission of noise and vibration shall comply with the requirements of noise emission standards, relevant environmental vibration control standards and relevant laws, regulations and rules.

Environmental Impact Assessment

In accordance with the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and implemented on September 1, 2003, and then amended on December 29, 2018 and implemented on the same day, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and implemented on the same day, and then revised on July 16, 2017 and implemented on October 1, 2017, the state implements an environmental impact assessment system for construction projects. If the construction project may have a significant impact on the environment, an environmental impact report shall be prepared and a comprehensive assessment of the possible environmental impact shall be conducted; If the construction project may have a slight impact on the environment, an environmental impact report form shall be prepared to analyze or make a special assessment of the environmental impact generated; If the environmental impact of the construction project is very small and there is no need for environmental impact assessment, the environmental impact registration form shall be filled. Construction projects that have not been subject to environmental impact assessment in accordance with the law shall not start construction. After the completion of a construction project for which an environmental impact report and an environmental impact report form is prepared, the construction unit shall, in accordance with the standards and procedures prescribed by the administrative department for environmental protection under the State Council, inspect and accept the environmental protection facilities for supporting construction and prepare an acceptance report. The environmental protection facilities supporting the construction of these projects can only be put into production or use after they are qualified; If it has not been accepted or unqualified, it shall not be put into production or use. If an enterprise violates the above-mentioned laws and regulations, the administrative department of environmental protection at or above the county level shall order it to stop production or construction, impose a fine, and may order it to restore its original state.

Pollutant Discharge Permission

According to the Regulations on the Administration of Pollution Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, enterprises, public institutions and other production and operation units subject to administration of pollution discharge permits shall discharge pollutants in accordance with the Administration of Pollution Discharge Permits (《排污許可管理條例》), and shall not discharge pollutants without obtaining a pollutant discharging permit. Environmental protection authorities impose various administrative penalties, such as fines, order to correct, restriction or suspension of production for rectification, and order to cease operation, etc., on individuals or enterprises that violate the Environmental Protection Law.

LAWS AND REGULATIONS RELATING TO TAXATION

EIT

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "**EIT Law**") promulgated by the SCNPC on March 16, 2007 and implemented on January 1, 2008, and then amended on December 29, 2018 and implemented on the same day, and the Implementation Rules of the EIT Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, and subsequently amended on December 6, 2024 and implemented on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise that is established in the mainland China in accordance with the law, or that is established in accordance with the law of a foreign country (region) but whose actual administration institution is in the mainland China. A non-resident enterprise refers to an enterprise established in accordance with the law of a foreign country (region) and whose actual administration institution is outside the mainland China, but it has institutions or establishments in the mainland China or, if not, it has incomes originating from the mainland China. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or establishments in the mainland China to the extent that such incomes are derived from the mainland China, or such incomes are obtained outside the mainland China but have an actual connection with the set-up institutions or establishments, high-tech enterprises in need of support from the State shall be subject to a reduced enterprise income tax rate of 15%. Non-resident enterprises that have not set up institutions or establishments in the mainland China or have set up institutions or establishments but the income obtained by the said enterprises have no actual connection with the set-up institutions or establishments, shall pay enterprise income tax at the rate of 10% in relation to their income sourcing from the mainland China.

VAT

In accordance with the Interim Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993 and implemented on January 1, 1994, and then amended on November 19, 2017 and implemented on the same day, and the Detailed Rules for the Implementation of the Interim Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the Ministry of Finance on December 25, 1993 and implemented on the same day, and then amended on October 28, 2011 and implemented on November 1, 2011, the sale of goods or processing within the territory of China Units and individuals that repair and repair services, sell services, intangible assets, immovable properties and imported goods are VAT payers and shall pay VAT in accordance with the law. Unless otherwise specified, the VAT rate for the sale of goods, services, tangible movable properties leasing services or imported goods by taxpayers shall be 17%; Taxpayers who sell transportation, postal services, basic telecommunications, construction, real estate leasing services, sell immovable properties, transfer land use rights, and sell or import specific goods shall be subject to a VAT rate of 11%; Unless otherwise specified, the VAT rate for the sale of services and intangible assets by taxpayers is 6%.

Pursuant to the Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》), promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, and became effective as of May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》), promulgated by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

According to the Notice on Value-Added Tax Policies for Software Products (《關於軟件產品增值稅政策的通知》) issued by the Ministry of Finance and the State Administration of Taxation on October 13, 2011, and effective from January 1, 2011, general VAT taxpayers selling self-developed and produced software products shall be subject to VAT at a 17% rate. For the portion of the actual VAT burden exceeding 3%, an immediate refund-upon-collection policy shall apply. VAT general taxpayers who localize imported software products and subsequently sell them may also enjoy this VAT refund policy.

Dividends Distribution

In accordance with the EIT Law and the Implementation Rules of the EIT Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), with effect from January 1, 2008, dividends declared to non-PRC resident investors who have not established or have a place of business in the PRC but whose income is not actually connected with such institution or place of business (provided that such dividends come from within the PRC) are normally subject to a corporate income tax rate of 10%. However, any of these non-PRC resident investors incorporated in a jurisdiction that has a tax treaty with China shall be subject to preferential arrangements for withholding tax. According to the Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises by State Taxation Administration (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on November 6, 2008 and implemented on the same day, when Chinese resident enterprises distribute dividends to shareholders of H-share non-resident enterprises in 2008 and subsequent years, they shall withhold and pay enterprise income tax at a uniform rate of 10%.

Pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to the individual income tax of mainland China at a withholding tax rate of 10%. Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the Chinese government may tax dividends paid by Chinese companies to Hong Kong residents (including natural and legal persons), provided that the amount of the tax shall not exceed 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity of the PRC company, and the HK resident is the beneficial owner of the dividends and satisfies other conditions, the relevant tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), promulgated by the State Administration of Taxation and came into effect on December 6, 2019, provides that such provisions shall not apply to any arrangement or transaction whose main purpose is to obtain such tax incentives.

In accordance with the applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to shareholders of H-share non-PRC resident enterprises (including the Hong Kong Securities Clearing and Settlement Agent). Non-PRC resident enterprises entitled to tax reduction and exemption under the applicable income tax agreement are required to apply to the PRC tax authorities for a refund of the amount of withholding tax in excess of the applicable agreed tax rate, and the refund shall be verified by the PRC tax authorities.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Labor Regulations

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and amended on December 29, 2018 after it came into effect on January 1, 1995, and implemented on the same day, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and implemented on January 1, 2008, and then amended on December 28, 2012 and implemented on July 2013, and the Implementation Regulations of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008 and came into effect on the same day, an employer and an employee shall enter into a written labor contract when establishing an employment relationship. The employer shall, in accordance with the provisions of the labor contract and relevant laws and regulations, pay the labor remuneration to the employee in full and in a timely manner. At the same time, the wages of workers must not be lower than the local minimum wage.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010 and last amended on December 29, 2018 after it came into effect on July 1, 2011, the Provision Regulations for The Collection And Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and implemented on March 24, 2019 after the implementation on the same day, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If an enterprise fails to pay the above-mentioned social insurance premiums, the social insurance premium collection agency shall order it to pay or make up for it within a time limit, and if it still fails to pay within the time limit, it will face administrative penalties such as fines.

According to the Judicial Interpretation (II) of the Supreme People's Court on the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated by the Supreme People's Court on August 1, 2025 and effective from September 1, 2025, any agreement between a PRC employer and an employee or an employee's undertaking to the employer on the non-contribution of social insurance shall be deemed invalid by the people's court. If an employee requests to terminate the employment agreement and seek economic compensation on the grounds that the employer has failed to pay social insurance contributions in accordance with the applicable laws, the people's court shall support such claims. Conversely, if the enterprise has lawfully paid the social insurance contributions and then requests the employee to return the compensation already paid, the people's court shall also support such claim.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on April 3, 1999 and implemented on the same day, and later revised on March 24, 2019 and implemented on the same day, enterprises shall register the housing provident fund with the Housing Provident Fund Management Center and go through the procedures for the establishment or transfer of housing provident fund accounts for their employees. Enterprises should pay the housing provident fund on time, and if the housing provident fund is not paid or underpaid within the time limit, the housing provident fund management center shall order it to pay within a time limit; If they still fail to deposit within the time limit, they may apply to the people's court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO THE IMPORT AND EXPORT OF GOODS

Import and Export Management

Pursuant to the Foreign Trade Law of the PRC《(中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022 and the Notice by the Department of Enterprise Management and Audit-Based Control of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods《(企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the PRC on January 3, 2023, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

According to the Customs Law of the PRC《(中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and last amended on April 29, 2021, unless otherwise stipulated, the declaration of imported or exported goods may be made by the consignees or the consignors, or the entrusted customs brokers. To undergo customs declaration formalities, the consignee or consignor of imported or exported goods and the customs brokers shall file with the Customs in accordance with the law.

According to the Provisions on the Recordation of Customs Declaration Entities of the PRC《(中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and executed on January 1, 2022, the consignee or consignor of imported or exported goods or customs brokers, as filed with the customs may undergo customs declaration within the customs territory of the PRC. Where a consignee or consignor of imported or exported goods or customs brokers applies for filing, it shall obtain the qualification of market entities.

Import and Export Commodity Inspection

Pursuant to the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》) promulgated by the SCNPC on February 21, 1989 and implemented on August 1, 1989 and then amended on April 29, 2021 and entered into force on the same day, as well as the Regulations for the Implementation of the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》) promulgated by the State Council on August 31, 2005 and implemented on December 1, 2005, and then amended on March 29, 2022 and implemented on May 1, 2022, the General Administration of Customs is in charge of the inspection of import and export commodities nationwide. The entry-exit inspection and quarantine authorities shall inspect the import and export commodities included in the catalogue and other import and export commodities that are required to be inspected by the entry-exit inspection and quarantine authorities as stipulated by laws and administrative regulations. The entry-exit inspection and quarantine authorities shall carry out random inspections on import and export commodities other than those mentioned above in accordance with national regulations. If the imported goods that must be inspected have not been inspected, they are not allowed to be sold or used. Export commodities that must be inspected are not allowed to be exported if they have not been inspected or have failed to pass the inspection.

LAWS AND REGULATIONS RELATING TO THE MANAGEMENT OF REAL ESTATE

State-Owned Land

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986 and latest amended on August 26, 2019, and the Regulations for the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) promulgated by the State Council on December 27, 1998 and latest revised on July 2, 2021, the land in the PRC is either State-owned or collectively-owned. Except for land which is legally owned by the State or has been expropriated as State-owned according to law, all of the land is collectively-owned. The State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms. Third parties who have obtained the State-owned land use rights may legally use, profit from and dispose of the State-owned land use rights within the statutory term of use and scope of planned uses.

Planning

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and latest amended on April 23, 2019, if the construction of buildings, structures, roads, pipelines and other projects is carried out in the planned area of a city or a town, the construction entity or individual shall apply to the competent authority of urban and rural planning of the people's government of the city or county or the people's government of the town as determined by the people's government of the province, autonomous region or municipality directly under the Central Government for a construction project planning permit.

Project Construction

According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997 and amended on April 23, 2019, prior to the commencement of construction work, the construction entity shall apply to the competent construction administrative authority of the people's government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority under the State Council. A construction project shall be delivered for use only after it has passed the acceptance examination. A construction project shall not be delivered for use without conducting or passing the acceptance examination.

LAWS AND REGULATIONS RELATING TO RENTAL PROPERTIES

According to the Civil Code of the PRC (《中華人民共和國民法典》), the owner of immovable or movable property has the right to possess, use, proceeds and the right to dispose of such immovable or movable property. With the consent of the lessor, the lessee may sublease the leased premises to a third party. If the tenant subleases the premises, the lease contract concluded between the lessee and the lessor is still valid. If the tenant subleases the premises without the consent of the lessor, the lessor has the right to terminate the lease. In addition, if the ownership of the leased premises changes during the period of possession by the lessee under the lease contract, it does not affect the validity of the lease contract. In addition, according to the Civil Code of the PRC (《中華人民共和國民法典》), if the mortgage has been leased and transferred before the mortgage is established, the original lease is not affected by the mortgage.

The Measures for the Administration of Leasing of Commercial Housing Houses (《商品房屋租賃管理辦法》), issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and effective on February 1, 2011, stipulate that within 30 days from the date of signing the housing lease contract, both parties to the contract shall complete the housing lease registration with the construction (real estate) department of the government where the rental house is located. If the unit fails to perform this obligation, the competent department of construction (real estate) shall urge it to make corrections within a time limit, and if it fails to make corrections within the time limit, it shall be fined not less than RMB1,000 but not more than RMB10,000.

According to the Interpretation of the Supreme People's Court on Several Issues Concerning the Specific Application of Law in the Trial of cases on Disputes over Urban Housing Leasing Contracts (2020 Amendment) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), which came into effect on January 1, 2021, if the ownership of the leased house changes during the period of the tenant's possession according to the terms of the lease contract, and the tenant requests the transferee to continue to perform the original lease contract, the Chinese court shall uphold it, unless the mortgage has been created before the lease of the leased house and the change of ownership has occurred due to the mortgagee's realization of the mortgage.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996 and implemented on April 1, 1996, as amended on August 5, 2008 and implemented on the same day, current account payments, such as profit distribution, interest payments and foreign exchange transactions related to trade and services, may be transacted in foreign currencies without the prior approval of the State Administration of Foreign Exchange, subject to certain procedural requirements. Conversely, if RMB is converted into a foreign currency and remitted out of China for payment of capital accounts such as direct investment, repayment of foreign currency loans, investment repatriation and portfolio investment outside China, approval or registration is required from the relevant government agencies

According to the Circular on Issues Concerning the Administration of Foreign Exchange Involved in Overseas Listing (《關於境外上市外匯管理有關問題的通知》), promulgated by the State Administration of Foreign Exchange on December 26, 2014 and implemented on the same day, a domestic company shall register its overseas listing with the local branch of the State

Administration of Foreign Exchange at the place of its incorporation within 15 working days from the date of completion of the overseas listing and issuance. The funds raised by the domestic company from overseas listing can be repatriated to China or deposited overseas, and the use of the funds shall be consistent with the relevant contents listed in the documents or public disclosure documents such as corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' general meetings, etc.

According to the Notice on Revolutionize and Regulate Capital Account Settlement Management Policies (《關於改革和規範資本項目結匯管理政策的通知》) promulgated by the State Administration of Foreign Exchange on June 9, 2016 and implemented on the same day, and then revised on December 4, 2023 and implemented on the same day, the relevant policies have clearly stated that the foreign exchange income of the capital account (including foreign exchange capital, foreign debt funds and funds repatriated from overseas listings, etc.) that is willing to settle foreign exchange can be settled by banks according to the actual business needs of domestic institutions. Where the current laws and regulations have restrictive provisions on the settlement of foreign exchange earnings under the capital account of domestic institutions, such provisions shall prevail. The proportion of foreign exchange income from the capital account of domestic institutions is tentatively set at 100%. The State Administration of Foreign Exchange may adjust the above ratios in a timely manner according to the balance of payments situation.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023 and came into effect on January 20, 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application. The patent right enjoyed by the patentee shall be protected by law. No one is allowed to use the patent without the permission or authorization of the patentee, otherwise, the use of the patent will constitute patent infringement.

Trademark

In accordance with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and implemented on March 1, 1983, and then amended on April 23, 2019 and implemented on November 1, 2019, and the Implementation

Rules of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and then revised on April 29, 2014 and implemented on May 1, 2014, the Trademark Office has been approved Quasi-registered trademarks are registered trademarks, including commodity trademarks, service marks, collective marks and certification marks. The registration of the trademark is valid for ten years from the date of approval of registration. If the registered trademark expires and needs to continue to be used, the trademark registrant shall go through the renewal procedures within 12 months before the expiration. Each renewed registration is valid for 10 years, starting from the day after the expiration of the previous term of validity of the trademark.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and then amended on November 11, 2020 and implemented on June 1, 2021, the works of Chinese citizens, legal persons or unincorporated organizations refer to works that are original and capable of unity in the fields of literature, art and science Intellectual achievements expressed in a definite form, whether published or not, enjoy copyright. Copyright owners enjoy a variety of rights, including the right of publication, the right of authorship and the right of reproduction.

In accordance with the Regulations for the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and implemented on October 1, 1991 and then revised on January 30, 2013 and implemented on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and implemented on the same day, and then revised on June 18, 2004 and implemented on July 1, 2004, the National Copyright Administration is in charge of the national software copyright registration administration. It also recognized the China Copyright Protection Center as a software registration agency. The China Copyright Protection Center will grant registration certificates to applicants for computer software copyrights who meet the requirements of the Regulations for the Protection of Computer Software and the Measures for the Registration of Computer Software Copyright.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and implemented on November 1, 2017, domain name registration is handled through a domain name registrar established in accordance with relevant regulations, and when the registration is successful, the applicant becomes the domain name holder.

LAWS AND REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

Anti-Monopoly Law

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "**Anti-Monopoly Law**"), promulgated by the SCNPC on August 30, 2007 and implemented on August 1, 2008, and last amended on June 24, 2022 and implemented on August 1, 2022, the Anti-Monopoly Law shall apply to monopolistic acts in economic activities within the territory of China, as well as monopolistic acts outside the PRC that have an impact on the exclusion or restriction of competition in the domestic market. Monopolistic acts under the Anti-Monopoly Law include undertakings entering into monopoly agreements, undertakings abusing their dominant market position, and concentrations of undertakings that have or may have the ability to eliminate or restrict market competition. The anti-monopoly law enforcement agency of the State Council shall be responsible for anti-monopoly law enforcement in accordance with the provisions of the Anti-Monopoly Law. The anti-monopoly law enforcement agency of the State Council may, as necessary for its work, authorize the corresponding agencies of the people's governments of provinces, autonomous regions and municipalities to be responsible for the relevant anti-monopoly law enforcement work, if a business operator violates the provisions of the Anti-Monopoly Law, the Anti-Monopoly Law enforcement agency shall order it to cease the illegal act and may impose a fine.

Anti-Unfair Competition Law

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**") promulgated by the SCNPC on September 2, 1993 and implemented on December 1, 1993, and last amended on April 23, 2019 and implemented on the same day, business operators shall follow the principles of voluntariness, equality, fairness and good faith in market transactions, and abide by laws and business ethics. The term "acts of unfair competition" as used in the Anti-Unfair Competition Law refers to the acts of operators in violation of the provisions of the Anti-Unfair Competition Law in their production and business activities, disrupting the order of market competition, and harming the legitimate rights and interests of other business operators or consumers, if a business operator violates the provisions of the Anti-Unfair Competition Law. It shall bear civil, administrative and criminal liabilities depending on the specific circumstances.

Advertising

On October 27, 1994, the SCNPC promulgated the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》)(the "**Advertising Law**"), which was last amended on April 29, 2021 and came into effect on the same day. According to the Advertising Law, advertisements must not contain any false or misleading content, and must not deceive or mislead consumers. Advertisers shall be responsible for the authenticity of the content of the advertisement. Where false advertisements are published, the market regulation departments are to order the publication of the advertisements to be stopped, order the advertisers to eliminate the impact within the corresponding scope, and impose fines. Where false advertisements cause harm to the lawful rights and interests of consumers who purchase goods or receive services, the advertiser bears civil liability in accordance with law.

Protection of Personal Information

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**PIPL**") promulgated by the SCNPC on August 20, 2021 and came into effect on November 1, 2021 consolidates the decentralized rules on personal information rights and privacy protection. The PIPL aims to protect the rights and interests of personal information, regulate personal information processing activities, ensure the orderly and free flow of personal information in accordance with the law, and promote the rational use of personal information. Personal information as defined in the PIPL refers to all kinds of information related to identified or identifiable natural persons recorded electronically or by other means, excluding anonymized information. The PIPL stipulates the circumstances under which personal information processors may process personal information, including but not limited to obtaining the consent of the individual, and where it is necessary for the conclusion and performance of a contract to which the individual is a party. It also sets out certain specific rules regarding the obligations of personal information processors, such as informing individuals of the purposes of processing, the means of processing, and the obligation of third parties who have access to personal information through joint processing or entrustment.

LAWS AND REGULATIONS RELATING TO BID INVITATIONS AND BIDDING

According to the Bid Invitation and Bidding Law of the PRC (《中華人民共和國招標投標法》, the "**Bidding Law**"), promulgated by the SCNPC on August 30, 1999 and implemented on January 1, 2000 which was later revised on December 27, 2017 and again implemented on December 28, 2017, and the Regulations for the Implementation of the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》), promulgated by the State Council on December 20, 2011 and implemented on February 1, 2012 and later revised and implemented on March 2, 2019, projects related to social public interests and public safety, such as large-scale infrastructure and public utility projects, as well as projects that use all or part of state-owned capital investment or national financing, must undergo tendering for their surveying, design, construction, supervision, and procurement of important equipment and materials related to these projects. In China, tendering is divided into open tendering and invited tendering. If the tenderer adopts the method of open tendering, they shall issue a tender announcement. If the tenderer adopts the method of invited tendering, they shall send out invitation letters to three or more specific legal persons or other organizations with the capability to undertake the tender project and good credit standing; the tenderer shall not impose unreasonable conditions to restrict or exclude potential bidders, nor shall they treat potential bidders unfairly.

For violations of the Bidding Law, the bidder's winning bid may be declared invalid, and the competent authority has the right to impose administrative penalties such as ordering rectification within a time limit, fines, and confiscation of illegal gains; in serious cases, the bidder will be disqualified from participating in legally required bidding projects for one to two years and will be publicly announced, up to and including revocation of business licenses by the administrative department of industry and commerce; if a crime is constituted, criminal responsibility will be pursued according to law. If losses are caused to others, legal liability for compensation shall be borne.

LAWS AND REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**") promulgated by the SCNPC on December 29, 1998 and implemented on July 1, 1999, as amended on December 28, 2019 and implemented on March 1, 2020, comprehensively regulates the trading activities of the securities market in the PRC, including the issuance and trading of securities, the acquisition of listed companies, and the duties of stock exchanges, securities companies and securities regulators. The Securities Law further regulates the direct or indirect issuance of securities or the listing of securities by domestic enterprises abroad, which shall comply with the relevant regulations of the State Council, and the specific measures shall be separately stipulated by the State Council. The China Securities Regulatory Commission (the "**CSRC**") is a securities regulator established by the State Council to regulate and manage the securities market in accordance with laws and regulations, maintain market order and ensure the operation of the market in a lawful manner. At present, the issuance and trading of H shares are mainly regulated by laws and regulations promulgated by the State Council and the China Securities Regulatory Commission.

Overseas Listing Laws

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "**Overseas Listing Measures**") issued by the CSRC on February 17, 2023 and effective from March 31, 2023, where a domestic company issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas securities offering and listing.

The Overseas Listing Measures stipulate that an overseas listing shall not be allowed under any of the following circumstances: (i) where the listing and financing are expressly prohibited by laws, administrative regulations or relevant national regulations; (ii) the overseas issuance and listing may endanger national security as determined by the relevant competent departments of the State Council in accordance with the law; (iii) the domestic enterprise or its controlling shareholder or actual controller has committed a criminal offense of corruption, bribery, embezzlement of property, misappropriation of property, or undermining the order of the socialist market economy within the past three years; (iv) the domestic enterprise is under investigation in accordance with the law for suspected crimes or major violations of laws and regulations, and no conclusive conclusion has been reached; and (v) there is a major dispute over the ownership of the equity held by the controlling shareholder of the domestic enterprise or the shareholder controlled by the controlling shareholder or actual controller. In addition, the Measures for Overseas Listing stipulate that if an issuer has any of the following major events after its overseas issuance and listing, it shall report the specific circumstances to the CSRC within three working days from the date of occurrence and announcement of the relevant matters: (i) change of control; (ii) being investigated or punished by an overseas securities regulatory authority or relevant competent authority; (iii) change of listing status or listing sector; and (iv) voluntary termination of listing or compulsory termination of listing. At the same time, domestic enterprises shall strictly abide by national security laws, administrative regulations and relevant provisions on foreign investment, network security, data security, and other national security laws, administrative regulations, and data security in their overseas issuance and listing activities, and earnestly fulfill their obligations to safeguard national security.

According to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the China Securities Regulatory Commission, the Ministry of Finance, the State Secrets Administration and the State Archives Administration on February 24, 2023 and implemented on March 31, 2023, domestic enterprises provide and publicly disclose documents involving state secrets and work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals, or through their overseas listed entities. Where materials are filed, they shall be reported to the competent department with the authority to examine and approve them for approval in accordance with law, and shall be reported to the department for the administration and management of secrecy at the same level for the record. The working papers formed by securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be stored in China. Those who need to leave the country shall go through the examination and approval procedures in accordance with the relevant state regulations.

LAWS AND REGULATIONS RELATING TO TARIFFS IMPOSED BY THE UNITED STATES

In February 2025, the president of the United States imposed 20% tariffs (the "**US Tariffs**") on Chinese goods. On April 2, 2025, the president of the United States imposed a 10% across-the-board tariff on all imports from the U.S.'s trading partners, along with additional country-specific tariffs for various countries (the "**Reciprocal Tariffs**", as adjusted from time to time). On April 9, 2025, it was announced that the Reciprocal Tariffs would be paused for 90 days for all countries but China. On April 10, 2025, the Reciprocal Tariffs on China were raised to 125%. Certain consumer electronics, including smartphones and computers, are exempt from the Reciprocal Tariffs. The Chinese government announced the imposition of tariff on U.S. goods in response. The United States and China are engaging in trade discussions, and on May 12, 2025, the United States stated that they would lower the Reciprocal Tariffs on China to 10% for 90 days. The US Tariffs still remain in place. Therefore, the overall tariff burden on imports from China has fluctuated from time to time.

On May 28, 2025, the U.S. Court of International Trade ruled that the above tariffs exceeded the president's legal authority. However, that decision is being appealed. Subsequently, following further bilateral negotiations between the United States and China and the implementation of related executive and administrative measures, the U.S. tariff regime applicable to PRC-origin goods has been adjusted. According to publicly available information as of the Latest Practicable Date, during the current suspension period, the United States imposes (i) a 10% additional tariff on all PRC-origin goods and (ii) a 10% reciprocal tariff on PRC-origin goods in general. As a result, for PRC-origin goods that are not subject to any exemption from the reciprocal tariff, the combined additional U.S. tariff rate is approximately 20% (being a 10% additional tariff plus a 10% reciprocal tariff), in addition to any applicable normal most-favoured-nation duties.

In addition, certain consumer electronics, including smartphones, computers and certain electronic components, have been excluded from the reciprocal tariff pursuant to an announcement issued by the U.S. Customs and Border Protection on April 11, 2025, and such exemption remained effective as of the Latest Practicable Date. Accordingly, these consumer electronics are subject only to the 10% additional tariff and are exempt from the 10% reciprocal tariff, resulting in an effective additional U.S. tariff rate of 10% for such products as of the Latest Practicable Date, in addition to any applicable normal most-favoured-nation duties. As of the Latest Practicable Date, U.S.-origin goods imported into China are in general subject to an additional 10% reciprocal tariff as a countermeasure to U.S. Section 301 tariffs, and certain U.S.-origin goods are further subject to additional tariffs under other Chinese countermeasures, in each case on top of the applicable most-favoured-nation or other base import tariff rates.

However, the international tariff policies are rapidly evolving, and the final outcome, including whether the Current US Tariffs can be implemented as proposed, is highly uncertain.

OVERVIEW

The history of our business could date back to 2002 when our Company was founded in Shenzhen, Guangdong. Over the years, we have evolved to a leading specialized PCB production equipment solution provider in China, operating in the specialized PCB equipment industry and serving as a key infrastructure provider for a variety of downstream industries.

Our Company was established under the laws of the PRC on April 22, 2002. In November 2020, our Company was converted into a joint stock company with limited liability from a limited liability company. In February 2022, our A Shares were listed on the Shenzhen Stock Exchange (stock code: 301200).

OUR KEY MILESTONES

The following is a summary of our Group's key business development milestones:

Year	Event
2002	Our Company was established and we launched our Driller-666 CNC mechanical drilling machine series.
2004	We introduced HANS-F6, a two-axis linear motor-driven six-axis mechanical drilling machine.
2007	Our product, UV laser cutting and forming machine, won the National Torch Plan Project Award (國家火炬計畫專案獎) by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部).
2008	We acquired Mason Electronics, one of our major subsidiaries, marking our expansion into the PCB inspection process business.
2009	We introduced HANS-F6M, a three-axis full linear motor-driven six-axis mechanical drilling machine.
2010	Our UV laser cutting and forming machine project won the Shenzhen's 2009 Sci-Tech Innovation Award (深圳市2009年度科技創新獎); HD600, our CO_2 laser drilling machine product, commenced mass production and sales.

Year	Event
2012	We launched the LDI-8000 laser imaging machine, marking our expansion into the exposure process business. Our multi-axis full linear high-speed high-precision PCB drilling machine project won the First Prize of Shenzhen's Sci-Tech Progress Award (2012年度科技進步獎一等獎). We introduced MH601, a high-precision testing machine for HDI boards.
2013	We introduced MU3012, our 8x-density universal testing machine, pioneering "real-density" architecture for high-density HDI board testing. We were awarded the "Third Excellent National Brand Enterprise" (第三屆民族品牌企業) by China Printed Circuit Association ("**CPCA**").
2014	We were recognized as an "Enterprise Technology Center" (企業技術中心) jointly by multiple local authorities in Shenzhen. We launched UVDRILLER-L650, the UV laser drilling machine.
2016	We acquired Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司), marking our expansion into FPC and rigid-flex boards attachment equipment products.
2017	We launched HANS-F6MH, a large-format 6-axis mechanical drilling machine featuring high rigidity and dual-table design. We launched HD600F2, a fully upgraded laser drill model featuring dual-beam and dual-table design. We were awarded the "Fourth Excellent National Brand Enterprise" (第四屆民族品牌企業) by CPCA.
2018	We released MH701, a high-precision testing machine for substrate testing.

Year	Event
2019	We launched the multi-wavelength solder mask exposure machine LDI-S30, entered the solder mask exposure equipment market, and completed the layout of PCB multi-process exposure equipment.
	We launched the ultra-large table six-axis independent mechanical drilling machine HANS-F6XHS that can be equipped with a CCD vision system to meet the PCB board processing needs of 5G communication infrastructure.
2020	We completed the development of new laser drilling machine, providing innovational resolution in the industry for mSAP technology.
2021	We launched a new concept of automatic loading and unloading mechanical drilling machine.
	We were awarded the Guangdong Provincial Science and Technology Progress Award and the Shenzhen Municipal Science and Technology Progress Award.
2022	We were listed on the Shenzhen Stock Exchange (stock code: 301200).
	Our mechanical drilling machine won the 7th batch of "National Individual Champion Product (國家級單項冠軍產品)" certification.
2023	We successfully launched 2.5D/3D advanced packaging FC-BGA substrate layer micro-hole high-efficiency and high-precision processing new laser drilling machine equipment DRD1030-4G.
2024	We were recognized as "Guangdong Industrial Design Center" (廣東省工業設計中心) by the Guangdong Provincial Department of Industrialization and Information.
	Our mechanical drilling equipment HANS-F6MH and the laser forming equipment HRD400A were selected as "Guangdong Province Famous and Excellent High-tech Products in 2023" by the Guangdong High-tech Enterprise Association.

MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had 14 subsidiaries. The following sets forth information about our subsidiaries that have made a material contribution to our operating results during the Track Record Period:

Name	Place of Incorporation	Date of Establishment	Equity interest attributable to our Group	Principal business and activities
Mason Electronics. . .	PRC	November 17, 1999	100%	Research, development, production and sales of PCB testing equipment
Xinfeng CNC	PRC	November 15, 2022	100%	Research, development, production and sales of PCB specialized equipment
Asia Foundation	PRC	January 14, 2000	100%	Park operation

For further details of the changes in the share capital of our subsidiaries, please refer to "Appendix VI — Statutory and General Information — 1. Further Information about our Group — C. Further Information about Our Subsidiaries."

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of our Company and Conversion into a Joint Stock Limited Company

Our Company, then known as Shenzhen Han's CNC Technology Limited (深圳市大族數控科技有限公司), was established on April 22, 2002 in Shenzhen, PRC by Han's Laser, a member of the Controlling Shareholders Group, HAN Jinlong (韓金龍) and LUO Huicai (羅會才), both being early investors of our Company and Independent Third Parties, with an initial registered capital of RMB3 million. Upon incorporation, our Company was held as to 80%, 10% and 10% by Han's Laser, HAN Jinlong and LUO Huicai, respectively.

Upon the completion of several rounds of share transfers and capital injection, the registered share capital of our Company reached RMB100 million in December 2007, owned as to 99.10% and 0.90% by Han's Laser and Dazu Holdings, respectively. Our share capital remained unchanged until our conversion into a joint stock company with limited liability in November 2020.

In November 2020, our Company was converted from a limited liability company into a joint stock company with limited liability, with its registered share capital increasing from RMB100 million to RMB359.1 million, owned as to 99.10% and 0.90% by Han's Laser and Dazu Holdings, respectively.

Listing on the Shenzhen Stock Exchange

In February 2022, we completed the listing of our A Shares on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301200) (the "**A-Share Listing**"). In the A-Share Listing, we issued an aggregate of 42,000,000 A Shares, accounting for 10% of our Company's then enlarged share capital immediately following completion of the A-Share Listing. Immediately following the completion of the A-Share Listing, our registered share capital increased to RMB420,000,000 comprising 420,000,000 Shares, and Han's Laser and Dazu Holdings directly owned approximately 84.73% and 0.77% of our Company's then share capital, respectively.

MAJOR ACQUISITION AND DISPOSAL

We had not conducted any acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date that we consider material to us. We complied with the requirements under Rule 4.05A of the Listing Rules in respect of all acquisitions during the Track Record Period.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE STOCK EXCHANGE

Since February 2022, our Company has been listed on the Shenzhen Stock Exchange. Since the beginning of the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that the Company has been in compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect, and, to the best knowledge of our Directors having made all reasonable enquiries, there were no matters constituting material information requiring disclosure or should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Furthermore, as advised by our PRC Legal Advisor, the proposed listing of our Company on the Hong Kong Stock Exchange by way of issue of H Shares is not subject to the approval of shareholders of Han's Laser on the basis that (i) our Company completed the spin-off from Han's Laser and listing on the Shenzhen Stock Exchange on February 28, 2022 and hence the relevant spin-off regulations which require shareholders' approval of Han's Laser are not applicable to the Listing and the Global Offering; (ii) the proposed issue of H Shares by our Company does not exceed the threshold for requiring shareholders' approval of Han's Laser pursuant to the relevant stock exchange regulations and articles of association of Han's Laser. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation that the Company has been in compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the beginning of the Track Record Period and up to the Latest Practicable Date.

Our Company seeks to be listed on the Stock Exchange in order to provide further capital for the development and expansion of our business, further strengthen our business profile and advance our internationalization strategy, optimize our international brand image, and better attract overseas investors and talents. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

EMPLOYEE SHARE INCENTIVE SCHEME

In order to improve our Group's long-term incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of our Group's key employees, we adopted the 2023 Restricted Share Incentive Scheme. On May 21, 2025, the share capital of our Company increased from RMB420,000,000 to RMB425,509,152 as a result of the issuance of 5,509,152 A shares upon the vesting of the Share Awards granted under the 2023 Restricted Share Incentive Scheme. For details, see "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" in this Prospectus.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong; or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the Global Offering represents approximately 10.60% of the total issued share capital of our Company (before any exercise of the Over-allotment Option). Immediately following the completion of the Global Offering (before any exercise of the Over-allotment Option), the total number of the H Shares expected to be held by the public represents approximately 10.60% of the total issued share capital of our Company, which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

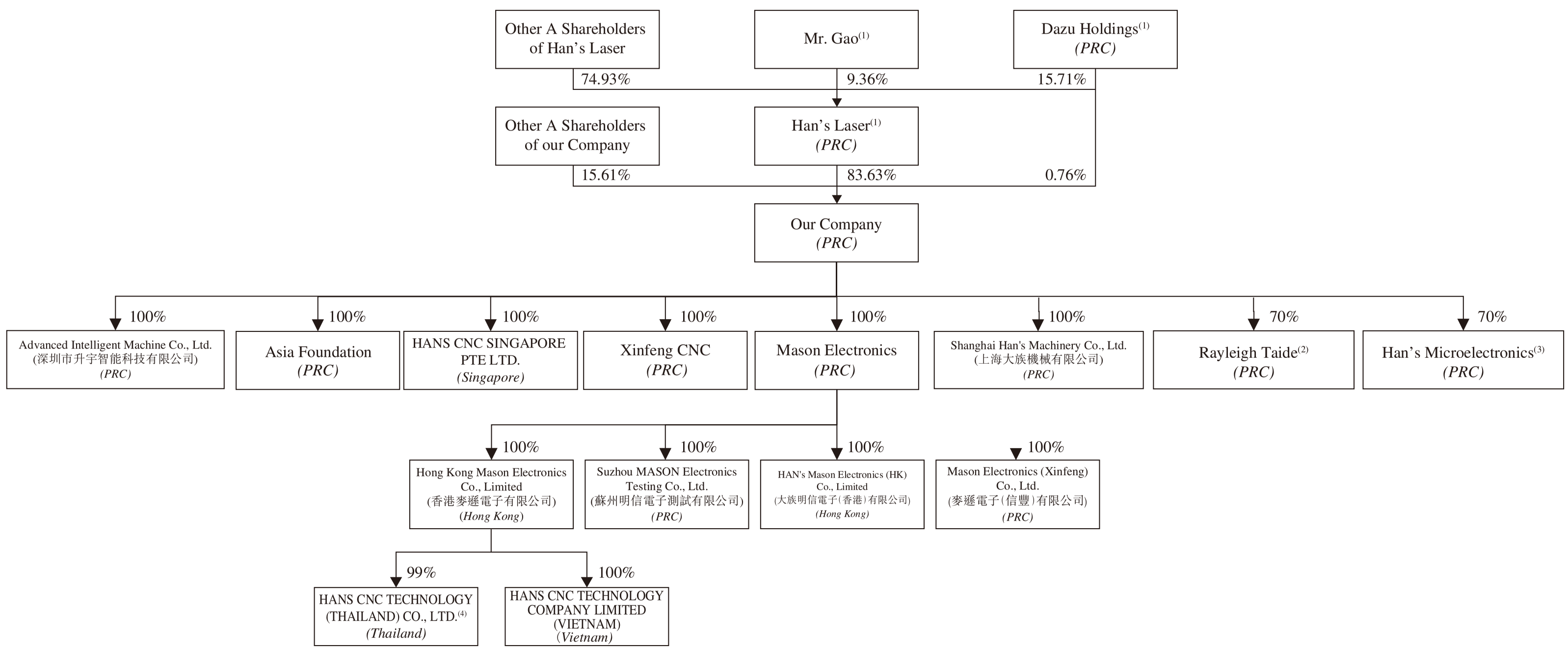
Satisfaction of the Free Float Requirement

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing, with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000. The Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

CORPORATE AND SHAREHOLDING STRUCTURE

Corporate and shareholding structure immediately before the Global Offering

The following diagram illustrates a simplified corporate and shareholding structure of our Group immediately prior to the completion of the Global Offering (assuming that no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing):



Notes:

(1) As of the Latest Practicable Date, Dazu Holdings was directly held as to 99.875% and 0.125% by Mr. Gao and Han's Global, which was beneficially and wholly owned by Mr. Gao, respectively. The 3,231,900 A Shares directly held by Dazu Holdings were pledged to Shenzhen High Tech Investment and Financing Guarantee Co., Ltd. (深圳市高新投融資擔保有限公司) as security for financings of Dazu Holdings (the "**Share Pledge**"). For more details, see "Substantial Shareholders."

Each of Mr Gao, Dazu Holdings and Han's Laser is subject to an undertaking, pursuant to which: (i) neither Dazu Holdings nor Han's Laser shall transfer, entrust another party to manage, or propose to the Company to repurchase the Company's A Shares held by them, and (ii) Mr Gao shall maintain his actual control over the Company and procure Han's Laser to comply with the aforesaid undertaking (the "**Lock-Up Undertakings**"). The Lock-Up Undertakings will be effective for a period of 36 months subject to an extension of six further months in the event that the closing price of the Company's A Shares is lower than the issue price of the Company's A Shares on the Shenzhen Stock Exchange (the "**Issue Price**") in the 20 consecutive trading days within six months after the Company's A-Share Listing or at the end of the six months after the Company's A-Share Listing. The Lock-Up Undertakings expired on August 27, 2025. In addition to the aforesaid restrictions, for a period of two years following the expiration of the Lock-Up Undertakings, the price at which any A Shares are disposed of by Dazu Holdings and Han's Laser shall not be less than the Issue Price. As advised by our PRC Legal Advisor, as the Lock-Up Undertakings did not restrain any share pledge activities, the Share Pledge granted by Dazu Holdings was not in violation of the Lock-Up Undertakings and is in compliance with the laws and regulations of the PRC.

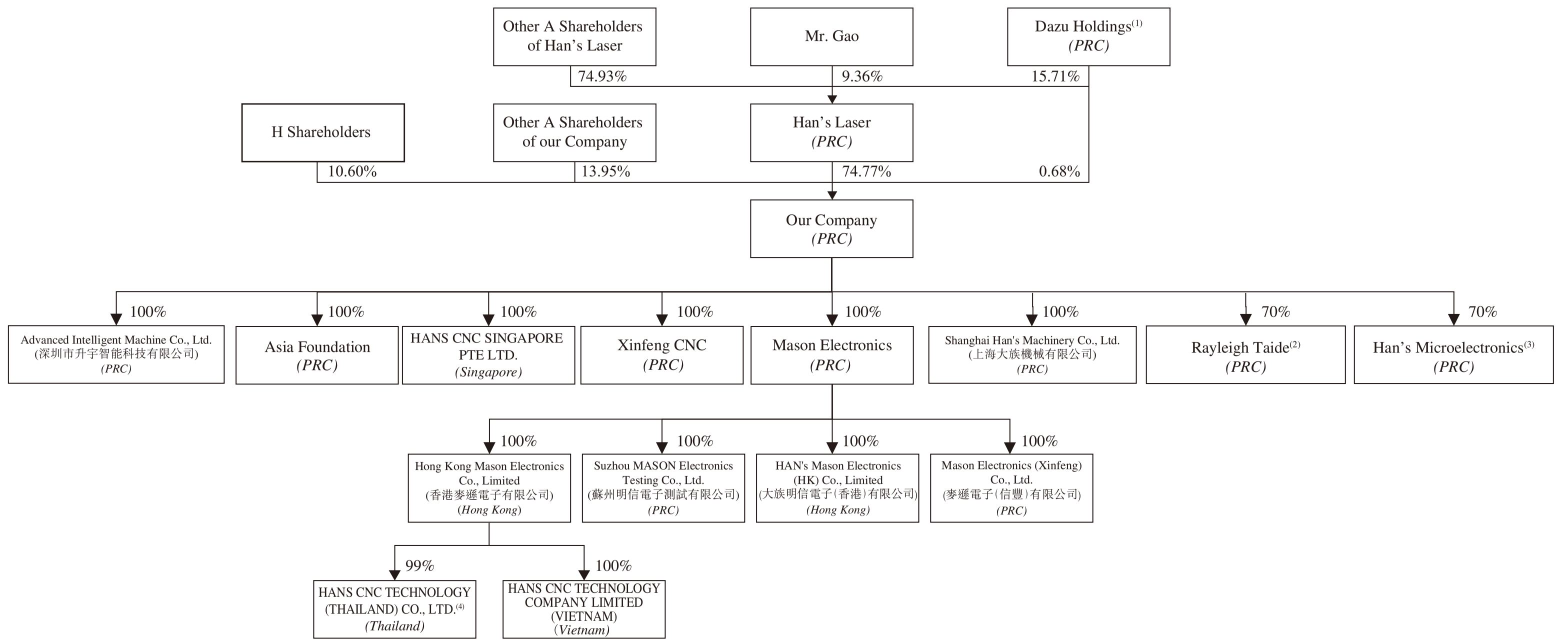
(2) Rayleigh Taide is a limited liability company incorporated in the PRC on August 1, 2022. As of the Latest Practicable Date, Rayleigh Taide was owned as to 70% by our Company, and as to 28% and 2% by LIN Dong (林東) and YANG Jiali (楊佳麗), respectively, both of which being Independent Third Parties.

(3) Han's Microelectronics is a limited liability company incorporated in the PRC on June 7, 2021. As of the Latest practicable Date, Han's Microelectronics was held as to 70.00% by our Company, and as to 14.45%, 8.05% and 7.50% by Shenzhen Zuxin Chuangzhi Investment Enterprise (Limited Partnership) (深圳市族芯創智投資企業(有限合夥)) ("**Zuxin Chuangzhi**"), Shenzhen Zuxin Chuangsi Investment Enterprise (Limited Partnership) (深圳市族芯創思投資企業(有限合夥)) ("**Zuxin Chuangsi**") and Mr. YANG Chaohui (楊朝輝), our chairperson of the Board, executive Director and general manager, respectively. Zuxin Chuangzhi is a limited partnership established under the laws of the PRC and is held as to (1) 0.01% by Shenzhen Zuxin Huifu Investment Consulting Co., Ltd. (深圳市族芯匯富投資諮詢有限公司, the "**Zuxin Huifu**"), as general partner, which is held as to 96.50% by Ms. WANG Jun (王軍) and 3.50% by Ms. ZHOU Yuanyuan (周鴛鴛), each an employee of the Group and an Independent Third Party, and (2) 99.90% by four limited partnerships which are all employee shareholding platforms, as limited partners. Zuxin Chuangsi is a limited partnership established under the laws of the PRC and is held as to (1) 0.025% by Zuxin Huifu, as general partner, and (2) 99.975% by two limited partnerships which are both employee shareholding platforms, as limited partners. Han's Microelectronics does not constitute a principal subsidiary of our Company for the purposes of Rules 17.13 to 17.15 of the Listing Rules as its revenue, profits or total assets do not account for 75% or more of those of our Group under the percentage ratios in each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025.

(4) As of the Latest Practicable Date, the remaining 1% equity interest in HANS CNC TECHNOLOGY (THAILAND) CO., LTD. was held by ZHENG Zhiwei (鄭志偉), an Independent Third Party.

Corporate and shareholding structure immediately following completion of the Global Offering

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised, and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the Listing:



Notes:

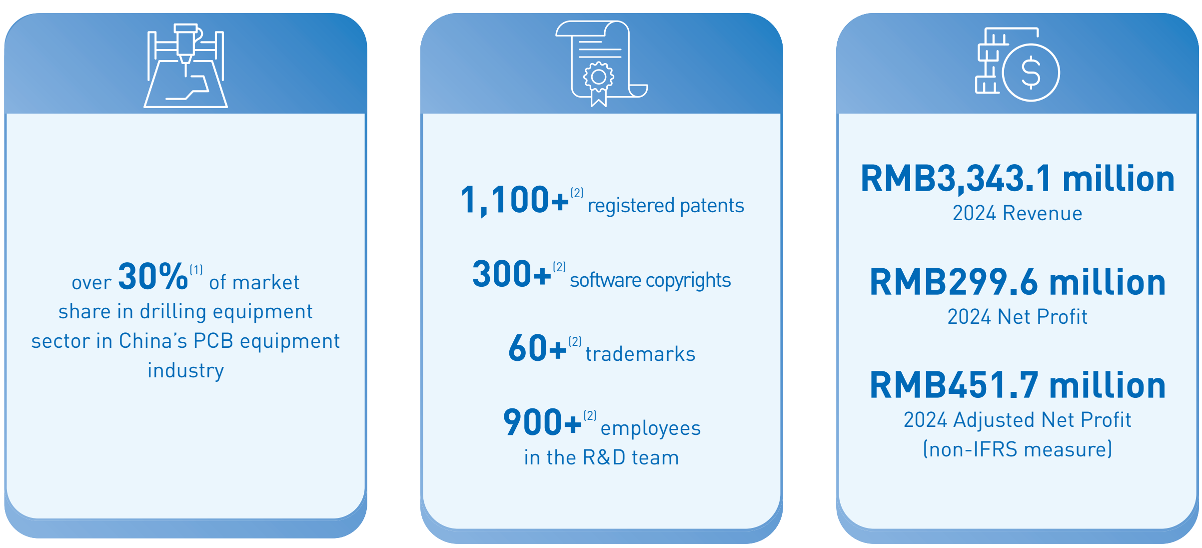
(1)–(4) Please refer to the details contained in the sub-section headed "Corporate and Shareholding Structure — Corporate and Shareholding structure immediately before the Global Offering" above.

OVERVIEW

Who We Are

We are a leading specialized PCB production equipment solution provider in China. We operate in the specialized PCB equipment industry, serving as a key infrastructure provider for a variety of downstream industries. According to CIC, we have a product portfolio, covering nearly all major PCB production processes such as drilling, photolithography, lamination, formation and testing. We focus on improving the industry value chain and providing comprehensive solutions with quality products to customers. Our customers include 80% of the enterprises in the Prismark Global PCB Top 100 Enterprises List in 2024. Leveraging our advanced R&D capabilities, comprehensive product matrix and stable customer relationships, we have been consistently ranked first in terms of revenue for 16 consecutive years in the specialized equipment and instrument list published by CPCA since 2009. According to CIC, we were the China's largest specialized PCB production equipment manufacturer in terms of revenue in 2024, with a market share of 10.1% in China. Our products have received wide customer recognition for their performance and value. For example, our drilling equipment was awarded the "National Individual Champion Product (單項冠軍產品)" certification in 2022 and maintained leading market share in 2024.

We have made a number of significant achievements across various business sectors:



Notes:

(1) In terms of revenue from drilling equipment in China in 2024, according to CIC.

(2) As of the Latest Practicable Date.

With our innovative business development model, we drive the evolution of the PCB industry through multi-dimensional collaboration across application scenarios, technologies, supply chains, equipment and materials, products, production processes and customers. We strive to "become the most respected and trusted PCB equipment service provider in the world," creating value for customers through technological innovation and supporting industry upgrades with global business layout. We are committed to fully embracing AI, leveraging AI to optimise our business structure and facilitate the development of the AI industry. We aim to drive organizational transformation, redefine work processes, enhance product development, innovate production processes and improve equipment performance through AI technology. We are committed to delivering quality integrated solutions for multi-layer boards, HDI boards, and large-size packaging substrates, thereby facilitating the development of AI from a hardware perspective. Building on the technologies and experience we accumulated over our more than two decades of business operation, we are well positioned to leverage AI to further strengthen our technology capabilities, to expand our product portfolio, and to help our customers in the electronics industry to advance into the next generation of high-end production.

Development Phases

We have experienced the following four phases since our establishment:

Phase I

Start-up and diversification of business layout (2002-2012)	We continuously overcame technical bottlenecks and created an initial portfolio of equipment covering major PCB production processes. At the outset of our operations, we focused on the R&D of drilling equipment, which lies at the core of PCB production, in order to build a well-known brand in China. We then gradually expanded our product portfolio to include equipment for photolithography and formation processes. In 2008, we acquired Shenzhen Mason Electronics Co., Ltd. and extended our business to PCB testing equipment. After this acquisition, we established an initial product portfolio that covers major processes of PCB production, including drilling, photolithography, formation and testing.

Phase II

Diversified comprehensive solutions (2013-2017)	We focused on further developing a comprehensive product portfolio. We actively fostered close cooperative relationships with our customers, focusing on long-term value. We enriched our product portfolio with a full range of products such as mechanical drilling equipment, thus forming a more comprehensive product matrix.

Phase III

Product portfolio and technology expansion (2018-2021)	We focused on growing our customer base with more products and technologies. Our product portfolio and sales experience enabled us to enter major global PCB supply chains. We began offering customization in order to enhance customer loyalty. We strategically decided to develop packaging substrates processing equipment and new laser processing technologies.

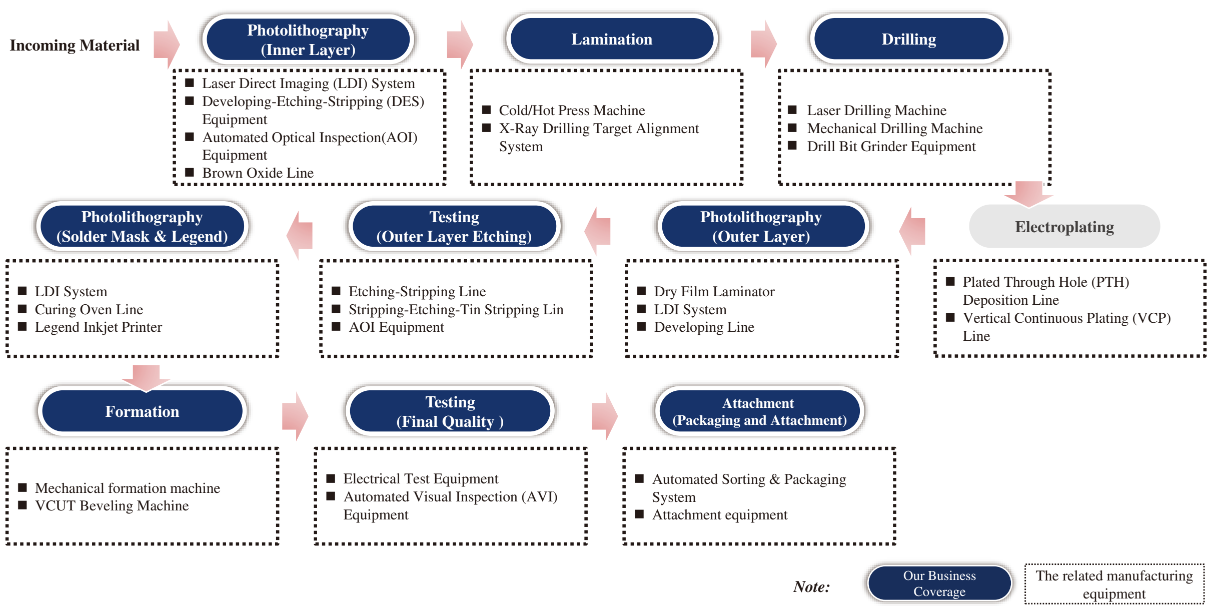
Phase IV

Product enhancement since Listing (2022-present).	In 2022, we were listed on the Shenzhen Stock Exchange's ChiNext Market. We have achieved innovation in equipment design and production technologies, such as the single-table double-station operation system, new laser processing technology, and innovative solutions for packaging substrates. We further expanded our presence in Southeast Asian countries, such as Thailand. We also launched PCB lamination equipment solution in 2024, enriching our product portfolio to cover nearly all major processes of PCB production.

Our Products

We primarily engage in the R&D, production and sales of specialized PCB production equipment and solutions. Our products cover nearly all major PCB production processes such as drilling, photolithography, lamination, formation and testing, making our product portfolio the most comprehensive among players in the global specialized PCB equipment industry. With over 20 years of expertise in high-speed and high-precision motion control, precision machinery, electrical engineering, software algorithms, advanced optical systems, laser technology, image processing and electronic testing, we have developed competitive process solutions for the PCB industry. Our main products have achieved advanced industry standards in terms of performance and reliability.

The following chart sets forth our key products and the roles they play along the major PCB production processes:



OUR STRENGTHS

We Achieved Broad Customer Recognition in the Specialized PCB Equipment Industry.

We are a leading specialized PCB production equipment solution provider in China, having ranked first in the specialized equipment and instrument list published by CPCA for 16 consecutive years since 2009. Through continuous breakthroughs in key technologies, our specialized PCB production equipment spans nearly all major PCB production processes, such as drilling, photolithography, lamination, formation and testing, differentiating ourselves among other market players who focus on isolated processes or product types. Our comprehensive product portfolio provides customers with comprehensive solutions. According to CIC, we were the China's largest specialized PCB production equipment manufacturer in terms of revenue in 2024, with a market share of 10.1% in China. We also maintain industry-leading positions in various specialized sectors of the China's PCB equipment industry. For example, our drilling equipment enjoyed a market share of over 30% in China in terms of 2024 revenue in China, according to CIC.

Leveraging our strong R&D capabilities and extensive experience in advanced production, we are well-positioned to capitalize on the significant growth opportunities brought by the trend of PCB industry technology upgrade, to drive the development of more advanced PCB production equipment, to bring more value to the global PCB and electronics industries, and to achieve long-term sustainable growth.

We Are a Key Infrastructure Provider in the Upstream of the AI Server and Intelligent Electric Vehicle Industry Value Chain.

We operate in the specialized PCB equipment industry, serving as a key infrastructure provider for a variety of downstream industries. According to CIC, the global market size of the specialized PCB equipment increased from approximately US$5,840 million in 2020 to approximately US$7,085 million in 2024, representing a CAGR of 4.9%, and is projected to reach approximately US$11,388 million at a CAGR of 8.6% from 2025 to 2029. In addition, the market size of China's specialized PCB equipment industry increased from approximately US$3,306 million in 2020 to approximately US$4,111 million in 2024, with a CAGR of 5.6%, and is expected to grow at a CAGR of 8.2% from 2025 to 2029, reaching approximately US$6,495 million by 2029. We believe with the robust growth in the specialized PCB equipment industry, our commitment to innovation and quality positions us well to capitalise on these growth opportunities, ensuring we remain at the forefront of the PCB equipment sector.

More specifically, we believe the growth in specialized PCB industry is primarily driven by increases in demand for AI and automotive intelligence as underlying technologies continue to develop.

AI servers. Driven by the continued in-depth application of generative AI, physical AI, and 5G communication technology, as well as the rapid development of the electronic information technology industry, the global market demand for PCB products such as high-multilayer boards, HDI boards, packaging substrates and multi-layer FPCs are quickly expanding. Such growth in demand for high-value PCB products is, in turn, driving market expansion of specialized PCB production equipment. According to Prismark, the fastest-growing electronic terminal sectors in the next few years are expected to be servers and storage devices, automotive electronics, mobile phones, computers and other consumer electronics. AI-related industries, such as servers and switches for AI infrastructure, rely on advanced PCBs, and are emerging as new drivers for the future growth of the PCB industry. Investment in high-multilayer boards and SLP, along with increased demand and technical requirements, is expected to promote the growth of specialized PCB production equipment.

Intelligent electric vehicles. The New Energy Vehicle Industry Development Plan (新能源汽車產業發展規劃) (2021-2035) issued by the State Council explicitly envisages that by 2025, the sales volume of NEVs will reach approximately 20% of the total new sales of vehicles. The electric systems of NEVs, intelligent autonomous driving and the Internet of Vehicles have significantly increased the cost proportion of electronic components. With Level 3 autonomous driving widely accepted in China, the computing power of autonomous driving has exceeded 30TOPS, which has significantly promoted the demand for the advanced PCB, especially for HDI boards used in computing modules. Widespread applications of advanced HDI, mixed-pressure HDI and other HDI products have increased the demand for lamination equipment, mechanical drilling equipment, CO_2 laser drilling equipment, hybrid UV+CO_2 laser drilling equipment, high-resolution LDI equipment and high-precision specialized testing equipment.

Through continuous technology innovation, we launch innovative solutions that align closely with the technical needs and pain points of players in the various sectors downstream of the PCB industry, and have received wide recognition from leading market players along the PCB industry value chain. For example, our self-developed 3D back-drilling and integrated drilling-testing technologies can achieve ultra-short stubs and ultra-high concentricity as well as mass processing of high-precision back-drills, which have been well-recognized by industry-leading manufacturers of high-multilayer boards and generated sales orders. We have also optimized our lamination equipment products to cater to the lamination of thick copper PCBs, achieving improved quality performance and customer feedback, thus laying a solid foundation for gaining additional market share. We believe our commitment to continuous product innovation strengthens our role as a key infrastructure provider in the industry value chain and our ability to satisfy customers' needs along major PCB production processes, and enables us to capitalize on the overall industry growth opportunities.

Our Platform-Based Technologies and Diverse Product Portfolio Enable Multi-dimensional Business Synergy.

Platform-Based Technologies: Through independent R&D, we have established core technologies covering nearly all major PCB production processes, namely drilling, photolithography, lamination, formation and testing. A number of such technologies are universally applicable to all major processes, including high acceleration and deceleration linear motor drive motion control technology, precise mechanical design and advanced assembly technology, specialized software platform and core algorithm technology. As such, we are able to effectively share key technologies in different scenarios and efficiently coordinate our R&D resources in various sectors, so as to achieve our technological synergy under our well-designed R&D model. We have also developed specialized technologies tailored to specific product features, including LDI system design technology, micro blind hole drilling technology, high-precision lightweight workbench production technology, and multi-scenario high-precision electrical performance testing technology, to continuously promote transformative upgrades of our products.

Diverse Product Portfolio: We have developed a comprehensive product portfolio for various specialized sectors of the PCB market, including multi-layer boards, HDI boards, packaging substrates, FPC and rigid-flex boards, and nearly all major PCB production processes, including drilling, photolithography, lamination, formation and testing. In particular, our prominent position in the multi-layer board production sector enables us to provide comprehensive solutions to our customers, which differentiates us from most comparable market players in the global market, who may have technology and production capability for a limited number of PCB production processes. We focus on commercializing our core technologies, such as high-speed and high-precision motion control, advanced optical systems and laser technology, laying a solid foundation for our flagship products, such as mechanical drilling, laser drilling, photolithography transfer and final quality testing equipment. According to CIC, the capital expenditure on the above equipment accounted for over 50% of the total investment in the PCB industry in 2024. By driving our overall sales through our competitiveness in our key products, our comprehensive solutions can effectively reduce customer development and communication costs, improve marketing efficiency, enhance customer loyalty, and lower customer procurement costs.

Our Business Synergy: With our platform-based technologies and diverse product portfolio, we have achieved multi-dimensional business synergies.

- *Technological Synergy*: Our linear motor drive motion control technology, precise mechanical design and advanced assembly technology and digital virtual simulation technology are applicable to all of our products, and the adoption of platform-based technologies under different application scenarios can improve our R&D efficiency.

- *Product Synergy*: Our comprehensive product portfolio enables us to offer comprehensive solution to customers. Customers that purchased one type of our equipment products can also satisfy their need for equipment during other major PCB production processes by providing our other equipment products, which significantly reduces their procurement effort, and enhances customer stickiness. One high-quality product leads attracts customers to explore other products.

- *Equipment and Material Synergy*: We collaborate with PCB raw material manufacturers to jointly determine the optimal processing parameters to enhance processing efficiency and product quality.

- *Process Synergy*: We adopt a unified system for data collection, analysis and feedback to ensure concurrent adjustment and error correction across different PCB production processes. This ensures efficient coordination throughout downstream customers' operations. By managing end-to-end data flow, we also apply big data models to continuously enhance customers' production process and technical capabilities.

- *Scenario Synergy*: Our comprehensive product portfolio and deep understanding of various PCB application scenarios, such as AI servers and intelligent driving vehicles, expedite customers' process of achieving mass production when venturing into a new application scenario, bringing first-mover advantage for customers.

- *Supply Chain Synergy*: As a leading solutions provider of specialized PCB production equipment, our economies of scale enhance our bargaining power through bulk purchase and enable collaborative development with upstream suppliers to expedite our technology upgrades.

- *Customer Synergy*: Our downstream customer base covers nearly all mainstream PCB manufacturers. Recognition from major customers facilitates our continuous expansion among other PCB customers, making our marketing and product promotion highly efficient.

We Have Established Strong R&D Capabilities Which Drive Technological Advancement in the PCB Industry of China and Enhance Our Competitiveness in the Global Market Through Innovative Technologies.

We have long focused on investment in innovation and have accumulated a vast array of core technologies that form the foundation of our competitiveness. We implement different R&D strategies tailored to specific application scenarios. For example, in the standard multilayer board and HDI board markets, we offer innovative insights, comprehensive solutions and advanced equipment to enable customers to reduce production costs and respond to the intensifying price competition in the downstream markets; in the high-multilayer board market, we have enhanced product performance to meet the quality assurance needs of high-value products, and for SLP, packaging substrates and advanced packaging substrates, we primarily promote new laser-based integrated solutions to empower our customers to penetrate into the market of advanced packaging.

We are committed to building a globally competitive R&D team. As of October 31, 2025, we had a total of 871 R&D employees, accounting for 27.3% of our total workforce. Among these 871 R&D employees, 74.5% hold a bachelor's degree or above. Our R&D employees possess diverse professional backgrounds, covering mechanical design, electrical engineering, electronic technology, optoelectronics, laser technology, automatic control technology and computer software.

We attach great importance to investment in innovative technologies and solutions. As a national high-tech enterprise, we have undertaken and completed a number of national, provincial and municipal level scientific research projects over the past decade, including the R&D of Programmable Automation Controllers for High-End PCB Manufacturing and Inspection Equipment, and Application Demonstration Project (面向PCB高端制檢裝備的可編程自動化控制器研發與應用示範), and the R&D of Key Equipment and Control Systems for PCB Manufacturing, and Application Demonstration (PCB製造關鍵裝備及其控制系統研發與應用示範), among others. With our innovative solutions addressing industry pain points, we have been awarded the title of "Guangdong Industrial Design Center" (廣東工業設計中心) by the Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳) and have been listed among the top 500 manufacturing enterprises in Guangdong Province. As of the Latest Practicable Date, we had obtained approximately 1,103 registered patents, 254 invention patents, 369 software copyrights and 68 trademarks in China, securing a leading position among industry peers. Our invention patents are primarily distributed across our New Laser Product Center, Mechanical Product Center, and Laser Product Center, and are widely applied in the production of products from these centers. These invention patents provide us with exclusive rights to key technologies, enabling us to establish technological barriers, enhance product differentiation, and strengthen our market position. For the years ended December 31, 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our research and development expenses amounted to RMB229.7 million, RMB193.6 million, RMB266.8 million, RMB200.7 million and RMB300.0 million, respectively.

Under our efficient R&D model, each product R&D center operates with clear R&D directions with the collaborative support of expertise from diverse professional backgrounds. Our in-depth interaction and close partnership with leading PCB manufacturers and key component suppliers along the industry value chain enable us to stay at the forefront of the specialized PCB equipment industry. Through continuous breakthroughs in key technologies, we have launched a number of self-developed products, driving technological improvements in China's specialized PCB equipment industry and promoting its global competitiveness.

Our Customer Base Covers a Majority of Leading PCB Manufacturers in Mainland China, Collaboratively Leading Industry Development.

Our customers include 80% of the enterprises on Prismark's Top 100 Global PCB Enterprises list in 2024, all enterprises on the 2024 CPCA Overall Top 100 list, and over a thousand small and medium-sized PCB enterprises in China. We have maintained close partnerships with industry-leading customers, including Zhen Ding Tech, Unimicron, Victory Giant Technology, Shennan Circuits and Dongshan Precision. With our innovative solutions, we have gained widespread recognition from global industry-leading PCB manufacturers. We have earned a number of awards from renowned listed companies in the industry, including the "Gold Supplier" (金牌供應商) from Shennan Circuits and "Best Innovation Award" (最佳創新獎) from Kinwong.

Through close collaboration with PCB manufacturers, we gained up-to-date and practical insights in relation to PCB application scenarios and connect with global top electronic terminal brands, enabling us to stay abreast of the latest processes and technical requirements of the downstream PCB industry. Leveraging our extensive experience in addressing common challenges across various customer scenarios, we have refined and optimized our products to lead industry advancements, particularly in specific sectors of the PCB industry. This enhances our core competitiveness and maximizes value for our customers. Our collaborations foster trust and ensure long-term, stable partnerships with our customers, resulting in mutually beneficial outcomes.

We Have an Excellent Management Team and a Comprehensive Talent Development Mechanism.

Our management team has demonstrated exceptional strategic vision and strong management capabilities throughout our development and contributed to the establishment of our leading position in the industry. Mr. Yang Chaohui, our chairman and general manager, has over 20 years of extensive experience in the industry and holds multiple positions in the industry, including the deputy supervisor (副監事長) and the chairman of the Special Equipment Branch (專用設備分會會長) of CPCA, enjoying a high reputation in the industry. Since our establishment, Mr. Yang Chaohui's forward-looking vision and keen industry insights have helped us make remarkable industry achievements and consolidate and further enhance our market position.

We have formed a visionary, experienced and foresighted management team. Our management team consists of senior technical personnel with professional backgrounds and rich experience in specialized PCB production equipment, as well as a profound understanding of industry developments and trends. Our management team has been working with us for over 10 years, demonstrating strong team cohesion and stability.

We continuously optimize our talent development mechanism by increasing the proportion of R&D and sales personnel with diverse industry experience and technical skills, thus accelerating the R&D progress of our innovative solutions and enhancing relationships with industry-leading customers. In line with the innovation-driven market environment, we actively recruit high-quality talent worldwide. We have also established a systematic training system to improve the professional capabilities and comprehensive qualities of our employees through leadership training, special training for R&D employees, and general competency training, providing a strong talent reserve for our innovative and sustainable development.

Our corporate governance and corporate culture are centered on the principle of "innovation-driven and win-win collaboration" (創新驅動，協作共贏) and adhere to the concepts of standardized operations and sustainable development. We were listed on the Shenzhen Stock Exchange's ChiNext Market in 2022 and have maintained a healthy governance framework. In terms of talent development, we have established a tiered development mechanism. Our "Young Eagle Program" (雛鷹計劃) and "Flying Eagle Program" (飛鷹計劃) are designed to improve the quality of our key talent. We have also implemented a long-term incentive mechanism covering our management team and key R&D employees, and we adhere to the principle of "performance-driven and benefit-sharing" (績效牽引、利益共享), which tightly links remuneration packages with respective R&D contributions and our performance. We believe that a sound talent development mechanism not only ensures a strong talent pool for our quality, sustainable and international expansion, but also enables us to stand out among the fierce competition and maintain our leading industry position.

OUR STRATEGIES

We strive to "become the most respected and trusted PCB equipment service provider in the world" and will carry out the following strategies:

We Plan to Anchor Our Strategy in Emerging Sectors such as AI and Intelligent NEVs, Collaborating Closely with End-customers Through Joint R&D Laboratories and Full-Chain Support from Process Validation to Mass Production.

Driven by the widespread application of AIGC and 5G-A communication technologies, AI servers, autonomous driving computing modules, AI smartphones and optical modules, we have addressed the increasing demand for high-speed high-multilayer boards (ultra-high-multilayer or high-multilayer HDI boards) and SLP. We have developed specific equipment for these application scenarios, and will continue to focus on these emerging sectors and closely work with customers to develop new products.

We believe we are well-positioned to swiftly meet the production needs of customers in emerging sectors, and plan to closely collaborate with customers to conduct further R&D and strengthen our customer base. For example, in terms of the AI industry, we intend to capitalize on the emerging demand for specialized processing equipment for high-value PCB products, such as high-multilayer HDI (HLC+HDI) boards for servers, 800G/1.6T high-speed optical modules, and SLP for AI smartphones. For producing high-multilayer HDI boards, PCB manufacturers need to address specific technical demands for diverse drilling types, fine circuits and high reliability. As such, we plan to enhance our drilling product portfolio and offer new mechanical drilling equipment, laser drilling equipment, digital imaging equipment and testing equipment with advanced technical capabilities. These new products are expected to be able to process advanced HDI for next-generation AI servers and ultra-high-multilayer PCBs for 800G switches while ensuring signal integrity. In response to the growing adoption of SLP in 800G+ optical modules and AI smartphones, we aim to continue to expand the application scope of new laser processing technologies to meet the technical requirements for smaller holes and higher-precision formats. We strive to break the bottleneck in micro-hole apertures of traditional CO_2 laser drilling equipment and the tolerance limit of mechanical routing equipment to improve the production yield of SLP. We also plan to actively develop mSAP processing technology to meet the demand for processing of next-generation SLP RCC materials in smaller sizes.

In terms of the NEV industry, we plan to seize the demand for autonomous driving computing modules and automotive-grade HDI boards, and promote the application of hybrid UV+CO_2 laser drilling technology in processing high-frequency materials. We intend to establish joint laboratories with auto brands to deepen R&D collaboration, optimize the infinite splicing processing mode for CCS harness FPCs in NEVs, and empower our customers to achieve full-chain integration from process verification to mass production, thereby facilitating the intelligent upgrade of the automotive industry.

By actively planning business layout in high-value, high-growth emerging sectors such as AI and NEVs, as well as focusing on leading customers in these emerging sectors, we expect to reshape our position in the global value chain of the high-precision PCB production industry, create equipment and production line standards that fit different sectors, and ultimately accelerate our transition from "applying technologies" to "defining next-generation PCB production."

We Plan to Expand Our Global Business Presence.

Based on China's core position in the global PCB industry and the advantages of its well-established domestic electronic information industry chain, we are committed to further strengthening our global R&D and operational capabilities and enhancing our production capacity for high-end PCB equipment. This layout will enable us to fully leverage local industrial cluster effects, deeply integrate R&D, production and market resources, and further consolidate our competitive advantages in the global PCB equipment sector. We strive to enter the supply chain of leading overseas substrate manufacturers and enhance our brand recognition among renowned end-customers in overseas markets.

In addition to establishing a customer value-added service center in Thailand to offer prompt support to PCB manufacturers in Thailand and other regions in Southeast Asia, we are expanding our sales networks in Malaysia and Vietnam to capitalize on the global shift of the PCB industry to Southeast Asia. Through our sales network, we aim to swiftly understand market trends and needs of PCB manufacturers and enhance our overseas customer acquisition efficiency and maintenance efforts.

Our global expansion strategy is expected to enhance our brand image, attract top talent worldwide and build a multi-regional collaborative R&D system. Through the expansion of overseas sales networks and participation in international exhibitions, we expect to strengthen our leading position and influence in the global high-end specialized PCB production equipment market and establish a benchmark for the international competitiveness of Chinese smart production.

With the continuous optimization of our R&D, production and service systems, we expect our annual production capacity for high-end specialized PCB equipment to reach approximately 260 units, including mechanical processing equipment, new laser processing equipment, high-resolution laser direct imaging equipment, and high-precision inspection equipment. This will enable us to better support the rapid growth in demand from both domestic and overseas markets and generate a significant positive impact on our overall business performance.

We Plan to Further Enhance Our R&D Capabilities on Key Technologies, Optimizing Production Processes in the Multilayer Board Sector and Expanding to the Advanced Packaging Sector.

Equipment for multilayer boards is our core business. By exploring new value in the multilayer board market, we strive to continuously optimize the overall operational costs of customers and enhance our existing leading position in this sector.

- In terms of depth, in addition to our focus on enhancing the efficiency, stability, automation and intelligence of our equipment, we plan to provide innovative process solutions and upgrade existing equipment forms and process paths. Based on the technical characteristics of PCBs in specific scenarios, we plan to develop optimized solutions that cover processing equipment, process parameter formulations, processing tools and raw and auxiliary materials, thereby continuously reducing overall operational costs for customers.

- In terms of breadth, we aim to explore the value of the upstream and downstream processes of existing products and constantly expand our product portfolio. In addition to optimizing our products for drilling, circuit and solder mask photolithography, formation and electrical performance testing, we aim to enhance the competitiveness of our products for lamination and optical inspection. We aim to provide more diverse products for customers and reduce the equipment procurement, operation and management costs of PCB manufacturers, while minimizing the impact on our revenue as a result of significant fluctuations in the demand for a particular type of equipment.

We are committed to penetrating the market of specialized equipment for packaging substrates and providing innovative solutions to our customers in the advanced packaging sector. Such R&D strategy enables us to further deepen our industry presence and foster new profit drivers. Our self-developed new laser-based integrated solution can be applied in the processing of advanced packaging such as FC-CSP, FC-BGA, glass substrates, EMIB and FOPLP, and the corresponding application scenarios include the server chips, such as CPUs, GPUs, FPGAs and ASICs, for smartphone SoCs, AiP and AI computing scenarios. Some of our specialized equipment for packaging substrates have passed process tests and supplier certifications from several renowned domestic and overseas customers. We plan to continue to conduct full-process reliability verification with our customers, and actively engage with end-customers to promote new solutions to achieve mass production.

We Plan to Build a Full Lifecycle Service System to Enhance Customer Loyalty and Industry Influence.

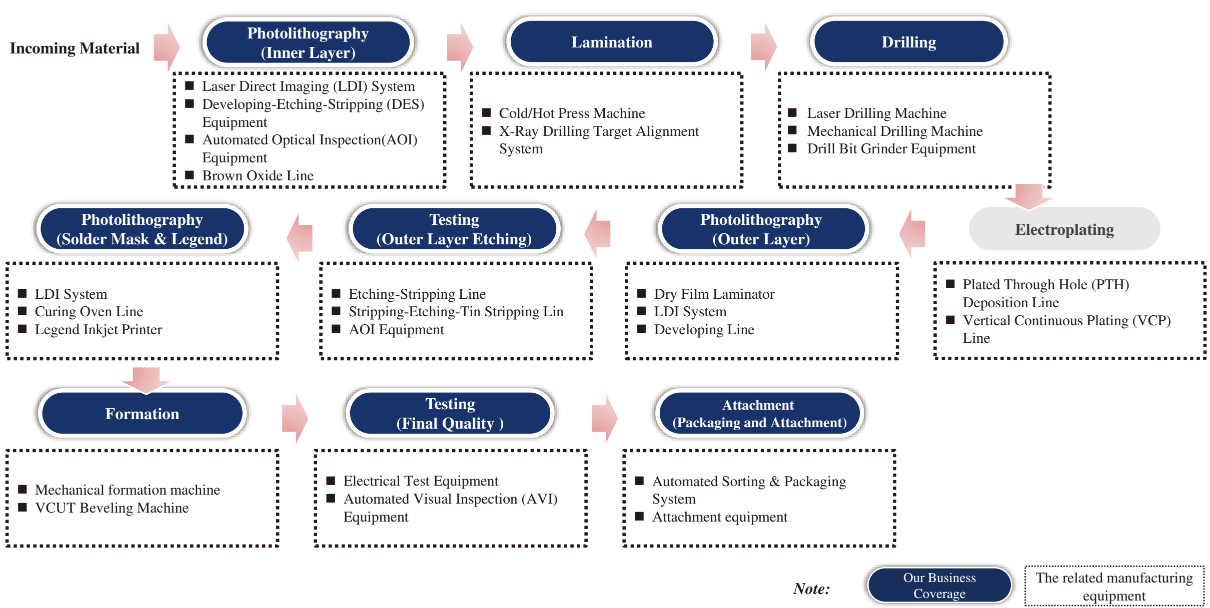
We are committed to providing full lifecycle value-added services to maximize customer value and achieve mutual growth. With years of experience in the specialized PCB equipment industry, we have built a robust customer base through our competitive product portfolio, strong innovation capabilities, and extensive sales experience. We offer 24/7 customer service and appoint chief service officers for key accounts to coordinate value-added services across all equipment, continuously improving customer experiences.

We prioritize customer service and have pioneered the chief service officer mechanism in the specialized PCB equipment industry to provide comprehensive equipment management. Our AI-powered predictive maintenance system allows real-time monitoring and can issue failure warnings in advance to ensure that customers' equipment maintains higher uptime rates. In overseas markets, we plan to establish localized centers for technical support and spare parts storage to reduce response times. For existing markets, we intend to offer automation retrofit services and upgrade equipment to enhance precision, reducing new equipment investment of our customers. Additionally, we plan to collaborate with universities to build an industry process database and open our AI model optimization platform, empowering small and medium-sized enterprises in their transition to intelligent production.

OUR PRODUCTS

We are a leading specialized PCB production equipment solution provider in China. We primarily engage in the R&D, production and sales of specialized PCB production equipment, providing end-to-end process solutions for PCB manufacturers. During the Track Record Period, we sold our specialized PCB production equipment to over 10 countries and regions. According to CIC, we ranked first globally in terms of the sales revenue of specialized PCB production equipment. Our extensive portfolio of production equipment spans various segments of the PCB industry, and covers various production processes, such as drilling, photolithography, lamination, formation and testing. Benefiting from our extensive product portfolio, advanced technologies and strong production capabilities, we are able to adapt quickly to the evolving industry trends and serve our customers' diverse needs.

The following chart sets forth our key products and the roles they play along the major PCB production processes:



In addition to major PCB production processes such as drilling, photolithography, lamination, formation and testing, our comprehensive product portfolio also covers various specialized sectors of the PCB equipment industry, including multi-layer boards, HDI boards, packaging substrates, FPC and rigid-flex boards. This enables us to provide differentiated, comprehensive solutions for customers across different sectors of the PCB industry.

The following chart sets forth our product offering for various production processes and for different types of PCBs for use in different downstream market segments.

Processes / Market Segments	Photolithography Process (Inner Layer/Outer Layer)	Drilling Process	Lamination Process	Photolithography Process (Solder Mask)	Formation Process	Testing Process
Standard Multilayer Boards	Laser Direct Imaging System	Mechanical Drilling Equipment	Lamination System	Laser Direct Imaging System	Mechanical Formation Equipment	Electrical Testing Equipment Optical Inspection Equipment (AOI/AVI)
High-Multilayer Boards	Laser Direct Imaging System	Mechanical Drilling Equipment CCD Mechanical Drilling Equipment	Lamination System	Laser Direct Imaging System	Mechanical Formation Equipment	Electrical Testing Equipment Optical Inspection Equipment (AOI/AVI)
HDI boards	Laser Direct Imaging System	Mechanical Drilling Equipment CO_2 Laser Drilling Equipment Advanced Laser Drilling Equipment	Lamination System	Laser Direct Imaging System	Mechanical Formation Equipment Laser Formation Equipment	Electrical Testing Equipment Optical Inspection Equipment (AOI/AVI)
Packaging Substrates	Laser Direct Imaging System	Mechanical Drilling Equipment CO_2 Laser Drilling Equipment Advanced Laser Drilling Equipment	Lamination System ABF Trimming Equipment	Laser Direct Imaging System	Mechanical Formation Equipment Laser Formation Equipment	Electrical Testing Equipment XOUT Sorting Equipment
FPC&Rigid-Flex Boards	Laser Direct Imaging System	Mechanical Drilling Equipment UV Laser Drilling Equipment	Lamination System	Laser Direct Imaging System	Mechanical Formation Equipment Laser Formation Equipment	Electrical Testing Equipment

The following table sets forth the details of the revenue, sales volume and average selling price (net of tax) of our products by PCB production process for the years/periods indicated:

	Year ended December 31,									Ten months ended October 31,					
	2022			2023			2024			2024			2025		
	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price
	RMB'000	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*	*RMB'000*	*Unit*	*RMB'000/Unit*
Drilling equipment	1,666,776	2,514	663	818,051	1,129	725	2,100,645	3,119	674	1,619,065	2,569	630	3,095,604	4,499	688
Photolithography equipment	403,646	132	3,058	189,155	79	2,394	340,306	141	2,414	288,061	119	2,421	247,547	103	2,403
Testing equipment	284,312	519	548	197,561	400	494	274,139	446	615	219,857	359	612	383,632	501	766
Formation equipment	214,864	463	464	152,323	289	527	254,138	596	426	200,959	477	421	237,581	521	456
Attachment equipment	23,603	74	319	54,778	183	299	81,940	206	398	64,796	168	386	95,437	208	459
Lamination equipment	—	—	—	—	—	—	9,804	2	4,902	4,760	1	4,760	—	—	—
Total/Overall	**2,593,201**	**3,702**	**701**	**1,411,868**	**2,080**	**679**	**3,060,972**	**4,510**	**679**	**2,397,498**	**3,693**	**649**	**4,059,801**	**5,832**	**696**

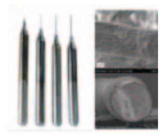
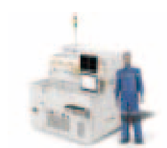
Drilling Equipment and Solutions

The drilling process is a mission-critical stage in PCB production, enabling the creation of conductive vias that realize interlayer electrical connectivity in multi-layer board architectures through precision metallization plating. Aligning with industry standards, we provide both mechanical drilling equipment for apertures with a diameter ≥0.15mm utilizing proprietary micro-drill bit technology, and laser direct drilling systems for apertures with a diameter <0.15mm leveraging non-contact laser technology to achieve high-precision machining of tiny holes.

Our innovative drilling solutions, such as automated operations and dual-axis simultaneous processing, enhance efficiency by up to 100% compared to traditional solutions, creating a cost-efficient approach within the specialized PCB equipment industry. We have consistently led the market in sales volume, providing downstream customers with comprehensive solutions that cater to evolving PCB structures, from multilayer boards to HDI boards.

Driven by trends in AI and automotive electrification, PCB designs have evolved to incorporate complex via structures, including through holes, blind vias, back drilling, and interlayer vias. As hole diameters continue to shrink and aspect ratios increase, our drilling equipment is also upgraded to meet these heightened precision demands. For back drilling, we utilise a 3D measurement process with integrated drilling and measurement capabilities, achieving high-quality processing with Z-axis depth control of 4±2 mil and XY-axis precision of D+4 mil. For blind vias, we offer a range of laser processing equipment, employing next-generation lasers for micro-apertures and CO_2 lasers for larger apertures, providing our clients with optimal product combinations tailored to their specific needs. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 2,514, 1,129, 3,119, 2,569 and 4,499 units of drilling equipment, respectively, representing a sales-production ratio of 121.1%, 81.6%, 108.9%, 114.2% and 98.9%, respectively. The following table sets forth certain details of our key drilling process equipment and solutions as of October 31, 2025:

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Mechanical Drilling System		• High-speed rotating spindle with synchronized motion control • Automatic drill bit replacement functionality	Multi-layer boards, HDI boards and packaging substrates	6–8

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Coated Drill Bit		• Nano-coating technology via PVD to reduce wear • Optimized geometry for enhanced durability	An essential tool for mechanical drilling, used to drill and formate efficiently	0.5–1.5
CO_2 Laser Drilling System		• High-power CO_2 laser ablation for microvia formation • Non-contact processing to minimize thermal damage	HDI boards and packaging substrates	10–15
UV Laser Drilling System		• UV cold-source laser processing for flexible materials • Flying drilling mode for PI substrates	FPC, rigid-flex boards (smartphones, wearables, automotive BMS)	8–10
Next-Generation Laser System		• Next-generation laser technology for minimal thermal impact • Precision processing of ABF/BT/RCC materials	Packaging substrates, advanced packaging (smartphones, foldable devices, CPU/GPU)	16–20
TGV Laser Processing Solution		• Laser modification of glass substrates followed by chemical etching • Panel-level processing for large-format substrates	Glass-core FC-BGA, panel-level glass interposers	23–27

Case Study – Company A

Background

The AI server industry is witnessing an increase in requirements for computing performance, storage capacity, and data transmission speed to support AI workloads such as training and inference. These requirements place increasingly stringent standards on PCBs used in AI servers, which require a combination of HDI boards and ultra-high multilayer boards architectures to achieve superior back drilling alignment deviation control and stub length control.

Solutions

To enable our customer to satisfy the above standards, we recommended Company A with our F6XH series CCD drilling system, the functions of which are summarized as follows:

- *Back Drilling Alignment Deviation Control*: The F6XH series utilizes CCD technology to scan each hole, identifying deviations between theoretical and actual positions. This allows for precise compensation during the drilling process, ensuring concentricity between back-drilled and through-holes. This feature effectively resolves issues related to irregular expansion and contraction commonly found in high-density multilayer boards, as well as the problem of residual copper caused by drill hole deviation.

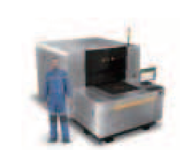
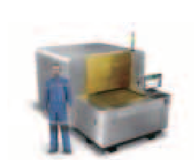
- *Back Drilling Stub Length Control*: Equipped with 3D back drilling functionality, the F6XH series records the height position of each copper layer during through-hole drilling. This data is used to calculate precise back drilling depths, which are linked to QR codes to ensure correspondence and quality traceability. This feature enables precise control of the back drilling depth, solving signal transmission problems caused by uneven pressing thickness resulting in insufficient or excessive back drilling depth.

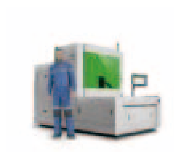
Our F6XH series effectively addresses our customer's pain points by enhancing precision and control in the drilling process, ensuring that their PCBs meet the more stringent standards and demands of AI server applications. This solution not only improves the reliability of the boards but also optimizes production efficiency, aligning with the high-performance requirements of modern AI technologies.

Photolithography Equipment and Solutions

The photolithography process involves transferring the designed circuit patterns onto the PCB substrate. Industry photolithography technologies are classified into two main methods: LDI, which operates without a film, and traditional film-based photolithography, which relies on a photomask. We primarily provide customers with LDI equipment covering inner layer patterns, outer layer patterns, and solder mask patterns. LDI utilizes a fully digital production model, eliminating multiple steps of the traditional process and avoiding quality issues associated with film materials. To meet the high-tech demands for fine-line processing in PCB segments such as packaging substrates and HDI boards, we have introduced high-resolution LDI equipment. This initiative continues to accelerate the localisation of equipment and the replacement of traditional photolithography methods.

Our LDI technology eliminates photomasks and streamlines production for high-density designs. We achieve 480 panels/hour throughput and ±10μm alignment accuracy in our INLINE LDI system, surpassing typical industry performance for substrates used in AI hardware. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 132, 79, 141, 119 and 103 units of photolithography equipment, representing a sales-production ratio of 109.1%, 97.5%, 110.2%, 114.4% and 93.6%, respectively. The following table sets forth certain details of our major equipment and solutions for photolithography process as of October 31, 2025:

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Inner Layer LDI System		• Suitable for inner layer photolithography of Multi-layer boards and HDI boards • Digital micromirror (DMD) projection	Multi-layer boards and HDI boards	8–10
Outer Layer LDI System		• Suitable for outer layer photolithography of Multi-layer boards, HDI boards and packaging substrates • Digital micromirror (DMD) projection	Multi-layer boards, HDI boards and packaging substrates	8–10

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Solder Mask LDI System		• Suitable for photolithography of solder mask • Single/composite wavelength curing	Multi-layer boards and HDI boards	10–12

Case Study – Company B

Background

The AI server industry places extremely high requirements on PCB impedance control precision to ensure high-speed digital signal transmission and power integrity. The line tolerance during the photolithography process is a key factor influencing PCB board impedance. Traditional LDI photolithography machines are unable to meet the stringent line width tolerance demands of these advanced products.

Solutions

We implemented a comprehensive optimization of our LDI photolithography machines, such as the Inline LDI-E15L series, focusing on both hardware and software enhancements.

In terms of the hardware, we introduced higher precision lasers to improve the accuracy of the photolithography process. We enhanced dynamic focus control capabilities, allowing for more precise adjustments during operation. In addition, we optimized the optical path design to significantly improve circuit imaging resolution, ensuring sharper and more accurate line definitions. We also refined the motion platform control to enhance stability and impedance control precision during the photolithography process. In terms of the software, we developed an intelligent algorithm to compensate for line width variations, ensuring consistent line width across the PCB. This involved optimizing the line width design to meet the specific impedance control requirements of AI server PCBs.

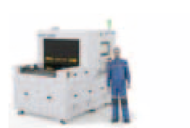
Through these targeted improvements, we successfully enhanced the line tolerance capability of our LDI photolithography machines. This ensured that the equipment could meet our customer's high-tolerance requirements, effectively resolving their pain points related to achieving precise impedance control in their AI server products.

Testing Equipment and Solutions

The testing process is crucial in PCB production, as it ensures both the functional reliability and structural integrity of end products. The electrical performance testing of semi-finished and finished products screens their functionality, reliability, and appearance to reduce defects. We provide universal testing equipment, dedicated testing equipment, dedicated high-precision testing equipment, automated optical inspection equipment and automated visual inspection equipment. Our equipment and solutions cover a diverse range of electrical testing equipment to assess whether the PCBs' electrical performance meets design requirements, along with automated optical inspection system to evaluate product integrity and identify defects like open circuits, shorts, foreign objects, and scratches. As circuit densities escalate in advanced applications, such as AI servers and 5G modules, the complexity of quality validation increases exponentially. To address these challenges, we deploy automated testing architectures, which integrate industrial vision alignment systems that perform micron-level PCB calibration through real-time CCD imaging, algorithmic offset analysis, and closed-loop compensation, resolving probe misalignment to boost first-pass yields.

Our testing process equipment and solutions support testing of 650mm × 965mm finished boards and up to 768,000 test points in our signature testing process equipment, critical for AI server validation. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 519, 400, 446, 359 and 501 units of testing equipment, representing a sales-production ratio of 101.8%, 93.2%, 80.9%, 88.2% and 93.1%, respectively. The following table sets forth certain details of our major testing process equipment and solution as of October 31, 2025:

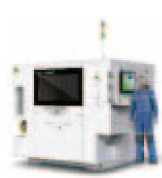
Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Universal Testing Equipment		• Multiple test grids with fine-tuning fixtures. • Minimum probe wire diameter of 50μm. • Expands application range of testing equipment.	Multi-layer board testing in laptops, automotive electronics, and communication equipment	3–4

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Dedicated Testing Equipment		• Cable-free architecture with one-click fixture replacement. • CCD automatic fine-tuning system. • Enhances testing efficiency and precision.	High-reliability multi-layer board testing in AI servers, AI accelerator cards, automotive electronics, and industrial control	2–3
Dedicated High-Precision Testing Equipment. .		• Dual-tray or four-tray design for high-density PCB testing. • High-precision pin fixtures with 25μm diameter. • Optional features to improve test yield.	Advanced smartphone motherboards, optical modules, and packaging substrates	6–8
Automated Optical Inspection Equipment		• High-definition cameras with AI for image processing. • Identifying defects like open circuits and shorts. • Ensuring integrity of PCB circuit patterns.	Multi-layer boards and HDI boards	6–8
Automated Visual Inspection Equipment		• Line-scan CCD with AI to reduce false positives. • Offers different resolutions for various products. • Tailored for different PCB product needs.	Finished PCB visual inspection, identifying defects like foreign objects and scratches	4–6

Formation Equipment and Solutions

The formation process involves using milling or laser techniques to remove excess edges or create internal cut-outs in PCBs, shaping them to the required specifications and dimensions. Typically, rigid boards are processed using mechanical milling, while laser technology is employed for ultra-thin rigid boards, FPC, and rigid-flex boards with high precision requirements. We provide mechanical forming equipment and laser forming equipment for customers' formation processes.

We provide precision solutions for PCB shaping across rigid and flexible architectures. Our mechanical formation equipment achieve ±50μm accuracy with marble-body stabilization, validated for long-term reliability in data center applications. Moreover, we enable ±20μm precision on ultra-thin materials through our laser processing systems, meeting advanced requirements for foldable devices and miniaturized electronics. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 463, 289, 596, 477 and 521 units of formation equipment, representing a sales-production ratio of 112.1%, 87.8%, 106.4%, 110.2% and 108.3%, respectively. The following table sets forth certain details of our equipment for formation process as of October 31, 2025:

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Mechanical Routers . .		• Precisely controls the milling cutter for accurate PCB processing. • Efficiently divides large PCBs into smaller units.	Multi-layer boards, HDI boards and packaging substrates	6–8
Laser Routing System .		• Utilizes lasers to ablate and vaporise the material for precise division of the entire FPC into smaller units.	FPC and rigid-flex board markets, optical modules and packaging substrates	8–10

Attachment Equipment and Solutions

The attachment process is tailored to the characteristics of FPC and rigid-flex boards, utilizing a micro-adhesive tape roll feeding structure and heating platform to bond various materials such as steel sheets and cover films. This process achieves functions like product rigidity reinforcement and solder mask cover film attachment, replacing traditional semi-automatic or manual operations with fully automated operations, significantly enhancing production efficiency and processing precision.

We offer comprehensive attachment solutions for FPC and rigid-flex boards, cover films, electromagnetic shielding films, adhesive tapes, among others. The steel sheet attachment efficiency can reach up to 10,000 pcs/hour, with attachment precision better than ±50μm. In addition, our attachment equipment enables simultaneous attachment and inspection to ensure quality stability, meeting the demands of diverse applications such as smartphones, tablets, and intelligent electric vehicles. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we sold 74, 183, 206, 168 and 208 units of attachment equipment, representing a sales-production ratio of 84.1%, 101.7%, 101.0%, 94.9% and 80.3%, respectively. The following table sets forth certain details of our equipment for attachment process as of October 31, 2025:

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(Weeks)*
Automatic Attachment Equipment		• Automates high-precision attachment of materials, replacing manual operations • Boosts production efficiency and processing precision	FPC, rigid-flex boards, protective covering film, and electromagnetic shielding film	5–9

Lamination Equipment and Solutions

The lamination process involves bonding multiple double-sided or HDI core panels using PP and copper foil to form multi-layer PCBs. Traditional multi-layer boards with four or more layers are laminated in a single process, while HDI products require multiple laminations depending on the number of stacked blind vias. The technical challenge in this process is controlling the uniformity and flatness of materials such as PP, fibreglass, and copper foil. Achieving superior lamination quality is essential, as it ensures reliable quality in subsequent drilling processes.

Our lamination process equipment and solutions enable robust multi-layer bonding for high-reliability applications. In 2024, we launched and sold two units of lamination equipment, representing a sales-production ratio of 50%. This sales-production ratio was primarily due to the ramp-up period of new product introduction, during which initial sales volumes are typically lower as the product gradually gains market acceptance. The following table sets forth certain details of our lamination process equipment and solutions as of October 31, 2025:

Product	Appearance	Features	Application Scenarios	Average Lead Time from Purchase Order to Delivery *(weeks)*
Lamination System. . .		• Utilizes high temperature and high pressure to laminate inner layers or core boards with PP or PI and copper foil. • Capable of forming multi-layer board structures. • Designed for versatility in handling various board types.	Standard multilayer boards, HDI boards, packaging substrates, multi-layer FPC, and rigid-flex boards	16–22

RESEARCH AND DEVELOPMENT

We are dedicated to technological innovation, which is crucial in advancing our capabilities and delivering value to our customers, while also driving our sales and profitability. With over 20 years of operational experience, we have amassed significant production expertise in high-speed and high-precision motion control, precision machinery, electrical engineering, software algorithms, advanced optical systems, laser technology, image processing and electronic testing. We have made, and will continue to make, substantial investments in R&D activities. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our research and development expenses amounted to RMB229.7 million, RMB193.6 million, RMB266.8 million, RMB200.7 million and RMB300.0 million, respectively.

Our R&D team comprises experts in high-speed motion control, laser technology applications and software algorithms. As of October 31, 2025, we had a total of 871 R&D employees, accounting for 27.3% of our total workforce. Among these 871 R&D employees, 74.5% hold a bachelor's degree or above. Driven by the foundational needs of specific scenarios, we delve into industry pain points, driving continuous improvement through process innovation, equipment upgrades, process optimization and whole-plant integration. We adhere to the PDCA cycle methodology to enhance personnel, machines, materials, methods, environment, and measurement in a continuous spiral.

We have established the Han's CNC Microelectronics research center specializing in laser processing equipment for package substrates with patented processes for high-quality scum-free results. We have also invested in multiple product centers responsible for product development. In response to the trend of further specialization in the specialized PCB equipment industry, we established the Lamination Product Center, the Coating Tool Product Center and the Optical Inspection Product Center in 2023 to supplement and strengthen our product R&D in the relevant fields. We focus on the forward-looking needs of market segments and application scenarios for PCB technology, developing core platform technologies for dedicated production equipment. By continuously expanding our global supply system and developing modular common hardware/software platforms and assembly technologies, we reduce product development cycles and ensure that our scenario-specific solutions remain industry-leading. As of October 31, 2025, we had established the following product centers on product development:

- ***Mechanical Product Center,*** specializing in developing mechanical drilling and forming machines, and automation products.

- ***Laser Product Center,*** specializing in CO_2 and UV laser drilling machines for HDI, package substrates, and flexible boards.

- ***New Laser Product Center,*** specializing in developing innovative laser products like laser forming and etching.

- ***Digital Imaging Product Center,*** pioneering in laser direct imaging systems using DMD technology, replacing traditional film photolithography.

- ***Testing Product Center,*** specializing in a comprehensive range of quality inspection products, including electrical testing equipment, AOI and AVI equipment.

- ***Lamination Product Center,*** specializing in multilayer PCB vacuum lamination equipment, achieving full-process automation.

- ***Adhesion and Automation Product Center,*** specializing in automatic attachment equipment for reinforcement sheets and films, supporting both offline and online modes.

R&D Model

We have developed an independent R&D model which contains three key aspects:

- ***Understanding Customer Needs.*** We maintain close cooperation and communication with downstream customers and their downstream customers, such as global electronics brands. Through regular technical exchanges with customers and other downstream partners, we ensure that our innovations are closely aligned with market needs.

- ***Mastering the Latest Technologies.*** We have established a dedicated R&D innovation platform for specialized equipment, which serves as a hub for collaboration with universities, research institutions and upstream supply chain partners. We have forged strategic partnerships with prominent domestic enterprises, engaging in comprehensive collaboration on process innovation and technology upgrades.

- ***Formulating Equipment Development Plans.*** Based on our expectation on future market demands and industry evolution, we form strategic alliances with leading upstream and downstream manufacturers to develop medium and long-term product plans. By investing in advanced equipment which are compatible with next-generation devices, we transition from merely meeting our customers' current production and processing requirements to driving transformative innovations in their production processes to meet their future evolving needs.

R&D Process

Our R&D process is strategically aligned with our business development objectives and industry trends, carefully identifying potential projects that cater to the evolving needs of our customers. Our R&D projects are typically conducted through the eight key stages are as follows:

- ***Demand Analysis*** — We systematically translate customer needs into actionable product development plans through cross-departmental collaboration, ensuring precise alignment with market demands.

- ***Feasibility Analysis*** — We assess technical feasibility and commercial value through technology validation and resource compatibility evaluation, including R&D timelines, costs, and supply chain considerations.

- ***Pre-Project Review*** — Our management team evaluates technical feasibility and market potential to determine if a project has the necessary development conditions and commercial viability, resulting in a decision on whether to proceed.

- ***Solution Design*** — We define the core framework and resource allocation strategy through functional module breakdown and technical path planning, using user scenario simulations and multi-solution comparisons to establish an executable development baseline.

- ***Mid-Project Review*** — We conduct stage-specific quality checks and risk management to ensure the development process adheres to technical standards and procedural norms, facilitating progression to the next phase.

- ***Prototype Development*** — We develop physical prototypes based on design schematics, conducting functional tests to identify potential issues, which inform subsequent optimizations or mass production inputs.

- ***Post-Project Review*** — At the project conclusion, we perform a comprehensive review, using relevant tests and data to evaluate overall outcomes, providing a conclusion on whether to proceed to production, terminate, or optimize.

- ***Mass Production*** — We ensure a smooth transition from R&D to production through trial production validation and supply chain coordination, ultimately approving the product for large-scale production and market delivery.

Our Key Technologies and R&D Achievements

Through years of dedicated R&D activities focusing on optimal quality and cost-effectiveness for PCB product functionality, we have consistently broken through critical technological barriers. In response to the burgeoning AI server market, which has driven demand for high-multilayer HDI boards, we have enhanced our technological capabilities to align with the technical requirements of our downstream customers, thereby boosting our market position. In sectors demanding higher technical specifications, such as SLP, packaging substrates and advanced packaging, we have developed innovative laser processing solutions. These solutions have gained recognition and secured orders from leading industry clients.

Through independent R&D, we have established core technologies for nearly all major PCB production processes, including drilling, photolithography, lamination, formation and testing. Our key technological achievements include (i) high acceleration and deceleration linear motor drive motion control technology; (ii) precise mechanical design and advanced assembly technology; (iii) specialized software platform and core algorithm technology; and (iv) micro blind hole drilling technology. These technological achievements enable us to introduce a steady stream of original and innovative products which challenge existing foreign monopolies and enable us to compete effectively in the market.

High Acceleration and Deceleration Linear Motor Drive Motion Control Technology

Through years of R&D, we have leveraged the absence of intermediate mechanical transmission in linear motor drive technology to significantly reduce system response time. By integrating our self-produced lightweight motion bodies, we were an early adopter of linear motor drive technology in the domestic industry and design custom linear motors with high peak thrust, high responsiveness, low electrical time constant, and low thermal consumption for our specialized equipment's transmission systems.

This technology greatly enhanced the acceleration, deceleration and response speed of the drilling machines. The X-axis and Y-axis motion acceleration of PCB mechanical drilling equipment can reach 1.5 times of the gravitational acceleration, and the Z-axis acceleration can reach five times of the gravitational acceleration. Compared to equipment using ball screw transmission technology, drilling efficiency is improved by approximately 15%, and drilling precision is noticeably enhanced. This technology is widely applied in our mechanical drilling machines, mechanical routing machines and CO_2 laser drilling machines.

Precise Mechanical Design and Advanced Assembly Technology

In terms of mechanical design, our R&D personnel have years of experience in precise mechanical design for PCB-specific equipment. By analyzing the deformation of each component under stress, we identify weak points in the mechanical structure and optimize them through material selection and structural design, selecting precise components which lay the foundation for the precision of the entire machine.

In terms of assembly technology, we use specialized tooling and fixtures to develop unique assembly processes, continuously enhancing the processing precision of our products.

Specialized Software Platform and Core Algorithm Technology

We have established a specialized software development system tool, adopting a platform design with multiple ports. We have also developed AI agents for project management in R&D, and continuously expanded unique algorithms such as path optimization, laser energy control, and dynamic following.

Furthermore, we have developed a unique parsing method for interpreting specialized processing program files, quickly and accurately converting them into machine-executable files. Using a "funnel" model, thousands of pieces of information are sorted, classified, and prioritized, fostering efficient and high-quality software development.

Micro Blind Hole Drilling Technology

Our micro blind hole drilling technology uses self-developed software, with the main controller simultaneously driving the X-Y platform and the Z-axis and the grating ruler keeping track of the real-time position. It connects two pulse modules via an EtherCAT bus, with data transmission using only the network without occupying CPU resources. It enables a high transmission rate, and all axes can be controlled at the same transmission rate.

In terms of optical systems, we employ special optical path static design and dynamic control technology to control the drilling process, ensuring the quality and precision of the apertures. By optimizing the motion control parameters, acceleration and deceleration can be improved significantly while maintaining maximum machine speed. This technology supports multi-pulse laser processing, achieving high positioning accuracy. Depending on the process requirements, different laser sources can be used to create micro blind hole apertures ranging from 25μm to 200μm. With excimer laser processing, we can achieve micro blind hole apertures as small as 5 μm, with improved positioning accuracy.

OUR PRODUCTION

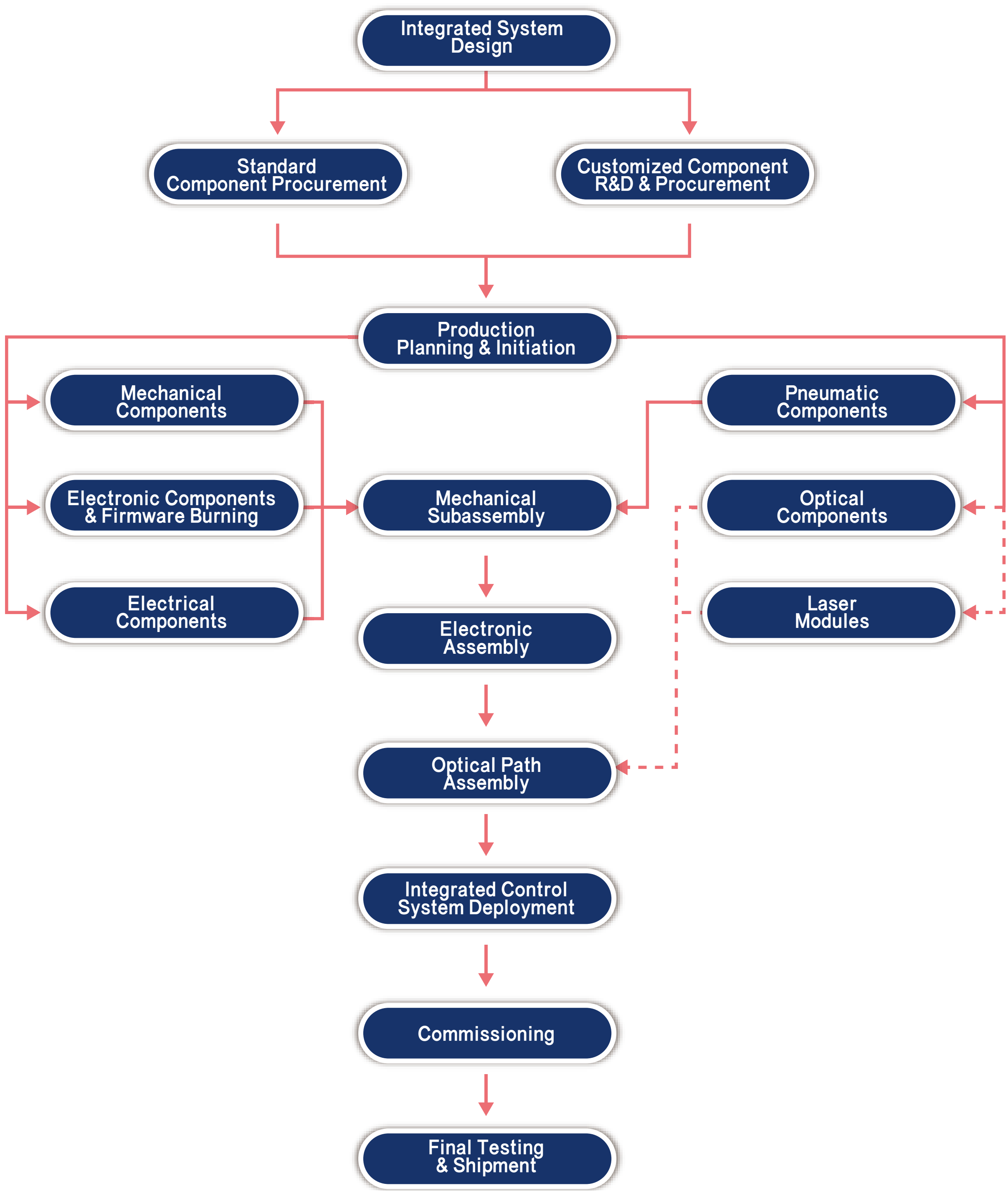
We primarily adopt a market-driven production model. Our integrated supply chain and delivery platform formulates a MPS on a monthly basis, synthesizing demand forecasting, purchase intentions, confirmed orders, inventory positioning, and capacity utilization. Through multi-dimensional coordination across application scenarios, technologies, supply chains, materials and production processes, we implement unified data collection/analysis systems enabling inter-process regulation and error correction to maximize production synergy. This operational blueprint governs material procurement through Bill of Materials (BOM) analysis, followed by standardized modular assembly processes conducted in strict compliance with quality control protocols. Final integration and comprehensive performance validation are executed prior to delivery, ensuring alignment with market demand while optimizing resource allocation efficiency.

We have established a comprehensive production management platform that enables us to monitor the production process via intelligent systems. This platform facilitates automated production, visualized production data, and networked workshop management. We upgrade our machinery from time to time to improve our production efficiency. We perform routine and preventive maintenance on our machinery and equipment to ensure that they function properly at all times. We constantly introduce advanced equipment and optimize our production technologies to improve product quality and enhance production efficiency.

Our production process is designed to achieve consistent high-quality standards while providing the flexibility for expediting production timeline to meet customer needs. Our process technologies empower us to maintain industry-leading standards while rapidly responding to dynamic market demands. See "— Research and Development — Our Key Technologies and R&D Achievements." Our advanced production capabilities and strict quality control measures enable us to ensure the superior performance and outstanding reliability of our equipment and solutions.

Production Process

The following table sets forth the typical production process of our specialized PCB production equipment and solutions:



Step	Production Process	Description
1.	Integrated System Design	We design our specialized equipment and solutions based on our customers' needs or industry standards, defining system functions and performance. We optimize key indicators such as structural strength and transmission performance, ensuring seamless transition to production.
2.	Component Sourcing and Customization	We globally source standard components and use 3D printing for custom parts, ensuring quality and flexibility through efficient supply chain management.
3.	Production Planning and Initiation	We allocate tasks based on market forecasts and the MPS, optimizing production lines with MES and ensuring smooth start-up through equipment calibration.
4.	Modular Subassembly . . .	Mechanical Fabrication: Assemble mechanical structures with components like enclosures and connectors, calibrate key parameters, and perform functional tests for stability. Electronics Integration: Organize core electronic components into modules, testing signal functions to ensure smooth communication and stable operation. Pneumatic and Electrical System: Integrate and connect pneumatic and electrical components, conducting safety tests on the systems. Opto-Laser Assembly: Align and secure optical components, install supporting systems and conduct performance tests to meet design specifications.
5.	Final Integration & Commissioning.	Structural Assembly: Precisely connect pre-assembled mechanical, electronic, pneumatic, and electrical systems, using laser interferometers to calibrate key components and ensure alignment. Electro-Optical Synchronization: Adjust signals and optical paths to ensure precision in lasers, lenses and sensors.

Step	Production Process	Description
		Firmware Deployment: Fine-tune software parameters and conduct comprehensive functional verification post-deployment to ensure expected operation.
6.	Finished Product Testing .	We conduct comprehensive quality inspections using advanced testing equipment and AI-assisted systems to quickly identify and eliminate defects, ensuring each product meets design standards.
7.	Packaging and Storage. . .	We use tailored packaging to prevent damage during transport and storage, and manage inventory efficiently to ensure timely delivery to customers.

We maintain limited reliance on specialized heavy equipment, with primary production processes centered around precision assembly, calibration, and integration of mechanical, electrical, and optical components. This is primarily because our finished products are of moderate size and weight and are designed with a high degree of modularity. Our production processes focus on precision assembly and integration of mechanical, electrical, and optical components, rather than heavy-duty fabrication or large-scale processing. According to CIC, the manufacturing of specialized PCB production equipment in China generally does not require significant investment in heavy equipment, as industry practice is to use standardized workstations, precision tools, and modular assembly lines. During the Track Record Period, our procurement of heavy equipment was mainly limited to transport trucks and forklifts for internal logistics. This operational structure enables agile production facilities reconfiguration without incurring substantial retooling expenses or facility modification costs.

We attach great importance to quality control of production processes and have established the Production Operation Control Procedure《生產運行控制程序》, the Administrative Regulations on Production and Material Planning《生產及物料計劃管理規定》, the Product Measurement and Monitoring Procedure《產品測量與監控程序》and other systems to inspect and control product quality in various aspects such as incoming raw materials, semi-finished products, assembly process, warehouse entry and delivery of finished products. See “— Quality Control.”

As part of our digitalization efforts, we implement various production-related systems, which mainly include the ERP, SRM and CRM system.

- *ERP System*, built on SAP S4 HANA, is primarily used by our operations and finance departments. It ensures seamless integration of procurement, production, and financial activities, providing real-time data analysis that supports strategic decision-making and optimizes resource allocation.

- *SRM System*, mainly utilized by our procurement team to enhance supplier collaboration and streamline procurement processes. It ensures efficient contract management and performance monitoring, integrating risk management to improve supplier relationships and operational efficiency.

- *CRM System*, primarily used by the sales and customer service departments. It manages and analyses customer interactions throughout the customer lifecycle, automating marketing processes and providing valuable insights into customer preferences to enhance communication and satisfaction.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any major interruptions in the production due to facility, equipment or system failures, nor did we incur any major accidents.

Our Production Bases

As of the Latest Practicable Date, we had two production bases in China.

Shenzhen Production Base

Our Shenzhen production base spanned a GFA of approximately 118,266.0 sq.m. and encompassed two production plants, namely, the Shajing Antuo Hill Production Plant (沙井安托山生產工廠) and the Fuyong Han's Laser Manufacturing Center Production Plant (福永大族激光智造中心生產工廠) as of October 31, 2025. The Shajing Antuo Hill Production Plant commenced operations in 2016 and specializes in the production of mechanical drilling equipment and digital imaging equipment. The Fuyong Han's Laser Manufacturing Center Production Plant commenced operations in 2021 and is capable of producing mechanical drilling equipment, mechanical forming machines, laser drilling equipment, digital imaging equipment and testing equipment.

As of the Latest Practicable Date, we were constructing an industrial park in Shenzhen, which, upon completion, will become one of the principal production sites of our Shenzhen production base. The industrial park is expected to be completed and commence operation by the end of 2026. We plan to relocate primarily the operational departments there, with minimal impact on our existing production capacity, and the relocation will be completed before the industrial park becomes operational in 2026. The new industrial park is located in close proximity to our current production base, being separated by only a road, which will facilitate a smooth and efficient transition without making us bare any material additional cost. The relocation will mainly involve operational and functional departments, together with certain production lines, while the core manufacturing lines will remain in operation at the existing site. As the relocation primarily concerns the transfer of production personnel and workspace, rather than the complex movement of large-scale equipment, the process offers greater flexibility and efficiency, thereby minimizing disruption to our ongoing production activities. We have also developed comprehensive contingency plans and allocated sufficient resources to ensure a seamless transition. Based on the above, our Directors believe that the relocation will not have any material impact on our existing production capacity.

As of the Latest Practicable Date, we had completed the acquisition of land; for certain buildings, we had obtained the property ownership certificate, and for the remaining buildings, the construction of main structures, and works on outdoor greening and fire protection, while interior renovation and equipment installation were still in progress. We were also in the process of obtaining the necessary permits and licences for operation. We have funded and plan to further fund the investment for the construction of this industrial park with a mix of proceeds from our A-share offering and our own funds. See "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Non-current Assets and Non-current Liabilities — Property, Plant and Equipment."

Xinfeng Production Base

Our Xinfeng production base, located in Jiangxi Province, China, spanned a GFA of approximately 38,830.0 sq.m. and encompassed two production plants, namely, Xinfeng CNC Production Plant (大族數控科技(信豐)有限公司生產工廠) and Mason Electronics (Xinfeng) Production Plant (麥遜電子(信豐)有限公司生產工廠), equipped with advanced production facilities as of October 31, 2025. This production base started production in December 2022 and is capable of producing PCB mechanical drilling equipment, PCB mechanical forming equipment, digital imaging equipment and testing equipment.

The following table sets forth the details of our two production bases for the years/periods indicated:

	Year ended December 31,									Ten months ended October 31,					
	2022			2023			2024			2024			2025		
	Designed Production Capacity[(1)]	Actual Production Volume	Utilization rate[(2)]	Designed Production Capacity[(1)]	Actual Production Volume	Utilization rate[(2)]	Designed Production Capacity[(1)]	Actual Production Volume	Utilization rate[(2)]	Designed Production Capacity[(1)]	Actual Production Volume	Utilization rate[(2)]	Designed Production Capacity[(1)]	Actual Production Volume	Utilization rate[(2)]
	Unit	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*
Shenzhen production base[(3)]	3,541	3,208	90.6	2,455	1,979	80.6	2,867	2,600	90.7	2,649	2,420	91.4	4,925	4,710	95.6
Xinfeng production base[(4)]	—	—	—	476	424	89.1	1,768	1,710	96.7	1,022	953	93.2	1,267	1,227	96.8

(1) Designed production capacity is the output of specialized PCB production equipment a production base can achieve, calculated based on the assumption that the production facilities operate for 360 days each year and 300 days for the ten months ended October 31, 2025, and 10 hours per day, with each worker also working 10 hours per day, taking into considerations interruptions due to maintenance, breakdowns or other delays.

The fluctuation in the designed production capacity of our Shenzhen production base during the Track Record Period was primarily attributable to changes in market conditions and corresponding adjustments in production planning. Designed production capacity is determined based on factors such as the number of production staff, planned operating days and hours, and allowances for maintenance and other interruptions. In 2023, as the specialized PCB production equipment industry in China experienced a downturn and market demand declined, we proactively reduced production staff and adjusted production arrangements, resulting in a decrease in designed production capacity from 3,541 units in 2022 to 2,455 units in 2023. As market conditions improved and customer orders increased in late 2023, we increased production staff, leading to a rise in designed production capacity to 2,867 units in 2024. For the ten months ended October 31, 2025, the designed production capacity of our Shenzhen production base increased to 4,925 units, compared to 2,649 units for the same period of 2024, reflecting our response to anticipated demand and further ramp-up of production resources. This flexible approach enabled us to optimize resource allocation and control operating costs in response to prevailing market conditions.

(2) Utilization rate is calculated by dividing actual production volume by the designed production capacity for the same year.

(3) Our Shenzhen production base's utilization rate for 2023 was relatively lower compared to other years during the Track Record Period, primarily because in late 2023, the specialized PCB equipment industry began to rebound, which led to a significant influx of customer orders and an increase in our designed production capacity in the last quarter of 2023, with related actual production volume, sales and delivery occurring in early 2024.

(4) Our Xinfeng production base's designed production capacity and utilization rate saw an increase between 2023 and 2024, following its commencement in 2023 and a subsequent ramp-up phase throughout 2024.

The following table sets out the production and sales details of our products by PCB production process for the years/periods indicated:

	Year ended December 31,									Ten months ended October 31,					
	2022			2023			2024			2024			2025		
	Production volume	Sales volume	Sales-production ratio[1]	Production volume	Sales volume	Sales-production ratio[1]	Production volume	Sales volume	Sales-production ratio[1]	Production volume	Sales volume	Sales-production ratio[1]	Production volume	Sales volume	Sales-production ratio[1]
	Unit	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*
Drilling Equipment	2,076	2,514	121.1	1,384	1,129	81.6	2,865	3,119	108.9	2,250	2,569	114.2	4,549	4,499	98.9
Photolithography Equipment	121	132	109.1	81	79	97.5	128	141	110.2	104	119	114.4	110	103	93.6
Testing Equipment	510	519	101.8	429	400	93.2	551	446	80.9	407	359	88.2	538	501	93.1
Formation Equipment	413	463	112.1	329	289	87.8	560	596	106.4	433	477	110.2	481	521	108.3
Attachment Equipment	88	74	84.1	180	183	101.7	204	206	101.0	177	168	94.9	259	208	80.3
Lamination Equipment	—	—	—	—	—	—	4	2	50.0	3	1	33.3	7	0	0
Total/Overall	**3,208**	**3,702**	**115.4**	**2,403**	**2,080**	**86.6**	**4,312**	**4,510**	**104.5**	**3,374**	**3,693**	**109.5**	**5,944**	**5,832**	**98.1**

Note:

(1) Sales-production ratio refers to the sales volume divided by production volume and multiplied by 100%.

During the Track Record Period, the sales-production ratio for most of our products exceeded 100%, reflecting our core competitive strength in meeting evolving market demands. Our sales-production ratio for 2023 was relatively lower compared to other years during the Track Record Period, primarily because in late 2023, the specialized PCB equipment industry began to rebound, which led to a significant influx of customer orders and an increase in our production activities in the last quarter of 2023, with related sales and delivery occurring in early 2024.

CUSTOMERS, SALES AND MARKETING

Our Customers and Customer Service

Leveraging our competitive product portfolio and extensive sales expertise, we have established a robust customer base encompassing many of the world's leading enterprises and thousands of small- to medium-sized PCB manufacturers. We adopt a customer-centric marketing approach to build and expand our relationships with customers. We collect feedback directly from them to garner insights that help drive our business and operations forward. We utilize offline and online marketing channels such as our website, industry exhibitions, seminars and industry media to showcase our latest products and technological achievements. These targeted marketing strategies meet our business promotion needs, enhance our brand awareness and capture the attention of potential customers.

During the Track Record Period, our customers were mainly PCB manufacturers in China, while a small proportion of our customers were distributors. Revenue from sales to our top five customers in each year or period during the Track Record Period in aggregate accounted for 36.4%, 25.0%, 22.6% and 32.5% of our total revenue, respectively, in the same periods. Revenue from sales to our largest customer in each year or period during the Track Record Period accounted for 12.6%, 7.5%, 5.7% and 19.7% of our total revenue, respectively, in the same periods. Our Directors are of the view that there is no customer concentration risk.

The following table sets forth details of our five largest customers in each year or period during the Track Record Period:

Year ended December 31, 2022

Customers	Products provided	Revenue from the customer	% of total revenue	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)	*(%)*				
Customer A	Drilling equipment, formation equipment, photolithography equipment and testing equipment	352,016	12.6	A public company listed on the Shenzhen Stock Exchange that primarily engages in the R&D, production, and marketing of PCBs	Above 5 years	3 to 18 months	Bank transfer or bill collection
Customer B	Drilling equipment, photolithography equipment and testing equipment	300,770	10.8	A public company listed on the Shenzhen Stock Exchange that primarily engages in comprehensive PCB production	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer C	Drilling equipment, formation equipment, photolithography equipment and testing equipment	183,700	6.6	Primarily engages in producing small to medium batch PCBs and high multilayer boards	Above 5 years	3 to 18 months	Bank transfer or bill collection
Customer D	Drilling equipment, formation equipment, photolithography equipment and testing equipment	90,232	3.2	A public company listed on the Shenzhen Stock Exchange that primarily engages in comprehensive PCB production	Above 5 years	3 to 15 months	Bank transfer or bill collection
Customer E	Drilling equipment, photolithography equipment and testing equipment	88,355	3.2	A public company listed on the Shanghai Stock Exchange that specializes in automotive and consumer electronic PCBs	Above 5 years	3 to 12 months	Bank transfer or bill collection
Total		**1,015,073**	**36.4**				

Year ended December 31, 2023

Customers	Products provided	Revenue from the customer	% of total revenue	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)	*(%)*				
Customer B	Drilling equipment, attaching equipment and testing equipment	122,067	7.5	A public company listed on the Shenzhen Stock Exchange that primarily engages in comprehensive PCB production	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer D	Drilling equipment, formation equipment, attaching equipment and testing equipment	119,084	7.3	A public company listed on the Shenzhen Stock Exchange that primarily engages in comprehensive PCB production	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer F	Drilling equipment and formation equipment	67,818	4.1	A public company listed on the Shanghai Stock Exchange that primarily engages in high-density interconnect PCBs, particularly any-layer HDI, for use in smartphones, tablets, and smart wearable devices	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer G	Drilling equipment, formation equipment, attaching equipment and testing equipment	54,741	3.3	Specializes in high-density interconnect PCBs, particularly any-layer HDI, for use in smartphones, tablets, and smart wearable devices	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer H	Drilling equipment, formation equipment, attaching equipment and testing equipment	45,198	2.8	Engages in PCB prototyping and mass production; online sales of electronic components	Above 5 years	3 to 12 months	Bank transfer or bill collection
Total		**408,908**	**25.0**				

Year ended December 31, 2024

Customers	Products provided	Revenue from the customer	% of total revenue	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)	*(%)*				
Customer G	Drilling equipment, formation equipment and attaching equipment	192,046	5.7	Specializes in high-density interconnect PCBs, particularly any-layer HDI, for use in smartphones, tablets, and smart wearable devices	Above 5 years	3 to 18 months	Bank transfer or bill collection
Customer B	Drilling equipment, attaching equipment, photolithography equipment and testing equipment	161,444	4.8	A public company listed on the Shenzhen Stock Exchange that primarily engages in producing small to medium batch PCBs and high multilayer boards	Above 5 years	3 to 16 months	Bank transfer or bill collection
Customer I.	Drilling equipment, formation equipment, photolithography equipment and testing equipment	154,505	4.6	A public company listed on the Shenzhen Stock Exchange that specializes in producing high-precision double-sided and multilayer PCBs, automotive PCBs, and industrial control PCBs	Above 5 years	3 to 18 months	Bank transfer or bill collection
Customer J	Drilling equipment, formation equipment, photolithography equipment and testing equipment	137,124	4.1	A public company listed on the Shenzhen Stock Exchange that specializes in PCBs for servers and data centres	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer K	Drilling equipment, formation equipment, attaching equipment and testing equipment	110,290	3.3	A public company listed on the Shanghai Stock Exchange that specializes in a full range of PCBs, including rigid, flexible, metal substrate, and HDI boards	Above 5 years	3 to 12 months	Bank transfer or bill collection
Total		**755,409**	**22.6**				

Ten months ended October 31, 2025

Customers	Products provided	Revenue from the customer	% of total revenue	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)	*(%)*				
Customer L	Drilling equipment, testing equipment, accessories and maintenance	851,306	19.7	A public company listed on the Shenzhen Stock Exchange that specializes in the R&D, production and sales of high-precision multilayer, HDI PCB, FPC and rigid-flex PCBs.	Above 5 years	3 to 20 months	Bank transfer or bill collection
Customer M	Drilling equipment, photolithography equipment, testing equipment, accessories and maintenance	145,397	3.4	A public company listed on the Shanghai Stock Exchange that primarily engages in the production of high-precision, high-density and high-quality printed circuit boards	Above 5 years	3 to 6 months	Bank transfer or bill collection
Customer N	Drilling equipment, formation equipment, attachment equipment, testing equipment, accessories and maintenance	137,840	3.2	A public company listed on the Shenzhen Stock Exchange that primarily engages in comprehensive PCB production	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer J	Drilling equipment, formation equipment, attachment equipment, testing equipment, accessories and maintenance	133,295	3.1	A public company listed on the Shanghai Stock Exchange that primarily engages in the production of high-precision, high-density and high-quality printed circuit boards	Above 5 years	3 to 12 months	Bank transfer or bill collection
Customer F	Drilling equipment, formation equipment, testing equipment, accessories and maintenance	132,555	3.1	A public company listed on the Shanghai Stock Exchange that primarily engages in high-density interconnect PCBs, particularly any-layer HDI, for use in smartphones, tablets, and smart wearable devices	Above 5 years	3 to 12 months	Bank transfer or bill collection
Total		**1,400,393**	**32.5**				

To the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any of our shareholders holding more than 5% of our issued share capital had any interests in any of our five largest customers in each year or period during the Track Record Period.

Our Sales Network

During the Track Record Period, we established an extensive sales network that allows us to bring our products to a broad customer base, bolstering our brand reputation and reinforcing our competitive edge in the market. During the Track Record Period, we entered into sales and purchase agreements with our direct customers, and also sold our products through distributors, who in turn sell our products to other companies. As of October 31, 2025, we had established four overseas subsidiaries and maintained three distributors, through which our products have been sold to more than 10 countries and regions.

The following table sets forth a breakdown of our revenue by geographic region, based on the locations of our customers, for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
Mainland China	2,749,760	98.7	1,549,406	94.8	2,981,171	89.2	2,322,285	88.5	3,761,835	87.2
Overseas[(1)]	36,390	1.3	84,905	5.2	361,920	10.8	301,597	11.5	552,311	12.8
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Note:

(1) Primarily include Thailand, Taiwan China and Malaysia.

The following table sets forth a breakdown of our revenue by contribution from our customers for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except percentages)									
Direct customers[(1)]	2,764,944	99.2	1,619,318	99.1	3,316,306	99.2	2,603,270	99.2	4,276,472	99.1
Distributorship	21,206	0.8	14,993	0.9	26,785	0.8	20,612	0.8	37,674	0.9
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Note:

(1) Direct customers refer to the end users of our products or services, engaging with us directly by themselves or through sales agents.

Direct Customers

During the Track Record Period, our direct customers mainly included PCB manufacturers. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we generated RMB2,764.9 million, RMB1,619.3 million, RMB3,316.3 million, RMB2,603.3 million and RMB4,276.5 million from sales to direct customers, accounting for 99.2%, 99.1%, 99.2%, 99.2% and 99.1% of our revenue in each respective period.

The salient terms of the sales and purchase agreements between us and our direct customers are set out below:

- *Product specifications*. Our direct customers typically set forth product specifications for products ordered, such as product name, model, configuration and features.

- *Payment and credit term*. We typically require prepayment, and we may grant credit terms to the direct customers who have passed relevant credit assessments, requiring them to pay us within three months to 18 months.

- *Return arrangements*. We typically do not allow customers to return or replace products to us unless there are product quality issues.

- *Warranty*. We typically offer direct customers a 12-month product warranties.

- *Confidentiality*. All confidential information provided by either party shall not be disclosed to any third party without prior consent.

- *Termination*. The agreement can be terminated upon written notice of one party, in the event of fraud, bankruptcy or material breach of the agreement of the other party.

During the Track Record Period, we have strategically engaged third-party sales agents to leverage their expertise and market presence in local market. These agents, typically well-established trading companies within their respective industries, have been instrumental in enhancing the accessibility of our products. By capitalizing on their local strengths, we have successfully expanded our sales network and experienced growth in overseas customers. We pay these third-party sales agent service fees for their services in helping us expand our sales network. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we recorded third-party sales agent service fees of RMB1.2 million, RMB1.1 million, RMB2.2 million, RMB2.2 million and RMB3.0 million, respectively. We directly enter into sales contracts with the end customers who were connected to us by the third-party sales agents.

The salient terms of the agreements between us and third-party sales agents are set out below:

- *Duration*. The duration of the agreements is typically two years.

- *Commission*. If the gross profit margin is not less than 30% (inclusive), we will pay the sales agent a commission of 8.0% of the product price (exclusive of tax and after deduction of equipment modification, expansion and warranty costs). If the gross profit margin is less than 30% (exclusive), the commission rate will be determined through mutual negotiation. According to CIC, our commission arrangement with third-party sales agents is in line with the industry practice in China's specialized PCB equipment industry.

- *Sales Agents' Responsibilities*. Sales agents are responsible for the marketing, and promotion of our "HANS CNC" and/or "大族數控" brand in the relevant region.

- *Our Responsibilities*. We are obligated to supply products that meet quality standards consistently and are required to ensure the pricing is fair and reasonable, aiding sales agents in maintaining an edge in the market.

- *Intellectual Property*. We have granted sales agents the non-exclusive right to use our trademarks, wordmarks, and other brand-related designs free of charge while promoting our products under the agreement.

- *Termination*. The agreements terminate upon expiry, or can be terminated by mutual agreement. The agreement can also be terminated upon written notice of one party, in the event of fraud, bankruptcy or material breach of the agreement of the other party.

Distributorship

Levering our long operation history in the PCB production equipment industry and our established brand image, we also cooperate with distributors, who are generally trading companies in the PCB production equipment industry to increase the accessibility of our products, particularly for overseas customers. During the Track Record Period, the majority of our distributors were located in Taiwan China. We maintain a buyer-seller relationship with our distributors. During the Track Record Period, the number of our distributors remained stable at three with no changes. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we generated RMB21.2 million, RMB15.0 million, RMB26.8 million, RMB20.6 million and RMB37.7 million, respectively, from sales to distributors, accounting for 0.8%, 0.9%, 0.8%, 0.8% and 0.9%, respectively, of our revenue.

During the Track Record Period, one of our distributors, Han's Laser, was one of our connected persons, which procured our products primarily due to the preferences of their downstream customers. We expect to continue to have transactions with Han's Laser, which was the only connected person that was also our distributor as of the Latest Practicable Date. For details of Han's Laser, see "History and Corporate Structure."

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our revenue generated from Han's Laser who was one of our distributors was approximately RMB7.2 million, RMB2.1 million, RMB0.7 million, RMB0.7 million and RMB3.6 million, respectively, representing approximately 0.3%, 0.1%, 0.0%, 0.0% and 0.1% of our total revenue in the same periods.

We entered into standard distribution agreements with Han's Laser, and the terms in these agreements are comparable to those offered to our other independent distributors. Our Directors are of the view that the transactions that we entered into with Han's Laser were on an arm's-length, mutually independent basis under normal commercial terms.

Management of Distributors

We value the management of our distributors, and maintain a good cooperative relationship with them. Our distributors management covers the order and settlement management, marketing support and training and evaluations. Our sales team evaluates distributors based on a number of criteria, which mainly include their sales performance and cooperation in sales network development.

To minimise the risk of cannibalisation, we generally take the following measures in relation to our distributors: (i) when selecting our distributors, we take into consideration their respective geographic coverage to avoid potential competition among the distributors within a region; (ii) our distribution agreements specify the designated distribution regions; and (iii) we regularly communicate with our distributors to monitor various aspects of their sales activities and keep track of any potential cannibalisation or competition among our distributors.

Other than Han's Laser, to the best of our knowledge, during the Track Record Period, all our distributors were Independent Third Parties, and our distributors, or their respective associates, do not have any past or present family, business, or financial relationships with us or our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

Our Arrangements with Distributors

Our relationship with distributors is a standard buyer-seller relationship. We consider the distributors as our customers, who further sell products to end users of our specialized PCB production equipment. We typically do not set minimum purchase requirements for our distributors. We typically enter into sales and purchase agreements with our distributors. The salient terms of our standard sales agreements between us and our distributors are set out below:

- *Product specifications*. Our distributors typically set forth product specifications for products ordered, such as product name, model, configuration and features.

- *Payment and credit term*. We typically require full payment after equipment acceptance, and we may grant credit terms to the distributors who have passed relevant credit assessments, requiring them to pay us within three months of stable production following installation.

- *Return arrangements.* We typically do not allow distributors to return or replace products to us unless there are product quality issues.

- *Confidentiality*. All confidential information provided by either party shall not be disclosed to any third party without prior consent.

- *Termination*. The agreement can be terminated upon written notice of one party, in the event of fraud, bankruptcy or materially breach of the agreement of the other party.

Pricing

The pricing of our products is primarily determined by market competition and the prevailing market prices for our products, which are in turn affected by the overall market conditions as well as the market prices of comparable products offered by our peers. We typically determine product pricing upon entering into the mutually agreed contracts with our customers. A small number of our customers use a bidding process for pricing determination. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to procure new customer orders through tenders as planned or at a desirable pace or on favorable terms."

Sales and Marketing

We have a strong and dedicated sales team, consisting of over 700 sales personnel as of October 31, 2025. Our key sales personnel, with an average of over 10 years' experience, maintain close relationships and communication with our customers through regular visits. To further enhance our sales and marketing capabilities, we conduct training on the latest market developments and sales techniques. This initiative provides our sales team with a comprehensive understanding of the market, improving market coverage and fostering a more cohesive workforce.

Furthermore, we have participated in the formulation and promotion of industry standards. Our chairman leads the Special Equipment Branch of the CPCA and has spearheaded the drafting of the CPCA industry standard T/CPCA8001-2022, which was successfully implemented. This participation highlights our technical strength and influence within the industry, enhancing our brand recognition and authority.

We emphasize on collaborative R&D with customers which possess top-tier technical expertise and significant global influence. Our R&D team engages in regular discussion with these customers on a quarterly basis to explore the anticipated changes in their future products and the corresponding changes we need to make to our equipment. In this way, we ensure the compatibility between our equipment and their standards, maintaining our future competitiveness. Thus, we maintain a close relationship with our customers that goes far beyond a mere transactional relationship.

After-Sales Services

We believe that the accessibility of high-quality after-sales services is an important consideration behind a customer's purchase decision. We provide extensive after-sales services to our customers to cultivate customer loyalty and enhance our brand image. We offer full lifecycle value-added services to customers to ensure that our products consistently meet their production requirements. Our after-sales service team comprises three key departments: (i) our frontline service department, which is divided into regions, delivers direct service to customers. This regional approach ensures that we can promptly attend to specific customer needs; (ii) our technical support department offers assistance with complex technical challenges faced by the frontline teams. It also plays a vital role in product R&D, contributing to our ongoing innovation and development efforts; and (iii) our human resources department maintains a steady flow of skilled service engineers to each regional frontline service area.

Our equipment typically comes with a twelve-month warranty, while certain components of these equipment may have a six-month warranty. After this period, free consultation for maintenance and repair is available, but we charge fees for services including on-site confirmation, repair, and replacement parts. As part of our full lifecycle value-added services, we offer preventive maintenance services at a charge, reinforcing the “maintain, not repair” philosophy and helping customers improve operational efficiency and reduce costs.

We regularly conduct professional and technical training to improve the professional skills of after-sales service personnel. To ensure the quality of our after-sales services, we conduct regular appraisals with regards to their performance. We have also appointed designated chief service officer for some of our customers to coordinate value-added services across all equipment categories, offering bespoke solutions tailored to customer’s specific on-site processes and production conditions. These solutions include automation recommendations, capacity and quality enhancement, as well as precision improvements for old products.

When a complaint arises, our team typically visits the customer’s site to thoroughly understand the context and determine the cause of the problem. We had over 400 service engineers in our sales team across China as of October 31, 2025, with four to five service engineers per location on average, mainly covering the Pearl River Delta and Yangtze River Delta where majority of our customer are located. This enables us to achieve a quick average response time of approximately 90 minutes. Additionally, we pass on customers’ emerging needs to our product centers to offer innovative solutions for customers. We also conduct return visits to ensure customer satisfaction.

In terms of return and exchange of products, we clearly outline all specifications of the equipment before signing contracts with customers. Upon delivery, the equipment is inspected against each specification. In case it is determined that some specifications are not satisfied, we address the defects through repair, upgrade or restoration. If the equipment still fails to meet the customer’s expectations after one or two months of repair, the equipment will be returned to us. Such returns are exceedingly rare, occurring only two or three times a year. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns, product recalls, product liability claims, warranty expenses or customer complaints that adversely affected our business.

As we continue to expand domestically and globally, we will continue to optimize our sales and marketing network to ensure that we have sufficient geographic coverage across both existing and new markets. We will expand our service and after-sales team in order to provide comprehensive and prompt after-sales service solutions to customers abroad.

QUALITY CONTROL

We have comprehensive policies and detailed procedures in place to ensure product quality. We have deployed multiple quality management systems and received various certification including ISO-9001 and ISO-14001. We have established a dedicated quality control department, which is led by our management team, to closely monitor our production process. As of October 31, 2025, we had a quality control workforce of more than 100 personnel. We have strengthened standardized production and quality management training, engaging all staff in quality assurance initiatives to minimize the risk of quality control issues. We have developed a full lifecycle quality control system covering product R&D, supply chain, production process and customer service, ensuring that all products are produced and assembled adhering to consistent standards and quality.

Our quality control measures include the following:

- ***Product R&D Quality Control***: We use an integrated product development model, leverage the research outcomes driven by the technical needs of various niche scenarios, and adopt advanced product quality plans to prevent design defects and quality issues during the R&D phase. We have designated personnel responsible for supervising and inspecting the integrity of the R&D process and the quality of deliverables at each project stage.

- ***Supply Chain Quality Control***: We carefully select qualified suppliers based on the quality and technical standards of raw materials. We selectively procure raw materials from qualified suppliers and conduct rigorous inspections to ensure that the quality of raw materials is suitable for production.

- ***Production Process Quality Control***: We strictly adhere to process standards in production to minimize deviations from agreed product specifications, and we take timely measures to address any related issues arise during production. We also supervise and inspect each production process.

- ***Customer Service***: We have established a global marketing and service network, providing localized technical support and after-sales service throughout the product life cycle. We have also established a customer complaint handling procedure to promptly address customer complaints and actively solicit customer feedback.

SUPPLY CHAIN MANAGEMENT

Raw Materials and Procurement

The key raw materials we procure include sheet metal and machined parts, mechanical devices, purchased modules and optical devices.

We primarily procure raw materials in China. For the procurement of raw materials, we utilize the Material Requirements Planning ("**MRP**") system to analyze the timing and scheduling of raw material deliveries, taking into account factors such as the MPS, production scheduling, inventory safety, supplier lead times and minimum order quantities. These procurement plans are synchronized with the Supplier Relationship Management ("**SRM**") system through which these plans can be communicated to our suppliers, which will then execute deliveries according to our plans.

Potential pricing fluctuations in our raw materials can arise due to factors including global and domestic economic conditions, governmental regulations, supply-demand dynamics and geopolitical conditions. While our bargaining power for certain materials might be restricted to a certain extent due to these factors beyond our control, our ability to procure sufficient supplies remains steadfast. In procuring raw materials from suppliers, we generally adopt a one-time pricing model, under which the price is fixed for each purchase agreement or purchase order, thereby providing certainty for both parties. By locking in prices at the outset, we are able to achieve greater certainty and stability in our production costs, which facilitates more accurate budgeting and financial planning. According to CIC, the adoption of a one-time pricing model is a common industry practice in China's specialized PCB equipment industry.

The raw materials we procure are primarily precision-processed products, the prices of which have historically exhibited low volatility. As a result, overall fluctuations in raw material prices have not had a material impact on our results of operations. For certain materials, such as lasers, we may adjust our quotations to reflect any corresponding cost increases. As a result, we are generally able to pass on the increases in raw material costs to our customers.

During the Track Record Period, we did not experience any significant shortage of raw materials supplies, and the raw materials provided by our suppliers did not have any significant quality issues.

Our Suppliers

Supplier Selection and Management

We have established stringent management mechanisms for the selection and retention of suppliers. In accordance with the supplier management policy, we conduct due diligence and select suppliers based on the availability, price and quality of the services or products, delivery time, as well as the reputation, credential and experience of the suppliers. Supplier qualifications are assessed through factory audits and sample testing. Companies in the qualified supplier list are subject to regular evaluation and re-assessment, in order to ensure their compliance with our policies and standards.

Our procurement methods include requests for quotation and agreements, and we select suitable suppliers from the qualified supplier pool based on the nature of the raw materials. For standardized components, procurement is primarily based on factors such as the quality, price, and delivery time of the raw materials. For custom components, we design the parts independently and select suppliers based on their technical expertise, processing capabilities and quotations.

During the Track Record Period, we did not enter into any long-term supply agreements with our suppliers that included fixed-price arrangements. In response to the potential raw material price increases, we primarily mitigate the impact by building long-term relationships with our suppliers, maintaining close communication and conducting secondary source evaluations. Meanwhile, we conduct R&D on new materials and engage new suppliers to maintain the flexibility to switch to alternative materials or suppliers in the event of severe shortages or price volatility of certain raw materials. We have implemented periodic reviews and internal mechanisms to monitor the price of our raw materials by considering current stock levels, future sales and market trends.

We require all of our suppliers to comply with our internal supply management policies. We communicate with suppliers regarding quality standards, and thoroughly inspect the products received to ensure that they meet all the technical requirements set forth in our product designs. We may conduct regular or ad hoc on-site inspections of suppliers, and require suppliers to remedy quality issues upon notice. Upon receiving materials and products from suppliers, we retain the right to reject or return based on our inspection and examination results, and suppliers are generally liable to us and our customers for any product quality issues of our products caused by them. We also require our suppliers to sign an “Anti-Bribery Transaction Agreement,” by which they undertake in writing to comply with the ethical requirements set out in the agreement.

Our Directors confirm that our Group did not experience any material disruption, disputes or delay in relation to supply by our suppliers during the Track Record Period and up to the Latest Practicable Date.

Agreements with Suppliers

The salient terms of the supply agreements between us and our suppliers are set out below:

- *Product Specification.* We specify the product name, specification, price, quantity, delivery timeline, delivery location and other details in each purchase order we send to our suppliers.

- *Price*. The prices quoted to us shall be based on market conditions and stated in the purchase orders prevail.

- *Payment and Credit Term.* Payment and credit terms are typically included in each order that we place with the supplier. The typical credit terms offered by our suppliers range from 30 days to 120 days. We primarily settle payments through bank transfer, bill collection and letters of credit.

- *Logistics.* The suppliers are responsible for packaging and shall ensure that the packaging is suitable for long-distance transportation. The suppliers normally assume the logistic and transportation costs associated with the procurement of materials.

- *Quality Guarantee.* Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. We are entitled to return any defective raw materials that do not meet the specifications and the suppliers shall remedy the same, including product return and replacement.

- *Confidentiality*. We include confidentiality clauses in the agreements, and the period of confidentiality obligation is extended beyond the expiration of the agreements.

Outsourced Manufacturing

Certain market players enjoyed cost advantages over certain components of specialized PCB production equipment. In addition, we experienced production capacity shortage for certain types of specialized PCB production equipment during the Track Record Period due to sudden spikes in demand. As a result, we engaged other specialized PCB production equipment manufacturers to produce certain components based on our product specifications and production standards. When selecting manufacturing contractors for the production of specialized PCB production equipment, we take into account diverse factors, including, among others, technical capability, production capacity, product quality, delivery efficiency and cost. See "— Supplier Selection and Management."

To ensure that our manufacturing contractors comply with applicable laws and regulations and to protect our proprietary technologies and other intellectual property rights, we have implemented the following measures:

(i) Entering into legally binding agreements with all manufacturing contractors, which contain strict confidentiality and intellectual property protection clauses, as well as explicit requirements regarding compliance with relevant laws and regulations;

(ii) Conducting regular assessments, on-site inspections and performance reviews to monitor our manufacturing contractors' compliance with our quality standards and their contractual obligations; and

(iii) Providing technical guidance and training to ensure that our product specifications and production standards are strictly followed.

The salient terms of the agreements between us and our manufacturing contractors for the production of specialized PCB production equipment are set out below:

- *Product Specifications*. The agreements generally set out the scope of services to be provided by our manufacturing contractors. We require our manufacturing contractors to complete the works according to product specifications and production requirements.

- *Raw Material Procurement*. We are typically responsible for the procurement of all or a majority of the raw materials required for production.

- *Manufacturing Fees*. The manufacturing fees are generally determined with reference to market rates.

- *Payment Term*. Payment is typically required to be made within 30 days after receiving the invoice from manufacturing contractors.

- *Delivery*. Manufacturing contractors are responsible for delivery to our appointed location or warehouse.

- *Product Return/Exchange*. Product inspection may take place within a specified period after delivery. We may require the manufacturing contractor to replace the defective products.

- *Warranty*. Manufacturing contractors typically offer 12-month product warranty for the products they provide.

- *Confidentiality*. Typically, we require our manufacturing contractors to keep the terms of agreements and any supplementary agreements confidential.

- *Termination*. The agreements terminate upon expiry, or can be terminated by mutual agreement.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we engaged a total of 142, 170, 169, 157 and 186 manufacturing contractors, with manufacturing fees of RMB58.6 million, RMB39.7 million, RMB63.1 million, RMB51.4 million and RMB92.7 million, respectively.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we engaged one, four, three, 3 and 2 manufacturing contractors, who were our connected persons, with manufacturing fees of RMB8.4 thousand, RMB570.5 thousand, RMB261.6 thousand, RMB185.1 thousand and RMB16.4 thousand, representing approximately 0.0%, 0.1%, 0.0%, 0.0% and 0.0% of out total purchases in the same periods, respectively. Save as above, to the best of our knowledge, all other manufacturing contractors are Independent Third Parties. We entered into standard outsourced manufacturing agreements with these manufacturing contractors, and the terms in these agreements are comparable to those offered to our other manufacturing contractors. Our Directors are of the view that the transactions that we entered into with these manufacturing contractors were on an arm's-length, mutually independent basis under normal commercial terms.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our manufacturing contractors.

Major Suppliers

During the Track Record Period, our major suppliers primarily include manufacturers of modules, optical devices, control electronics, mechanical devices, sheet metal and machined parts. Purchases from our top five suppliers in each year or period during the Track Record Period in aggregate accounted for 26.7%, 18.9%, 25.1% and 30.1%, of our total purchases, respectively, in the same periods. Purchases from our largest supplier in each year or period during the Track Record Period accounted for 9.2%, 8.6%, 9.2% and 13.3% of our total purchases, respectively, in the same periods.

The following table sets forth details of our five largest suppliers in each year or period during the Track Record Period:

Year ended December 31, 2022

Suppliers	Products purchased	Purchase amount	% of total purchases	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)					
Supplier A	Spindle	125,383	9.2	A public company listed on the NASDAQ that operates in detection, tracking and imaging, medical devices, precision motion, laser processing, and robotics and automation sectors	Above 5 years	30 days	Wire transfer
Supplier B	Control systems	111,507	8.2	Primarily engages in the development and manufacturing of control technology products and drive electronics in the industrial field	Above 5 years	30 to 60 days	Letter of credit
Han's Laser	Chiller	52,567	3.9	A public company listed on the Shenzhen Stock Exchange that provides solutions for laser, robotics and automation technologies; research and development and production of other robot-related products	Above 5 years	30 to 120 days, or 50% paid in advance with the remaining balance payable upon receipt	Wire transfer or bank draft
Supplier D	Machine bed assembly	39,150	2.9	Engages in production and sales of various machinery and equipment, R&D of industrial automation, produces precision machine tools, and conducts	Above 5 years	30 days	Wire transfer or bank draft
Supplier E	Spindle	35,026	2.6	A public company listed on the Shenzhen Stock Exchange that engages in the production and sales of various machinery and components, research and development of automotive parts	Above 5 years	60 days	Wire transfer or bank draft
Total		**363,633**	**26.7**				

Year ended December 31, 2023

Suppliers	Products purchased	Purchase amount	% of total purchases	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)					
Supplier B	Control systems	91,727	8.6	Primarily engages in the development and manufacturing of control technology products and drive electronics in the industrial field	Above 5 years	30 to 60 days	Letter of credit
Han's Laser	Chiller and electric machine	31,957	3.0	A public company listed on the Shenzhen Stock Exchange that provides solutions for laser, robotics and automation technologies; research and development and production of other robot-related products	Above 5 years	30 to 120 days, or 50% paid in advance with the remaining balance payable upon receipt	Wire transfer or bank draft
Supplier D	Machine bed assembly	29,446	2.8	Engages in production and sales of various machinery and equipment, R&D of industrial automation, produces precision machine tools, and conducts	Above 5 years	30 days	Wire transfer or bank draft
Supplier F	Laser	25,868	2.4	A public company listed on the NASDAQ that engages in the business of providing laser-related equipment, components, and services	Above 5 years	30 days	Wire transfer or bank draft
Supplier G	Pneumatic devices	23,199	2.2	Engages in the development and trade of electronic components, automation control, and mechanical equipment	Above 5 years	60 to 120 days	Wire transfer or bank draft
Total		**202,197**	**18.9**				

Year ended December 31, 2024

Suppliers	Products purchased	Purchase amount	% of total purchases	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)					
Supplier B	Control systems	198,478	9.2	Primarily engages in the development and manufacturing of control technology products and drive electronics in the industrial field	Above 5 years	30 to 60 days	Letter of credit
Supplier F	Laser	134,626	6.3	A public company listed on the NASDAQ that engages in the business of providing laser-related equipment, components, and services	Above 5 years	30 days	Wire transfer or bank draft
Supplier A	Spindle	93,949	4.4	A public company listed on the NASDAQ that operates in detection, tracking and imaging, medical devices, precision motion, laser processing, and robotics and automation sectors	Above 5 years	30 days	Wire transfer
Supplier H	Electric machine	65,511	3.0	Engages in the business of producing metal cutting machine tools, motors, and industrial control systems, and electromechanical production	Above 5 years	30 days	Wire transfer or bank draft
Supplier I.	Bearings, guide rails	47,868	2.2	Specializes in the production of linear motion system products, including linear guides, ball screws, ball splines, and linear actuators	Above 5 years	30 days	Wire transfer or bank draft
Total.		**540,432**	**25.1**				

Ten months ended October 31, 2025

Suppliers	Products purchased	Purchase amount	% of total purchases	Background and principal business activity	Length of business relationship with our Group	Credit terms	Settlement method
		(RMB '000)					
Supplier B	Control systems	463,194	13.3	Primarily engages in the development and manufacturing of control technology products and drive electronics in the industrial field	Above 5 years	30 to 60 days	Letter of credit
Supplier A	Spindle	186,041	5.4	A public company listed on the NASDAQ that operates in detection, tracking and imaging, medical devices, precision motion, laser processing, and robotics and automation sectors	Above 5 years	Prepayment	Wire transfer
Supplier F	Laser	154,934	4.5	A public company listed on the NASDAQ that engages in the business of providing laser-related equipment, components, and services	Above 5 years	30 days	Wire transfer or bank draft
Supplier H	Motor	130,458	3.8	Engages in the business of producing metal cutting machine tools, motors, and industrial control systems, and electromechanical production	Above 5 years	30 days	Wire transfer or bank draft
Supplier E	Spindle	112,005	3.2	A public company listed on the Shenzhen Stock Exchange that engages in the production and sales of various machinery and components, research and development of automotive parts	Above 5 years	60 days	Wire transfer or bank draft
Total		**1,046,632**	**30.1**				

Save for Han's Laser, to the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any of our shareholders holding more than 5% of our issued share capital had any interests in any of our five largest suppliers in each year or period during the Track Record Period. For details of Han's Laser's shareholding status, see "History and Corporate Structure."

SUPPLIER-CUSTOMER OVERLAP

Among our top five customers in each year or period during the Track Record Period, Customer B was also our supplier, selling laser drilling machines and testing boards to us in 2022, 2023, 2024 and the ten months ended October 31, 2025; Customer C was also our supplier, selling testing boards to us in 2022; Customer F was also our supplier, selling laser drilling machines to us in 2023 and 2024; and Customer M was also our supplier, selling testing boards to us in 2023, 2024 and the ten months ended October 31, 2025. The equipment purchased from these overlapping customers mainly comprised used machines. The rationale for purchasing these used machines from these overlapping customers was mainly to facilitate product upgrades, as our customers often traded in their used equipment when purchasing new products with higher processing efficiency and precision from us. By acquiring these used machines, we were able to recycle, refurbish, or properly dispose of them, which also allowed us to reduce certain production costs and strengthen our business relationships with customers. In 2022, 2023, 2024 and the ten months ended October 31, 2025, our revenue from top five customers who were also our suppliers of the respective periods was RMB484.5 million, RMB189.9 million, RMB161.4 million and RMB145.4 million, respectively, representing 17.4%, 11.6%, 4.8% and 3.4% of our total revenue in the same periods. In 2022, 2023, 2024 and the ten months ended October 31, 2025, (i) our purchase amount from Customer B who was also our supplier was RMB10.3 million, RMB16.0 million, RMB4.2 million and RMB5.6 million, representing 0.8%, 1.5%, 0.2% and 0.2% of our total purchase amount in the same periods, respectively, (ii) our purchase amount from Customer C who was also our supplier was RMB4.3 thousand, nil, nil and nil, representing 0.0%, nil, nil and nil of our total purchase amount in the same periods, respectively, (iii) our purchase amount from Customer F who was also our supplier was nil, RMB0.2 million, RMB1.0 million and nil, representing nil, 0.0%, 0.0% and nil of our total purchase amount in the same periods, respectively, and (iv) our purchase amount from Customer M who was also our supplier was nil, RMB6.6 thousand, RMB8.3 thousand and RMB5.5 thousand, representing nil, 0.0%, 0.0%, and 0.0%, of our total purchase amount in the same periods, respectively. In 2022, 2023, 2024 and the ten months ended October 31, 2025, (i) our gross profit from Customer B who was also our supplier was RMB76.1 million, RMB44.4 million, RMB42.0 million and RMB36.7 million, respectively, (ii) our gross profit from Customer C who was also our supplier was RMB28.1 million, RMB10.8 million, RMB6.8 million and RMB0.3 million, respectively, (iii) our gross profit from Customer F who was also our supplier was RMB15.0 million, RMB25.3 million, RMB37.0

million and RMB52.3 million, respectively, and (iv) our gross profit from Customer M who was also our supplier was RMB16.1 million, RMB3.3 million, RMB22.2 million and RMB43.5 million, respectively.

Among our top five suppliers in each year or period during the Track Record Period, Han's Laser was also our customer, purchasing drilling equipment from us in 2022, 2023 and 2024; Supplier B was also our customer, purchasing formation equipment from us in 2022; and Supplier H was also our customer, purchasing motor mounting plates formation equipment from us in 2023 and 2024. In 2022, 2023, 2024 and the ten months ended October 31, 2025, our purchase amount from top five suppliers who were also our customers of the respective periods was RMB164.1 million, RMB32.0 million, RMB65.5 million and nil, respectively, representing 12.0%, 3.0%, 3.0% and nil of our total purchase amount in the same periods. In 2022, 2023, 2024 and the ten months ended October 31, 2025, (i) our revenue from Han's Laser who was also our customer was RMB7.3 million, RMB2.3 million, RMB0.9 million and RMB5.3 million, representing 0.3%, 0.1%, 0.0% and 0.1% of our total revenue in the same periods, respectively, (ii) our revenue from Supplier B who was also our customer was RMB0.5 million, nil, nil and nil, representing 0.0%, nil, nil and nil of our total revenue in the same periods, respectively, and (iii) our revenue from Supplier H who was also our customer was nil, RMB0.4 million, RMB2.3 million and nil, representing nil, 0.0%, 0.1% and nil of our total revenue in the same periods, respectively. In 2022, 2023, 2024 and the ten months ended October 31, 2025, (i) our gross profit from Han's Laser who was also our customer was RMB2.3 million, RMB0.2 million, RMB0.5 million and RMB1.7 million, respectively, (ii) our gross profit from Supplier B who was also our customer was RMB0.1 million, nil, nil and nil, respectively, and (iii) our gross loss from Supplier H who was also our customer was nil, RMB2.0 thousand, approximately RMB0.2 thousand and nil, respectively.

According to CIC, such overlap is common, especially considering our leading market position and market share, as well as the depth of our collaboration with a wide customer and supplier base, which make it more common for our customers/suppliers to engage with us in both selling products and services to and purchasing products and services from us. Our Directors are of the view that the transactions with the overlapping supplier-customers were conducted at arm's-length, mutually independent and under normal commercial terms. Negotiations of the terms of our sales to and purchases from these overlapping supplier-customers were conducted on an individual basis, and the sales and purchases were neither inter-connected nor inter-conditional with each other. For each of the overlapping supplier-customers, the key terms of our sales and supply agreements were substantially similar to those of our other customers or suppliers.

TARIFFS IMPOSED BY THE UNITED STATES

Since February 2025, the United States has imposed a series of new tariffs on Chinese goods, including a 20% US Tariff and additional Reciprocal Tariffs that have fluctuated between 10% and 125% for Chinese imports, with certain consumer electronics exempt. China responded with its own tariffs on U.S. goods. Following further bilateral negotiations between the United States and China and subsequent executive and administrative measures, the U.S. tariff regime applicable to PRC-origin goods has been adjusted. As of the Latest Practicable Date, PRC-origin goods in general are subject to a 10% additional tariff and a 10% reciprocal tariff, resulting in an aggregate additional U.S. tariff rate of approximately 20%, while certain consumer electronics, including smartphones and computers, are exempt from the reciprocal tariff and are subject only to the 10% additional tariff. As of the Latest Practicable Date, U.S.-origin goods imported into China are in general subject to an additional 10% reciprocal tariff as a countermeasure to U.S. Section 301 tariffs, and certain U.S.-origin goods are further subject to additional tariffs under other Chinese countermeasures, in each case on top of the applicable most-favored-nation or other base import tariff rates. The tariff regime remains subject to ongoing trade negotiations and legal challenges, and its future application is uncertain. See "Regulation Overview — Laws and Regulations Relating to Tariffs Imposed by The United States."

Impact of the Tariffs Imposed by the United States on Our Business

In 2022, 2023, 2024 and the ten months ended October 31, 2025, the purchase amount of raw materials with the Europe as the shipping origin accounted for 8.7%, 9.6%, 10.0% and 13.6% of our total purchases, respectively. In 2022, 2023, 2024 and the ten months ended October 31, 2025, the purchase amount of raw materials with the U.S. as the shipping origin accounted for 14.1%, 7.2%, 13.9% and 11.4% of our total purchases, respectively. Certain of our major raw materials, such as spindle and laser, were subject to tariff during the Track Record Period while there had been no fluctuation in most of the tariff applicable to our major raw materials during the Track Record Period. Since the implementation of the tariffs imposed by the united states in February 2025, the proportion of our raw material purchases with the U.S. as the shipping origin has remained low. Furthermore, these raw materials are generally available from alternative non-U.S. suppliers, providing us with flexibility to adjust our sourcing strategy as needed. During the Track Record Period and up to the Latest Practicable Date, we did not purchase any chips with the U.S. as the shipping origin.

In Addition, we are generally able to pass on increases in raw material costs to our customers. The selling prices of our products are typically determined on a per-order basis, taking into account the prevailing raw material costs at the time of each order. See "— Supply Chain Management — Raw Materials and Procurement." Therefore, our Directors believe that the potential pressure on the pricing of our products resulting from the Additional US Tariffs could be partially passed on to our customers. Moreover, according to CIC, our customers are generally able to pass on the economic burden caused by tariffs to their downstream customers or end consumers.

Considering that (i) our industry position and reputation, as well as the widely recognized quality of our product; (ii) we have long business relationship with customers which are reputable companies and they have high quality requirements on suppliers; and (iii) we have actively expanded our sourcing from non-U.S. suppliers, thereby reducing our procurement proportion from U.S. suppliers. This is expected to further enhance our flexibility in global procurement and strengthen our ability to serve international customers.

Since January 1, 2025 and up to the Latest Practicable Date, we had not received any request from our customers which may cause significant pricing pressure as a result of the imposition of the Additional US Tariffs and none of our customers, including major customers, had cancelled their existing orders or request re-negotiation of prices for existing orders as a result of the Additional US Tariffs.

Based on the information currently available and subject to changes and development of the tariffs imposed by the United States which is highly unpredictable and associated risks as detailed in "Risk Factors," as of the Latest Practicable Date, our Directors are of the view that the Additional US Tariffs is not expected to have a material and adverse impact on our Group's operations and financial performance.

However, given the unpredictability of the development of the tariffs imposed by the United States, we cannot assure you that our customers will not request changes in prices or other contract terms, or reduce their orders in the future due to the tariffs or a decrease in overall demand for specialized PCB production equipment. Please see "Risk factors — Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations."

COMPETITION

According to CIC, the specialized PCB equipment industry is highly competitive and relatively fragmented, with the top five manufacturers in the industry in China accounting for approximately 23.9% of the total market share in terms of revenue in 2024. According to CIC, we were the China's largest specialized PCB production equipment manufacturer in terms of revenue in 2024, with a market share of 10.1% in China. We believe that our competitive position is underpinned by our strengths, including our market position, exceptional R&D capabilities and technologies, production capacity and supply management expertise, quality and stable customer base, and experienced management team. We believe that there are high barriers for our competitors to enter into the market, which include, among other things, technology, scale production experience, capital investment, supply chain and customer base. See "Industry Overview."

LOGISTICS

We engage qualified third-party logistics service providers for the delivery of finished products from our production facilities to locations specified by our customers. We set strict standards for the transportation of our products that these third-party logistics service providers are required to follow and we evaluate the third-party logistics service providers on their compliance and performance to ensure smooth delivery of products to customers. Through ongoing enhancements, we are consistently improving delivery timeliness, accuracy and customer satisfaction while achieving cost reductions. To the best of our knowledge, all of these logistics service providers are Independent Third Parties.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

INVENTORY MANAGEMENT

Our inventories mainly include raw materials, work-in-progress, semi-finished and finished products.

We focus on optimizing our inventory management and actively monitor our inventory levels based on the amount required for production, as supplemented by safety stock. For standardized components and basic materials, we maintain a reasonable inventory level and update our inventory plan regularly based on factors such as estimated consumption, product demand and prevailing market prices for the relevant raw materials and components. For accessories, we maintain a safety stock to compensate for any unexpected increases in demand or delay in supply. For custom components, we place purchase orders for raw materials and components upon signing sales contracts with the customer and based on our production plans.

In addition, we track and monitor the flow of goods and inventory levels through our ERP system. We also retest products to ensure that they are still suitable for their intended use after reaching their designated storage period.

INTELLECTUAL PROPERTY

We depend on our proprietary technologies and production know-how to maintain our competitive position in the markets in which we operate, and we create intellectual property through our extensive R&D activities. Our general policy is to apply for patents on an ongoing basis, in China and other appropriate jurisdictions, on patentable developments that are considered to have commercial significance. Our portfolio of patents covers our proprietary technologies used in products as well as many aspects of our product design and production processes.

We seek to protect our intellectual property and proprietary rights primarily through intellectual property laws, relying on a combination of patent, trademark, trade secret and other intellectual property laws in China and other countries. As of the Latest Practicable Date, we had obtained approximately 1,103 patents, 254 invention patents, 369 software copyrights, 68 trademarks, and two domain names in China, as well as one registered patent, two trademarks, and 19 patent applications overseas.

We have a range of internal control policies and measures in place to protect our intellectual property rights and trade secrets. We proactively pursue patent applications for our technological innovations and utilize our patent rights to safeguard our legitimate interests. Meanwhile, we take reasonable steps to detect possible infringement of our intellectual property rights. Upon identifying potential patent infringements by any competitors, we conduct thorough analyses and comparisons of the competing products. For products that are confirmed to infringe on our patents, we typically take legal actions promptly by securing evidence and filing relevant lawsuits. This proactive approach underscores our commitment to protecting our intellectual property and maintaining our competitive edge in the market. We rely on non-disclosure agreements to protect our interests in non-patentable know-how and hard-to-patent production processes. All contracts we enter into with employees, suppliers and other strategic partners are reviewed and approved by our in-house legal team to ensure that they contain adequate safeguards to prevent unauthorized disclosure. To the best of our knowledge and belief, our intellectual property rights have not been subject to any material intellectual property claims by third parties during the Track Record Period and as of the Latest Practicable Date.

EMPLOYEES

As of October 31, 2025, we had a total of 3,191 full-time employees, all of whom were located in China. The following table sets forth the number of full-time employees by function as of October 31, 2025:

Business Function	Number of Employees
Production	1,125
Sales	749
R&D	871
Finance	58
Administration	388
Total	**3,191**

We use various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers. In addition to salaries and benefits, we generally provide performance-based bonuses for our full-time employees and commission for our sales and marketing staff.

We enter into standard labor contracts with our full-time employees with confidentiality, intellectual property, and non-compete provisions, with the exception that we do not enter into non-compete provision with our production employees. As set out in these agreements, employees are required to maintain confidentiality of our trade secrets, proprietary information and other confidential data during and after their employment. All intellectual property created by employees in the course of their employment, including patents, trademarks, copyrights, and trade secrets, belongs to us. The employment contracts also include a standard non-compete covenant that prohibits employees from competing with us, directly or indirectly, during their employment and for a period not more than two years after termination of their employment.

We have established a comprehensive system for employee training and development, including general trainings covering corporate culture, employee rights and responsibilities, occupational health and safety, data security, and other logistics aspects, as well as specific trainings that improve employees' knowledge and expertise in certain important areas related to our business. We are committed to making continued efforts to provide an engaging working environment to our employees. Furthermore, we have a performance appraisal system in place which assesses the performance of the management personnel based on the overall business objectives.

We have established labor unions for our employees. We believe we maintain a good working relationship with our employees and we have not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Under the applicable regulations in China, we are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and other relevant regulations, we are required to provide our employees with welfare schemes covering social insurance. According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), we are required to make housing provident fund contributions for our employees. During the Track Record Period, we failed to make contributions to the social insurance and housing provident funds in full amount required by the relevant PRC laws and regulations, primarily due to certain employees were unwilling for us to pay the social insurance and housing provident fund contributions in full as it requires additional contributions from the employees.

Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. The shortfall amount of social insurance and housing provident fund contributions is estimated to be approximately 1.6%, 2.8%, 1.7% and 1.2% of our total revenue for for 2022, 2023, 2024 and the ten months ended October 31, 2025, respectively. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, we have not received any notice requiring us to pay any outstanding social insurance and housing provident fund contributions, nor have we been subject to any administrative action or penalty by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions. If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and take rectification measures as soon as possible within the specified period.

Our Directors believe that such non-compliance would not have a material and adverse effect on our business and results of operations, considering that: (i) as advised by our PRC Legal Advisor, based on the relevant regulatory policies and the facts stated above, the likelihood that the relevant authorities would take the initiative to require us to pay the shortfall for social insurance and housing provident fund contributions or that we would be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our employees is remote. In addition, according to the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018, all local authorities responsible for the collection of social insurance are strictly forbidden to conduct self collection of historical unpaid social insurance contributions from enterprises; (ii) during the Track Record Period and up to the Latest Practicable Date, we have not received any notice requiring us to pay any outstanding social insurance and housing provident fund contributions; and (iii) we were not aware of any material labor disputes with respect to social insurance and housing provident fund contribution. As a result, we did not make any provisions in connection with such non-compliances during the Track Record Period and up to the Latest Practicable Date. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to make fully and timely social insurance and housing provident fund contributions for some of our employees as required by PRC laws and regulations may subject us to payments of outstanding amounts, overdue charges or penalties imposed by relevant governmental authorities."

Internal Control and Remedial Measures

We have taken the following internal control measures to ensure compliance with the social insurance and housing provident fund contribution requirements under the relevant laws and regulations to the extent practicable:

- *Increasing awareness of developments in the law*. Regularly keep abreast of the latest developments in PRC laws and regulations relating to social insurance and housing provident funds; and

- *External counsel*. Consult external legal counsel for advice on relevant PRC laws and regulations.

Going forward, we will continue to implement the above measures to ensure we are in compliance with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations. As advised by our PRC Legal Advisor, based on the relevant regulatory policies and the facts stated above, the likelihood that the relevant authorities would take the initiative to require us to pay the shortfall for social insurance and housing provident fund contributions or that we would be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our employees is remote. If we receive any notice from the relevant authorities requiring us to rectify, pay or make up social insurance and housing provident fund contributions within a specified period, we will promptly comply with the requirements of such notice. In addition, we will proactively communicate with relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and housing provident funds. We will also communicate such updates with our employees to allow them to better understand the relevant laws and regulations, increasing their understanding of the regulatory requirements so as to enhance our compliance with the applicable laws and regulations.

Dispatched Workers

We dispatched workers from labor dispatch agencies in the PRC during the Track Record Period. We entered into service agreements with certain independent labor dispatch agencies to engage dispatched workers. According to the service agreements, the individuals dispatched by the service providers are employees of such providers. The service providers are therefore required to bear the costs of salaries, social insurance and housing provident funds or other employee benefits of these dispatched workers, while we are responsible for paying service fees to such employment agencies. We have entered into agreements with labor dispatch agencies. We consistently conduct job training for dispatched workers as per the agreement. We evaluate the performance of the dispatched workers during their probationary period and monitor for any violations during their service period, including serious breaches of our rules or behavior that significantly impacts the work assigned to us. In such instances, we have the option to inform the labor dispatch agencies to terminate the collaboration with the dispatched worker.

During the Track Record Period, the number of dispatched workers engaged by us and some of our subsidiaries had exceeded the 10% regulatory threshold, primarily because with the customers' order demand growth, we need additional workers to deliver customer orders in short term, resulting in the number of dispatched workers exceeding the stipulated limit in relevant periods. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) (the "**Interim Provisions**") issued on January 24, 2014 and implemented on March 1, 2014 by the Ministry of Human Resources and Social Security, the number of the dispatched workers shall not exceed 10% of the total number of the employees. As a result, we may be ordered to rectify the non-compliance, and if we fail to rectify within the time period specified by the labor authority, we might be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker. If we were ordered to make such payment, we will do so promptly and within the prescribed time period. See "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to penalties relating to labor dispatch."

To rectify the situation, we have minimized labor dispatch activities under the labor dispatch agreements with our employment agents. As of the Latest Practicable Date, the number of dispatched workers engaged by our Group accounted for less than 10% of the total number of the staff thereof. Considering that: (i) we had not received any notice of rectification in relation to our labor dispatch activities from any governmental authorities; (ii) nor have we been subject to any administrative action or penalty by the relevant regulatory authorities with respect to our dispatched workers; and (iii) we had lowered the percentage of dispatched workers engaged by us and some of our subsidiaries to below the threshold as of the Latest Practicable Date, our PRC Legal Advisor is of the view that the possibility of us being penalized for our non-compliance of dispatched workers during the Track Record Period is remote.

IMPACT OF THE COVID-19

During the Track Record Period and up to the Latest Practicable Date, we had not experienced material disruptions in our operations as a result of the COVID-19 pandemic. Throughout the COVID-19 pandemic, our production bases were not subject to mandatory suspension, which enabled us to maintain stable operations. We implemented a range of measures to ensure operational continuity and employee safety, such as adopting comprehensive pandemic prevention and control protocols, optimizing production scheduling, and diversifying our supplier base. For example, we arranged multi-port customs clearance for imported materials and maintained close communication with key suppliers to mitigate supply chain risks. The prices of laser equipment, spindles, and motion control systems demonstrated a general upward trend globally from 2020 to 2022, peaking in 2022 due to supply chain disruptions caused by COVID-19. However, the overall impact on our raw material costs was limited, as the majority of our raw materials were sourced domestically with relatively stable prices. For imported materials, we closely monitored cost fluctuations arising from exchange rate movements, tariffs, and logistics costs, and responded by optimizing logistics arrangements and adjusting inventory levels as appropriate. In addition, our diversified supplier network and ability to adjust product prices for key components enabled us to manage cost increases. Therefore, our Directors are of the view that the outbreak of COVID-19 had no material impact on our business during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We consider our insurance coverage to be adequate and in accordance with PRC laws and regulations and the commercial practices in the industry in which we operate. Our employees are covered by accident insurance, critical illness insurance, overseas insurance (for employees travelling abroad) and employer's liability insurance (for interns and rehired retirees). Our company and assets are covered by property insurance and cargo transportation insurance (for machinery during shipping), property all risks insurance (for fixed assets, inventory, etc.) and motor insurance. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustment to our insurance plans to align with our needs and with industry practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

However, there can be no guarantee that we will not incur losses or suffer claims beyond the limits, or outside the relevant coverage, of our insurance policies. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance policies may not provide adequate coverage for all claims associated with our business operations."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to promoting sustainable development practices, advancing social responsibility, and maintaining robust governance standards, reflecting our adherence to ESG principles. We have established a comprehensive set of policies and procedures covering environmental protection, workplace safety, employee welfare, and anti-corruption efforts.

Our operations and facilities are subject to a wide range of environmental, health, and safety laws and regulations. We also actively reduce energy consumption and waste generation through production process upgrades. We are dedicated to fostering a positive working environment for all employees and place a strong emphasis on employee safety and well-being. We conduct regular skills and safety training programs to enhance workplace safety.

Our management regards ESG practices as a core driver for fulfilling our mission, fully integrating sustainable-development management into our corporate strategy and operational processes. By continuously refining our ESG policies and implementation plans, we create long-term value for all stakeholders. We believe that this systematic approach to ESG management not only enhances our competitive strength but also drives the sustainable development of the entire value chain.

ESG Materiality Assessment

We have established a scientific and comprehensive ESG materiality assessment mechanism that identifies key sustainability topics through systematic internal and external analyses. In the internal assessment dimension, we conduct an in-depth review of the full lifecycle of our operations, strictly benchmarking against international ESG standards, industry best practices, and rating agency requirements. In the external assessment dimension, we continuously monitor policy and regulatory developments and regularly conduct stakeholder surveys to gain a thorough understanding of the expectations and concerns of customers, suppliers, and investors. Throughout the assessment process, we consider both the actual impact of each topic on our business performance and its potential impact on the environment and society in terms of scope, scale, and duration.

Through multidimensional analysis, we focus on the following core ESG topics: energy management, emissions and waste control, employee development and occupational health and safety, sustainable supply chain management, and product responsibility. By employing a dynamic assessment mechanism, we can accurately determine the priority of each topic, allocate management resources scientifically, and ensure that our ESG strategy advances in synergy with business development and stakeholder expectations.

ESG Governance

We fully recognize our responsibility to promote corporate social responsibility and integrate it into all major aspects of our business operations. We are committed to complying with ESG reporting requirements and to conducting our business in a manner that protects the environment and safeguards employee health and safety, and we plan to establish a comprehensive ESG management framework with a clear hierarchical structure, well-defined accountabilities, and efficient operations. This framework will delineate the responsibilities of each management level, department, and role, and introduce enhanced governance mechanisms to ensure organizational support for all ESG initiatives. As needed, we will engage external advisors or specialized institutions to provide professional guidance in advancing our ESG efforts. To effectively manage ESG matters, we intend to, in accordance with the standards set out in Appendix C2 to the Listing Rules, establish a suite of ESG policies outlining (i) appropriate risk governance for ESG matters, including climate-related risks and opportunities; (ii) the process for formulating ESG strategies; (iii) ESG risk management and monitoring; (iv) the identification of key performance indicators ("**KPIs**"); and (v) relevant measurement and mitigation measures. Our Board is responsible for ESG decision-making, governance and oversight, including (i) formulating and revising ESG strategies, frameworks and policies; (ii) assessing, managing and controlling ESG risks; (iii) reviewing ESG objectives and evaluating their implementation; (iv) reviewing the ESG management system and reporting; and (v) providing oversight and guidance on ESG matters.

In terms of ESG management, our Board has set clear short-term targets as well as medium- and long-term strategies to ensure substantive progress in key areas such as carbon reduction, resource circularity, supply chain management and information disclosure. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any penalties for breaches of environmental, social and governance laws and regulations.

Anti-Corruption and Anti-Bribery

We maintain a strict ethos of integrity in all our business dealings and fully comply with the PRC Company Law, the PRC Anti-Unfair Competition Law, and other applicable national laws and regulations. We have established a comprehensive compliance management framework and promulgated a dedicated Anti-Fraud Management System (《反舞弊管理制度》). During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any corruption or bribery litigation.

Environment

Environmental and Climate-Related Risks

We place great emphasis on environmental and climate-related risks, which have been fully integrated into our overall risk management framework. We will continuously optimize our environmental risk management strategies, balancing business growth with resource sustainability, and contribute to addressing global climate challenges. The risks we face fall into three main categories — environmental risks, climate risks, and transition risks — and we have developed targeted management measures for each.

Environmental Risks

Natural disasters, public health emergencies, or other unforeseen events may pose risks to our business operations. Such events can disrupt production and supply chains, leading to potential economic losses and operational downtime. We have established a Safety Management Team to integrate climate change management into its routine operational priorities.

Climate Risks

Our production facilities are exposed to physical risks from extreme weather events such as typhoons and heavy rainfall. These conditions can cause power outages, floods, and other damage, which may create safety hazards, force suspension of research and production activities, and an increase in operating costs. Our production capacity could be severely impacted, potentially resulting in delays and financial losses. To address this, we have implemented Procedure E-CNC-07-036-2022_B — Emergency Preparedness and Response Control Procedure.

Transition Risks

Transition risks primarily arise from low-carbon transition requirements. We actively respond to the national dual-carbon policy by advancing our green product portfolio and reducing the carbon footprint of our PCB products.

We aim to enhance production efficiency, simplify process flows, and advance automation and intelligence, thereby reducing the unit production cost per PCB. Throughout the product lifecycle, we emphasize modularity, manufacturability, recyclability, maintainability, and reusability. We are committed to delivering innovative PCB process solutions that significantly lower production costs and, in turn, reduce carbon intensity across the PCB value chain.

Energy Management

As a core component of our corporate sustainability strategy, energy management plays a vital role in our operations. We view improving energy efficiency not only as an environmental responsibility but also as a key initiative to enhance operational efficiency and strengthen our competitive edge. To this end, we have implemented the following measures:

- ***Lighting Management:*** We maximize the use of natural light in workspaces, meeting rooms, corridors, and aisles, and prohibit lights being left on during lunch breaks or when areas are unoccupied. After hours, except for security lighting, all office and production-area lighting must be switched off.

- ***HVAC Management:*** We keep cooling temperature shall not be, lower than 26°C in summer, and heating temperature shall not be, higher than 20°C in winter. We keep doors and windows closed while the system is operating; draw blackout curtains when sunlight is intense. We turn off air conditioners 30 minutes before the end of the workday; meeting rooms may not be used by a single individual with the HVAC running.

- ***Production Equipment Management:*** We power down all production-site equipment after working hours. Nonbusiness-critical use of equipment must be registered and approved by the relevant department in advance. Equipment requiring extended operation during debugging must be clearly labeled and accompanied by a completed "Equipment Power-On Continuation Request Form," approved by the department head and filed with the Administration Department's Safety Management Team for periodic inspection.

- ***Water Management:*** We strengthen daily water-conservation practices and eliminate leaks, drips, and continuously running water. We immediately report any leaks or equipment malfunctions to the Administration Department for repair. We promote water-saving habits by posting reminders in restrooms, pantry areas, and other relevant locations.

With respect to legal and regulatory compliance, we consistently benchmark against the PRC Energy Conservation Law and rigorously standardize all production and operational activities. To ensure the effective implementation of compliance requirements, we have established Procedure E-CNC-07-029-2022_A — Energy and Resource Management Control Procedure; and issued the "Notice on Strengthening Energy Conservation and Consumption Reduction Management."

To comprehensively understand and optimize our environmental impact, we continuously monitor key environmental indicators. The following table summarizes our primary energy consumption for the years/periods indicated:

	Years Ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
Gasoline (L)	12,821.5	13,340.8	13,692.6	11,895.7	9,960.0
Diesel (L)	2,218.9	24,755.1	33,430.1	27,727.6	28,917.9
Energy consumption (MWh)	13,634.6	13,606.9	13,605.0	11,835.3	11,838.7
Water consumption (m^3)	42,916.0	44,890.4	37,061.6	30,267.0	42,728.0

Emissions and Waste Management

Guided by the principles of environmental protection and sustainable development, we have established a comprehensive emissions and waste management system. We strictly comply with the PRC Environmental Protection Law, the Integrated Emission Standard of Air Pollutants, and other relevant laws and regulations, and ensure through regular monitoring that all emissions meet national standards. We have successfully obtained ISO 14001 certification, an authoritative certification in environmental management. We have established a comprehensive end-to-end waste management procedure covering segregation, storage, transportation, disposal, and recycling, and we conduct periodic system audits to ensure compliance.

Regarding greenhouse gas emissions, we have implemented a series of initiatives. We strictly comply with the Integrated Emission Standard of Air Pollutants (GB 16297-1996): we have installed the activated carbon filtration device to ensure non-methane total hydrocarbon emissions remain below 60 mg/m^3 (standard limit 120 mg/m^3); organic exhaust is treated via a two-stage activated carbon adsorption system before high-altitude discharge; and soldering fumes are collected through ductwork and discharged at height.

In the field of waste management, we strictly follow the PRC Law on Prevention and Control of Environmental Pollution by Solid Waste and other regulations, and have established a full-spectrum waste management system. Specifically, we have implemented:

- ***Domestic Sewage Treatment*** is treated through a three-stage septic tank system before connecting to the municipal sewer network for further processing at the Fuyong Water Purification Plant.

- ***Industrial Wash Wastewater Treatment*** is entrusted to a qualified third party for transport and treatment; we do not allow discharge on site.

- ***Domestic Solid Waste*** is collected and removed regularly by the sanitation authority.

- ***General Solid Waste*** is collected and recycled by designated third-party recyclers.

- ***Hazardous Waste*** is transferred and disposed of by a qualified third party.

- ***Production Waste Reduction*** requires transition of equipment assembly and debugging records from paper to electronic format; we reuse of dedicated packaging materials in a closed-loop cycle.

The following table presents our pollutant discharge data for the years/periods indicated:

	Years Ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
Hazardous chemicals (tones)	9.6	27.1	26.8	22.7	42.4
Domestic sewage (m^3/a)	42,916.0	44,890.4	37,061.6	30,267.0	42,728.0
Industrial wash wastewater (m^3/a)	9.1	27.0	26.7	22.6	42.2
Spent activated carbon (tones)	0.0	0.1	0.0	0.0	0.0

Social Responsibility

Employees

In terms of labor and employment, we strictly adhere to the PRC Labor Law, the PRC Labor Contract Law, and other relevant laws and regulations. We consistently uphold a "people-oriented" talent philosophy, promote team spirit, value talent, respect and safeguard individual employee rights, and pay close attention to employee physical and mental health, safety, and personal development. Through multiple channels, we provide equal development opportunities and a positive working environment, emphasize talent cultivation, and regularly conduct training programs based on employee needs to foster mutual growth. We also offer annual health check-up programs to ensure employee well-being.

Talent Development and Incentives

Talent Development System

We have established a comprehensive talent development program. We have built a systematic training framework to enhance employees' professional expertise and overall competencies through leadership training, specialized R&D courses, and general skills development. This robust support ensures a solid talent base for our ongoing innovation and growth.

Our corporate governance and corporate culture are centered on the principle of "innovation-driven and win-win collaboration" (創新驅動，協作共贏) and adhere to the concepts of standardized operations and sustainable development. We were listed on the Shenzhen Stock Exchange's ChiNext Market in 2022 and have maintained a healthy governance framework. In terms of talent development, we have established a tiered development mechanism. Our "Young Eagle Program" (雛鷹計劃) and "Flying Eagle Program" (飛鷹計劃) are designed to improve the quality of our key talent. We have also implemented a long-term incentive mechanism covering our management team and key R&D employees, and we adhere to the principle of "performance-driven and benefit-sharing" (績效牽引、利益共享), which tightly links remuneration packages with respective R&D contributions and our performance. We believe that a sound talent development mechanism not only ensures a strong talent pool for our quality, sustainable and international expansion, but also enables us to stand out among the fierce competition and maintain our leading industry position.

Talent Incentive Mechanisms

To further develop and refine our long-term incentive framework, attract and retain exceptional talent, and fully motivate our core teams, we implement equity- and option-based incentive plans when appropriate. We have implemented the 2023 Restricted Share Incentive Scheme.

We have established a comprehensive learning and development framework, comprising a series of programs such as new-hire onboarding, occupational safety training, team-level skills workshops, technical proficiency courses, and specialized management training. In parallel, we run a new-employee probation mentoring scheme and host "Talent Program" exchange seminars and other targeted activities to support the growth of employees at all levels.

Looking ahead, we will continue to optimize our talent development framework and refine incentive mechanisms to create an even stronger career platform, fulfilling our value commitment to mutual growth with our employees. Through systematic training and incentive initiatives, we aim to build a high-calibre, high-performance workforce that underpins our sustainable development.

Occupational Health, Safety and Care

We have established a comprehensive Occupational Health and Safety (OHS) management system. In strict accordance with national laws and regulations, we implement the following procedures:

- Safety Education and Training Policy.

- Occupational Hygiene Control Procedure.

- Personal Protective Equipment Provision and Management Policy.

- Safety Protection Policy for Female Workers, Minor Workers, and Interns.

Our training curriculum includes, but is not limited to: (i) Overview of our organization's safety performance and basic safety knowledge. (ii) OHS rules, regulations, and labor discipline. (iii) Rights and obligations of employees regarding workplace safety. (iv) Case studies of past accidents. (v) Emergency rescue procedures, drills, and preventive measures. (vi) Identification of workplace hazards and environmental risk factors. (vii) Occupational injuries and fatality risks associated with specific roles. (viii) Safety responsibilities, operational skills, and mandatory standards for each position. (ix) Self-rescue, mutual aid, first-aid methods, evacuation, and handling of on-site emergencies. (x) Proper use and maintenance of safety equipment and personal protective gear. (xi) OHS status and regulations specific to each workshop or production section. (xii) Accident prevention measures and key safety considerations. (xiii) Additional accident case studies. (xiv) Standard operating procedures for each position. (xv) Coordination and handover safety and hygiene requirements between roles. During the Track Record Period and up to the Latest Practicable Date, we did not have any work-related facilities.

Supply Chain Management

In the area of environmental collaboration with our suppliers, we have implemented a series of proactive measures. We have formulated a Supplier Management Procedure, onboarding suppliers based on material characteristics and vetting their qualifications through factory audits and sample testing; those admitted to the approved supplier list are subject to periodic performance evaluations and re-audits. We have established long-term, stable partnerships with multiple suppliers, creating an effective coordination mechanism.

Product Responsibility

We have successfully obtained ISO 9001:2015 quality management system certification.

Intellectual Property Management

We have established:

- ***Intellectual Property Management System:*** to standardize our IP administration and fully leverage intellectual property in our development, this system safeguards operational security, empowers product innovation, and builds an IP moat to strengthen our competitive edge. It also enhances the management of intangible assets to prevent loss and elevate the efficiency and quality of our IP governance. Pursuant to the PRC Patent Law, Copyright Law, Trademark Law, Anti-Unfair Competition Law, and related regulations, this policy defines management requirements for all IP types, including patents, trademarks, copyrights, integrated circuit layout designs, and trade secrets, and is revised in accordance with our evolving IP needs.

- ***Patent Application Document Review Guidelines:*** These guidelines set forth the standards for reviewing patent application documents to improve submission quality. They are updated periodically to reflect revisions in the patent examination system and our IP strategy.

- ***Software Copyright Application Materials Guidelines:*** These guidelines specify the requirements for preparing and reviewing software copyright application materials to facilitate successful registration. They are revised as necessary to comply with the latest software copyright examination criteria.

Customer Service Management

We regularly engage in technical exchanges with customers in the PCB sub-sector, aligning its medium and long-term product roadmaps with customers' future technology upgrades and industry development. We continuously tackle advanced production process challenges to drive innovation, develop new products, and improve production workflows and product quality.

We provide 24/7 service response, offering on-site professional support for key accounts. For overseas customers, our agents train local service personnel, and we deliver professional training sessions and remote video support, striving to resolve customer issues in the shortest possible time. We have also pioneered value-added preventive maintenance services in the industry, appointing a chief service officer for key clients. By combining on-site process and production data, we deliver tailored solutions for capacity and quality enhancement, automated maintenance upgrades, and legacy product performance enhancements, thereby improving production planning, boosting operational efficiency, and reducing operating costs.

PROPERTIES

We own and lease properties in China. As of the Latest Practicable Date, all of our production plants were located in China. Our headquarters are located in Shenzhen, China.

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

Owned Properties

As of the Latest Practicable Date, we held the land use rights of two parcels of land with an aggregate site area of approximately 14,733.9 sq.m. in China. All of these land parcels have been granted land use right certificates. As of the Latest Practicable Date, we owned two properties in China with a total gross floor area of approximately 74,878.4 sq.m. These land parcels and properties are primarily used for business operations, production and warehousing purposes. We have obtained the title certificate for the property in China.

Leased Properties

As of the Latest Practicable Date, we leased 60 properties with a total GFA of approximately 236,712.1 sq.m. in China, which are used as production and operations, temporary warehouses, and employee dormitories. The leases generally have a term ranging from five months to five years.

Absence of Valid Title Certificates

As of the Latest Practicable Date, lessor of 16 leased properties (with an aggregate GFA of approximately 123,206.0 sq.m., representing approximately 52.1% of our total leased GFA) did not provide valid title certificates. Such leased properties are mainly used as offices warehouses and staff dormitories. Our PRC Legal Advisor is of the view that:

(i) with regards to 13 of those leased properties with an aggregate GFA of approximately 75,852.0 sq.m., which lack construction project planning permits and valid title certificates, our use of these properties may be affected by third parties' claims or challenges against the lease. In addition, if the lessors do not have the requisite rights to lease these properties, the relevant lease agreements may be deemed invalid, and, as a result, we may be required to vacate these leased properties and relocate our operation sites. However, in the event that we are unable to continue using these leased properties, we, as the tenant, will not be required to continue to pay the rents. In addition, as a tenant, we will not be subject to any administrative penalties by relevant authorities in this regard. The lessor has confirmed their legal ownership of the properties and has committed to fulfilling their obligations under the signed lease agreements. Should there be any difficulties in performing the lease agreements, the lessor will promptly inform us and arrange for the alternative leased properties in accordance with the lease terms; and

(ii) with regards to three of those leased properties with an aggregate GFA of approximately 47,354 sq.m., which lack valid title certificates and/or valid state-owned land use rights certificates, the lease contracts we entered into with lessors are lawful and valid. The lessors were applying for the relevant title certificates and/or land use rights certificates, and the defects of such leased properties would not materially and adversely affect our business. In addition, as a tenant, we are not subject to any administrative penalties by relevant authorities in this regard.

Our Directors believe that the likelihood of our business and results of operations being materially and adversely affected by these title defects is remote, considering that (i) as of the Latest Practicable Date, we have not been required to cease operations due to the lessor's right to lease being challenged by a third-party rights holder; (ii) Dazhu Holdings and Mr. Gao has agreed to indemnify us against any claims, fines, economic losses and other losses from relocation which may arise from such defects; and (iii) we maintain a pool of site candidates and our Directors believe that we would be able to relocate to a different site without materially and adversely affecting our business and results of operations should we be required to do so.

Non-registration of Lease Agreements

As of the Latest Practicable Date, 19 lease agreements had not been registered with relevant authorities. As the registration of a lease agreement requires the cooperation between the lessor and lessee and lessors are typically unwilling to undertake the administrative burden due to the low risk of penalty, we were not able to complete the registration of lease agreements mentioned above. We have adopted internal policies that (i) request our employees to proactively coordinate with lessors to complete the registration for all of our lease agreements; and (ii) require our employees to complete the registration of lease agreements in instances in which lessors are willing to cooperate in such procedures.

As advised by our PRC Legal Advisor, the non-registration of lease agreements will not affect the validity of the lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of these lease agreements. The aggregate amount of maximum fine will be approximately RMB0.3 million, which our Directors believe will not have any material adverse impact on our business operations.

As of the Latest Practicable Date, in relation to these 19 leased properties, we have not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. In addition, we have been more stringent in terms of requiring our lessors to cooperate with us in registering our lease agreements with the relevant housing administrative authorities.

Having considered the foregoing, our Directors believe that does not constitute material nor systemic non-compliance of our Group, and the non-registration of lease agreements described above will not, individually or in the aggregate, materially affect our business and results of operation.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations, and such licenses, permits, approvals and certificates had remained in full effect. As of the Latest Practicable Date, we held a business licence issued to our company by the Market Supervision Administration of Shenzhen Municipality on January 4, 2024. The business licence is valid on a long-term basis and does not require renewal. As further advised by our PRC Legal Advisor, save for the business license, we are not required to obtain any other special licenses, approvals or permits for our business operations in the PRC.

The successful renewal of our existing licenses and permits will be subject to our fulfillment of relevant requirements. During the Track Record Period and up to the Latest Practicable Date, we have consistently fulfilled all such requirements. Our PRC Legal Advisor have advised us that, on the basis of our ongoing and strict compliance with these requirements, there is no material legal impediment to renewing such licenses and permits. As of the date of this prospectus, we have successfully renewed all soon-to-expire material and necessary licences and permits.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. As of the Latest Practicable Date, we and our major subsidiaries are not involved in any court, arbitral or administrative proceedings which we believe may be of material importance to our assets and liabilities or profits and losses nor, so far as we are aware, are any such proceedings pending or threatened. See "Risk Factors — Risks Relating to Our Business and Industry — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition."

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

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see "Directors and Senior Management — Management and Corporate Governance — Audit Committee";

- adopt policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;

- provide trainings periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;

- enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;

- establish a set of emergency procedures in the event of major quality-related issues;

- provide enhanced training programs on quality assurance and product safety procedures; and

- distribute employee handbooks to enhance employees' awareness of complying with laws and regulations.

DATA PRIVACY POLICY

We are committed to ensuring data privacy and information security. We do not collect personal information through public channels such as operational websites or apps, and the data we collect is limited. During our ordinary course of business, the only personal data we collect mainly pertains to information on our employees and key contact persons from our customers and suppliers. We make sure to obtain adequate authorization and consent from our employees, customers, and suppliers for collecting and processing their private information.

We have implemented robust protective measures for the privacy data we collect. These measures include (i) establishing internal control systems such as a data security management system, which clearly stipulate our management of data confidentiality, data approval authority, data backup and recovery, and encryption strategy change management; (ii) strictly minimizing the access and circulation rights of private information and requiring stringent system authorization for the use of such information; (iii) adopting technical measures such as encryption and anti-leakage to protect information; and (iv) establishing an information security management system to ensure information security. In particular, we strictly limit the access to, and management of, our employees' personal information database to our dedicated personnel to further safeguard our information security from unauthorized internal access.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of operating or transaction data, nor have we been subject to any complaint, investigation or legal proceedings in relation to data privacy. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we complied with the applicable PRC laws and regulations concerning cybersecurity and data protection in all material respects.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation. The following table sets out major awards and recognitions we received during the Track Record Period:

Year	Awards/Recognitions	Awarding Entity
2025	Shenzhen Patent Award (深圳市專利獎)	Shenzhen Municipal People's Government
2024	Guangdong Province's Top-Rated High and New Technology Products (廣東省名優高新技術產品)	Guangdong High-Tech Enterprises Association
2024	Guangdong Industrial Design Center (廣東省工業設計中心)	Department of Industry and Information Technology of Guangdong Province
2024	Bao'an District Directory of Established Doctoral Studios (寶安區博士工作室設立企業名錄)	Bao'an District Human Resources Bureau of Shenzhen Municipality
2023	First Prize of the Guangdong Technological Progress Award (廣東省科技進步獎一等獎)	The People's Government of Guangdong Province
2022	Guangdong Engineering Technology Research Center (廣東省工程技術研究中心)	Department of Science and Technology of Guangdong Province
2022	National Individual Champion Product (單項冠軍產品)	The MIIT and the China Federation of Industrial Economics

OVERVIEW

Our Board consists of nine Directors, comprising one executive Director, four non-executive Directors (including one employee Director), and four independent non-executive Directors. All Directors (except for the employee Director) are elected by the general meeting for a term of three years which is renewable upon re-election. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

Our senior management is responsible for the management of day-to-day operations of the Group.

DIRECTORS

The following table sets forth certain information of our Directors:

Name	Age	Position	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Director	Relationship with other Directors and senior management
Mr. YANG Chaohui (楊朝輝)	50	Chairperson of the Board, executive Director and general manager	Responsible for deciding the Company's daily operational plans, development, and investment proposals; convening and presiding over Shareholders and Board meetings; and deciding and guiding the external affairs, major corporate matters, and significant business activities of the Company	May 2003	May 2003	None

Name	Age	Position	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Director	Relationship with other Directors and senior management
Mr. ZHANG Jianqun (張建群)	60	Non-executive Director	Responsible for attending Board meetings, reviewing and voting on major business decisions, strategic planning, investment plans, and providing advice on the Company's development direction	October 2014	October 2014	None
Mr. ZHOU Huiqiang (周輝強)	52	Non-executive Director	Responsible for attending Board meetings, reviewing and voting on major business decisions, strategic planning, investment plans, and providing advice on the Company's development direction	November 2020	November 2020	None
Mr. DU Yonggang (杜永剛)	56	Non-executive Director	Responsible for attending Board meetings, reviewing and voting on major business decisions, strategic planning, investment plans, and providing advice on the Company's development direction	November 2020	November 2020	None
Ms. Huang Linting (黃麟婷)	42	Non-executive Director (Employee Director)	Responsible for attending Board meetings, reviewing and voting on major business decisions, and advising the Board in protection of the interests of our Group's employees	October 2020	May 2025	None

Name	Age	Position	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Director	Relationship with other Directors and senior management
Mr. QIU Yunliang (丘運良)	46	Independent non-executive Director	Responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders	November 2020	November 2020	None
Ms. LI Weiwei (李薇薇)	63	Independent non-executive Director	Responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders	February 2024	February 2024	None
Dr. XIN Guosheng (辛國勝)	73	Independent non-executive Director	Responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders	May 2024	May 2024	None
Ms. XIA Liya (夏麗雅)	43	Independent non-executive Director	Responsible for supervising the board as an independent party and safeguarding public interests and the rights of minority Shareholders	February 6, 2026	February 6, 2026	None

Executive Director

Mr. YANG Chaohui (楊朝輝), aged 50, is our executive Director, chairperson of the Board and general manager. Mr. Yang is primarily responsible for deciding the Company's daily operational plans, development, and investment proposals; convening and presiding over Shareholders and Board meetings; and deciding and guiding the external affairs, major corporate matters, and significant business activities of the Company. He currently also serves as the chairperson of the strategy committee.

Mr. Yang has over 20 years of experience in the PCB industry. Mr. Yang joined our Group in May 2003, and was appointed as our Director and the general manager at the same time. He has further been appointed as the chairperson of the Board since November 2020. Mr. Yang currently also holds positions with various subsidiaries within the Group, including as the chairperson of board of Mason Electronics since April 2008, the chairperson of the board of Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司) since April 2016 and the executive director and general manager of Asia Foundation since March 2021. Mr. Yang has also joined Han's Laser Group since February 2000, where he held various positions until November 2020, with his last position as a vice general manager of Han's Laser.

Prior to joining our Group, Mr. Yang previously served as the deputy director of the quality department in the product division of Shenzhen ZTE Corporation Co., Ltd. (深圳市中興通訊股份有限公司, currently known as ZTE CORPORATION (中興通訊股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000063) and the Stock Exchange (stock code: 0763) from August 1996 to January 2000.

Mr. Yang graduated from Northwestern Polytechnical University (西北工業大學) with his major in mechanical electronics engineering in the PRC in July 1996. He further obtained his master of Executive Master of Business Administration (EMBA) degree from Tianjin University (天津大學) in the PRC in January 2013.

Mr. Yang was awarded as the "Outstanding Innovator — the 2024 Guangdong-Hong Kong-Macao Greater Bay Area Enterprise Innovation List" (2024粵港澳大灣區企業創新力榜單 — 創新傑出人物) by the Expert Review Committee of the Guangdong-Hong Kong-Macao Greater Bay Area Enterprise Innovation List (粵港澳大灣區企業創新力榜單專家評審委員會) and the Shenzhen Industrial Federation (深圳工業總會) in February 2025. Mr. Yang has also served as the vice supervisor of the China Printed Circuit Association (CPCA) (中國電子電路行業協會) and the president of the CPCA Special Equipment Branch since November 2020.

Non-executive Directors

Mr. ZHANG Jianqun (張建群), aged 60, is a non-executive Director. He is primarily responsible for attending Board meetings, reviewing and voting on major business decisions, strategic planning, investment plans, and providing advice on the Company's development direction.

Mr. Zhang joined our Group in October 2014 and was appointed as a Director at the same time. He has also joined the Han's Laser Group since April 1997 as the marketing director thereof, and currently holds various positions within the Han's Laser Group, including as the deputy chairperson of the board and an executive deputy director of the management and decision committee of Han's Laser.

Other than his commitment within our Group and the Han's Laser Group, Mr. Zhang has served as the general partner of Shenzhen Heno Investment Enterprise (Limited Partnership) (深圳市合諾投資企業(有限合夥)) since March 2017, a limited partner at Shanghai Zhiyue Shaohan Investment Center (Limited Partnership) (上海智越韶瀚投資創業投資中心(有限合夥), currently known as Zhoushan Zhiyue Shaohan Venture Investment Center (Limited Partnership) (舟山智越韶瀚創業投資中心(有限合夥))) since August 2016, and a director of Shenzhen Quantum Bio-Information Technology Co., Ltd. (深圳市量子生物信息科技有限公司) since December 2018.

Mr. Zhang obtained his bachelor's degree in computer science from Tsinghua University (清華大學) in the PRC in August 1986.

Mr. ZHOU Huiqiang (周輝強), aged 52, is a non-executive Director. He is primarily responsible for attending Board meetings, reviewing and voting on major business decisions, strategic planning, investment plans, and providing advice on the Company's development direction.

Mr. Zhou joined our Group in November 2020 and was appointed as a Director at the same time. He has also joined Han's Laser Group since March 2001 and currently holds various positions within the Han's Laser Group, including as a director, an executive deputy director of the management and decision committee and the financial director of Han's Laser. He also served as a director of Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司) from September 2017 to May 2025 and has served as the director of Tianjin Han's Haihe Investment Management Co., Ltd. (天津大族海河投資管理有限公司) from April 2019 to November 2025.

Other than his commitment within our Group and the Han's Laser Group, from December 2015 to December 2021, Mr. Zhou served as the independent director of Shenzhen Increase Technology Co., Ltd. (深圳市英可瑞科技股份有限公司), a company listed on the Shenzhen Stock Exchange ChiNext (stock code: 300713).

Mr. Zhou graduated from Ji'an Normal School in the PRC in July 1994. He obtained the bachelor's degree in accounting from Jiangxi University of Finance and Economics (江西財經大學) in the PRC in July 2005 through online courses. He further obtained an EMBA degree from Jilin University (吉林大學) in the PRC in September 2017. He is also a Certified Public Accountant in China.

Mr. DU Yonggang (杜永剛), aged 56, is a non-executive Director. He is primarily responsible for attending Board meetings, reviewing and voting on major business decisions, strategic planning, investment plans, and providing advice on the Company's development direction.

Mr. Du joined the Group in November 2020 and was appointed as a Director at the same time. He has also joined Han's Laser Group since December 2008, and also currently holds various positions thereof, including as the board secretary and deputy director of the management and decision committee of Han's Laser, and a director of GYX Optoelectronics Co., Ltd. (深圳國冶星光電科技股份有限公司), a majority-controlled subsidiary of Han's Laser.

Mr. Du obtained his bachelor's degree in economics from Zhengzhou University of Aeronautics (鄭州航空工業管理學院) in the PRC in July 1991, and he further obtained his EMBA degree from Jilin University (吉林大學) in the PRC in June 2019. He obtained the board secretary qualification in December 2008.

Mr. Du was awarded the "2022 3A Honorary Certificate for Performance Evaluation of Board Secretary of Listed Companies" by the China Association of Public Companies in December 2022, and the 9th New Fortune Gold Medal Secretary Award in July 2013.

Ms. Huang Linting (黃麟婷), aged 42, is a non-executive Director (employee Director). She is primarily responsible for attending Board meetings, reviewing and voting on major business decisions, and advising the Board in protection of the interests of our Group's employees.

Ms. Huang joined our Group in October 2020 and served as an employee supervisor from October 2020 to May 2025. She was further elected as an employee Director in May 2025. Prior to joining our Group, from June 2006 to April 2008, Ms. Huang worked at Shenzhen Splendid China Development Co., Ltd. (深圳錦繡中華發展有限公司). From May 2008 to October 2020, she served as the project manager of the appraisal center of Han's Laser. From June 2021 to January

2025, she served as the supervisor at Han's Microelectronics, a subsidiary of the Company. From August 2022 to June 2024, she served as the supervisor at Han's CNC Technology (Dongguan) Co., Ltd. (大族數控科技(東莞市)有限公司), a subsidiary of the Company.

Ms. Huang obtained her bachelor's degree in human resources from Guangdong College of Commerce (廣東商學院, currently known as Guangdong University of Finance and Economics 廣東財經大學).

She obtained the intermediate economist certificate (human resources management) (中級經濟師(人力資源管理方向)) issued by the Ministry of Human Resources and Social Security of the People's Republic of China in November 2012.

Independent non-executive Directors

Mr. QIU Yunliang (丘運良), aged 46, is an independent non-executive Director. He is primarily responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders.

Prior to joining our Group, Mr. Qiu served as an auditor of Shenzhen Tianjian Xinde Accounting Firm (深圳天健信德會計師事務所) from July 2001 to April 2004. From November 2004 to June 2010, he successively served as auditor, senior auditor, and manager of Ernst & Young Hua Ming LLP (安永華明會計師事務所). From July 2010 to December 2011, he was a salary partner of Lixin Dahua Accounting Firm (立信大華會計師事務所). After that, he served as an independent director of Shenzhen Jianyi Decoration Group Co., Ltd. (深圳市建藝裝飾集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002789), from June 2012 to January 2020, an independent director of Chengxin Lithium Group Co., Ltd. (盛新鋰能集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002240), from February 2016 to June 2020, an independent director of Shenzhen Capol International & Associates Co., Ltd. (深圳市華陽國際工程設計股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002949), from March 2017 to July 2018, an independent director and a member of the audit committee of Shenzhen Clou Electronics Co., Ltd. (深圳市科陸電子科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002121), from May 2020 to June 2023, an independent director of Fujian Foctek Optoelectronics Co., Ltd. (福建福特科光電股份有限公司) from January 2021 to July 2024, an independent director and a member of the audit committee of Chipsea Technologies (Shenzhen) Corp., Ltd. (芯海科技(深圳)股份有限公司), a company listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (stock code: 688595), from June 2019 to April 2025, and an independent director and a member of the audit committee of Chanyuan Technology Group Co., Ltd. (長園科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600525) from November 2024 to August 2025. Currently, he has served as the partner of Lixin Accounting Firm (LLP) (立信會計師

事務所(特殊普通合夥)) since January 2012, an independent director of Guangzhou Zhongshan New Materials Co., Ltd. (廣州眾山新材料股份有限公司) since June 2025 and an independent director of Shenzhen Saiyuan Microelectronics Co., Ltd. (深圳市賽元微電子股份有限公司) since August 2025.

Mr. Qiu obtained his bachelor's degree in accounting from Xiamen University (廈門大學) in the PRC in July 2001. He further obtained his degree of EMBA from Renmin University of China (中國人民大學) in the PRC in December 2018. He is a Certified Public Accountant in China.

He has served as a visiting professor at the School of Accounting of Jiangxi University of Finance and Economics (江西財經大學) since November 2024, with a tenure of three years.

Ms. LI Weiwei (李薇薇), aged 63, is an independent non-executive Director. She is primarily responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders.

Prior to joining our Group, from May 2004 to March 2022, Ms. Li served as a law professor at Shenzhen University (深圳大學). She served as the independent director at Shenzhen Zhongxing New Materials Technology Co., Ltd. (深圳市中興新材技術股份有限公司) from January 2019 to June 2024. Currently, she has served as the independent director at Shenzhen Fangxiang Electronics Co., Ltd. (深圳市方向電子股份有限公司) since May 2021.

Ms. Li obtained her master's degree in law from China University of Political Science and Law in the PRC in June 1988. She then obtained her master's degree in law from University of New South Wales in Australia in June 1999.

Ms. Li obtained the qualification of law professor and qualification of independent director of listing companies in December 2004 and December 2017, respectively. Ms. Li served as the deputy director of the Legal Affairs Committee of the Shenzhen Municipal Committee of the China Democratic League (深圳市民盟) from March 2010 to March 2013 and as a council member of the Chinese Society of International Law (中國國際法學會) from May 2018 to May 2023.

Dr. XIN Guosheng (辛國勝), aged 73, is an independent non-executive Director. He is primarily responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders.

Dr. XIN served as the deputy general manager of Shekou Shuanglong Pen Industry Co., Ltd. (蛇口雙龍筆業有限公司) from January 1987 to August 1988. From August 1988 to August 2011, Dr. Xin held various positions at HT Electronic (Shenzhen) Co., Ltd. (永捷電子(深圳)有限公司), including deputy factory director, factory director, deputy general manager, and general manager.

From August 2011 to August 2016, he served as the general manager at HT Electronic (Shixing) Co., Ltd. (永捷電子(始興)有限公司). From August 2016 to April 2023, he was a director and deputy general manager of HT Electronic and Technology (Tianjin) Co., Ltd. (永捷電子科技(天津)股份有限公司). Currently, Dr. Xin has served as an independent director of Guangdong Dingtai High-tech Co., Ltd. (廣東鼎泰高科技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301377), since August 2020; a director of Guangdong Zhongneng Medical Equipment Co., Ltd. (廣東中能醫療裝備有限公司) since October 2020; an independent director of Ganzhou Chaoyue Technology Co., Ltd. (贛州市超躍科技股份有限公司) since November 2023; and an independent director of Shenzhen Jingwang Electronics Co., Ltd. (深圳市景旺電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603228), since July 2025.

Dr. Xin obtained his bachelor's degree in arts from Heilongjiang University (黑龍江大學) in the PRC in July 1982 and MBA degree jointly from Tsinghua University (清華大學) and University of Wales in July 2005. He further obtained his doctor of business administration degree from Victoria University (維多利亞大學) in Switzerland in June 2009.

Dr. Xin obtained the qualification of senior economist, senior planner and qualification of independent director of listing companies in June 1988, November 2003 and January 2003, respectively. He was awarded the "Excellent Paper Award" for Class 0902 of the Tsinghua University Financial Investment and Capital Operation Senior Training Class awarded by the Training Institute of Tsinghua University Shenzhen Graduate School in June 2011. He received the Outstanding Contribution Award of the Electronic Manufacturing and Packaging Technology Branch of the Chinese Institute of Electronics awarded by the Electronic Manufacturing and Packaging Technology Branch of the Chinese Institute of Electronics (中國電子學會電子製造與封裝技術分會) in October 2021. He also serves as the party branch secretary of the Shenzhen Circuit Board Industry Association (深圳市線路板行業協會), secretary general (founding president) of the Guangdong Circuit Board Industry Association (廣東省電路板行業協會), and senior vice chairperson of the council of the China Electronic Circuit Industry Association (中國電子電路行業協會).

Dr. Xin previously served as the legal representative of Shenzhen Xiongxinsheng Electronics Co., Ltd. (深圳雄欣盛電子有限公司), as the chairperson of the board of Dongguan Shengda Fu Copper Plate Co., Ltd. (東莞市勝達敷銅板有限公司), as a director and legal representative of Shenzhen Fangji Electronics Co., Ltd. (深圳市方基電子有限公司), and as a supervisor of Shenzhen Taimo Print Circuit Information Co., Ltd. (深圳市泰漠印製電路資訊有限公司) immediately before their respective deregistration or revocation. He confirmed that (i) the above companies were solvent immediately prior to their deregistration or revocation; (ii) there was no wrongful act on his part leading to the deregistration or revocation of the above companies; and (iii) he was not aware of any actual or potential claim that had been or would be made against him as a result of such deregistration or revocation.

Ms. XIA Liya (夏麗雅), aged 43, is an independent non-executive Director. She is primarily responsible for supervising the Board as an independent party and safeguarding public interests and the rights of minority Shareholders.

From July 2010 to July 2012, Ms. Xia served as a project coordinator under the department of orthopaedics and traumatology in charge of project management at the Chinese University of Hong Kong. Her other prior working experience also includes serving as a research assistant at the Hong Kong Polytechnic University, and as a senior head of administration at Lingnan University (嶺南大學). Currently, Ms. Xia serves as an assistant to director at Hong Kong University.

Ms. Xia obtained her bachelor's degree in economics from Ningbo University (寧波大學) in the PRC in June 2004. She then obtained her master's degree in engineering business administration from a joint program of the Hong Kong Polytechnic University in Hong Kong and the University of Warwick in England in October 2010.

SENIOR MANAGEMENT

The following table sets forth certain information of the senior management of the Group:

Name	Age	Position	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Senior Management	Relationship with other Directors and senior management
Mr. YANG Chaohui (楊朝輝)	50	Chairperson of the Board, executive Director and general manager	Responsible for deciding the Company's daily operational plans, development, and investment proposals; convening and presiding over Shareholder and Board meetings; and deciding and guiding the external affairs, major corporate matters, and significant business activities of the Company	May 2003	May 2003	None

Name	Age	Position	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Senior Management	Relationship with other Directors and senior management
Mr. ZHOU Xiaodong (周小東)	52	Deputy general manager, financial director and board secretary	Responsible for managing the daily affairs of the Company's head department of financial management	November 2020	November 2020	None
Mr. ZHAI Xuetao (翟學濤)	49	Deputy general manager	Responsible for managing the daily affairs of the Company's laser product centre	March 2004	November 2020	None
Mr. LI Yongjun (黎勇軍)	50	Deputy general manager	Responsible for managing the daily affairs of the Company's mechanical product centre	October 2002	November 2020	None
Ms. KOU Lian (寇煉)	50	Deputy general manager	Responsible for managing the daily affairs of the Company's supply chain platform	October 2005	November 2020	None
Ms. SHE Rong (佘蓉)	46	Deputy general manager	Responsible for managing the daily affairs of the Company's customer value-added service platform	January 2005	November 2020	None
Mr. SONG Jiangtao (宋江濤)	46	Deputy general manager	Responsible for managing the daily affairs of the Company's key account customer management platform	December 2003	April 2022	None
Mr. LYU Hongjie (呂洪傑)	45	Deputy general manager	Responsible for managing the daily affairs of the Company's new laser product centre	October 2006	April 2022	None

Name	Age	Position	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Senior Management	Relationship with other Directors and senior management
Mr. ZHANG Jianzhong (張建中)	48	Deputy general manager	Responsible for managing the daily affairs of the Company's small and medium customer management platform	March 2009	April 2022	None

Mr. YANG Chaohui (楊朝輝) is the Chairperson of the Board, executive Director and general manager of the Company, for the biographical details of Mr. Yang, see "Directors and Senior Management — Directors."

Mr. ZHOU Xiaodong (周小東), aged 52, joined our Group in November 2020 and has served as a deputy general manager, board secretary and the financial director of our Company ever since. He is primarily responsible for managing the daily affairs of the Company's head department of financial management.

Mr. Zhou also currently holds other positions within various subsidiaries of our Group, including as a supervisor of Xinfeng CNC since November 2022, as a director of Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司) since April 2023 and as a director of Rayleigh Taide since August 2022.

Mr. Zhou has also joined Han's Laser Group since September 2002 as an accountant, and served various positions thereof until October 2020, with his last position as the chief director of Han's Laser. Other than his commitments to our Group and Han's Laser Group, Mr. Zhou also served as an accountant at Wanjia Department Store Co., Ltd. (萬佳百貨有限公司) from May 1999 to March 2002.

Mr. Zhou obtained his bachelor's degree in financial accounting from Changchun University of Science and Technology (長春理工大學) in the PRC in July 1997.

Mr. ZHAI Xuetao (翟學濤), aged 49, joined the Group in March 2004 and has been the deputy general manager of our Company since November 2020. He is primarily responsible for managing the daily affairs of the Company's laser product centre.

Mr. Zhai has over 20 years of experience in the specialized PCB equipment industry. From March 2004 to November 2020, Mr. Zhai served successively as the design engineer, department manager, director of laser product center and the person-in-charge of the product platform of the Company. From October 2014 to November 2020, he also served as a supervisor of the Company.

Mr. Zhai obtained his bachelor's degree from Liaoning Petrochemical University (遼寧石油化工大學, formerly known as Fushun Petroleum Institute (撫順石油學院)) in the PRC in July 2000. He further obtained his master's degree in electronics and communication engineering from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in January 2009. He has received various awards before, including National Torch Program Project Award (國家火炬計劃項目獎) by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) in December 2007, the Shenzhen Science and Technology Innovation Award (深圳市科技創新獎) by the People's Government of Shenzhen (深圳市人民政府) in December 2010, the Shenzhen Science and Technology Progress First Award (深圳市科技進步一等獎) by the People's Government of Shenzhen in September 2013, the Shenzhen Science and Technology Progress Second Award (深圳市科技進步二等獎) by the People's Government of Shenzhen in December 2020, and the Guangdong Provincial Science and Technology Progress Second Award (廣東省科技進步二等獎) by the People's Government of Guangdong Province (廣東省人民政府) in March 2021.

Mr. LI Yongjun (黎勇軍), aged 50, joined the Group in October 2002 and has been the deputy general manager of our Company since November 2020. He is primarily responsible for managing the daily affairs of the Company's mechanical product centre.

Mr. Li has extensive experience in the design, research and development of PCB mechanic drilling equipment. From October 2002 to February 2007, Mr. Li served successively as the design engineer and department manager of the R&D department of our Company. From August 2008 to November 2020, Mr. Li also served successively as a deputy chief engineer and the director of the mechanical product centre of our Company.

Mr. Li obtained his bachelor's degree in engineering from Hunan University (湖南大學) in the PRC in June 1999. He further obtained his master's degree in engineering degree from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2009. He also received various awards during his career, including the 2012 Shenzhen Science and Technology Progress First Award (深圳市科技進步一等獎) by the People's Government of Shenzhen in July 2013 and Guangdong Provincial Science and Technology Progress First Award (廣東省科技進步一等獎) by the People's Government of Guangdong Province in May 2023. He also worked part-time at Guangdong Higher Vocational Education Mechanical Manufacturing Professional Teaching Steering Committee (廣東省高職教育機械製造類專業教學指導委員會) from July 2015 to June 2019.

Ms. KOU Lian (寇煉), aged 50, joined the Group in October 2005 and has been the deputy general manager of our Company since November 2020. She is primarily responsible for managing the daily affairs of the Company's supply chain platform.

From February 2001 to October 2005, Ms. Kou served successively as an assistant and manager of Han's Laser. She served successively as a director of the production and operation center and the person-in-charge of the supply chain and delivery platform of our Company, and also as a supervisor of our Company from October 2014 to November 2020. Since November 2022, she has also served an executive director and the general manager of Xinfeng CNC.

Ms. Kou obtained her master of business administration (MBA) degree from Hong Kong Baptist University (香港浸會大學) in Hong Kong in October 2010.

Ms. SHE Rong (佘蓉), aged 46, joined the Group in January 2005 and has been the deputy general manager of our Company since November 2020. She is primarily responsible for managing the daily affairs of the Company's customer value-added service platform.

From January 2005 to November 2020, Ms. She successively served as a department manager, a director of the customer value-added service center, and the person in charge of the customer value-added service platform of our Company.

Ms. She obtained her bachelor's degree in law from Nanchang (南昌大學) in the PRC in July 2000. She further obtained her EMBA degree from Jilin University (吉林大學) in the PRC in December 2017.

Mr. SONG Jiangtao (宋江濤), aged 46, joined the Group in December 2003 and has been the deputy general manager of our Company since April 2022. He is primarily responsible for managing the daily affairs of the Company's key account customer management platform.

Mr. Song has extensive experience in sales. He served successively as a senior market manager and a director of the South China key account sales department of the Company from December 2003 to November 2019. Since December 2019, he has served as the executive deputy general manager of key account department of our Company.

Mr. LYU Hongjie (呂洪傑), aged 45, joined the Group in October 2006 and has been the deputy general manager of our Company since April 2022. He is primarily responsible for managing the daily affairs of the Company's new laser product centre.

Mr. Lyu served successively as a product manager in the laser cutting machine product department and the product director of laser cutting machine product center of the Company from October 2006 to December 2018. Mr. Lyu has served successively as the deputy general manager and the product general manager of the new laser product center of our Company since January 2019. He currently also serves as the standing deputy general manager of Han's Microelectronics, where he is directly responsible for the overall management of the product platform thereof.

Mr. Lyu obtained his bachelor's degree in engineering from Hebei University (河北大學) in the PRC in June 2003.

Mr. ZHANG Jianzhong (張建中), aged 48, joined the Group in March 2009 has been the deputy general manager of our Company since April 2022. Since May 2014, Mr. Zhang has also served as the person-in-charge of the Company's small and medium customer management platform, and is currently primarily responsible for the management of the daily affairs thereof.

Mr. Zhang served as the sales director at Shenzhen Maixun Electronics Co., Ltd (深圳麥遜電子有限公司), a subsidiary of the Company, from March 2009 to May 2014. Currently, he has also served as a director of Shanghai Han's Machinery Co., Ltd. (上海大族機械有限公司), a subsidiary of the Company, since February 2023.

Mr. Zhang graduated from Henan Institute of Science and Technology (河南科技學院) in the PRC in July 2018.

FURTHER INFORMATION ABOUT MR. ZHOU HUIQIANG AND MR. QIU YUNLIANG

After the original net profit figures of Han's Laser for the financial year of 2009 was disclosed, a further announcement was made to revise the net profit for the financial year of 2009 according to the advice of the auditor. As Mr. Zhou was the finance director of Han's Laser, he, together with the other relevant personnel, subsequently received a notice of criticism issued by the Shenzhen Stock Exchange in 2010 (the "**Notice**"). According to the Notice, Mr. Zhou was not named to be involved in any personal wrongdoing, fraudulent or dishonest conduct. No other penalties were imposed on Mr. Zhou from the incident. The incident was unrelated to our Group and Mr. Zhou's role as our non-executive Director.

Mr. Qiu has received certain warnings and notice from the regulatory authorities for the following matters (the "**Warnings**"):

(a) Mr. Qiu acted as the signing auditor for Shenzhen Dvision Co., Ltd. (深圳市迪威迅股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300167) ("**Shenzhen Dvision**") for the financial year ended December 31, 2010. Because of subsequent revision the net profit figures arising from inadequate audit procedures, Mr. Qiu, as the signing auditor, received a notice of criticism in 2015 for his failure to exercise due diligence and supervision over the audit procedures;

(b) Mr. Qiu was the signing auditor for Shenzhen Liantronics Co., Ltd. (深圳市聯建光電股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300269) ("**Shenzhen Liantronics**") from 2014 to 2016. In 2019, Mr. Qiu received a warning letter from the Shenzhen Regulatory Bureau of the CSRC, primarily because inadequate audit procedures had been put in place for the audit of the annual financial statements of Shenzhen Liantronics; and

(c) Mr. Qiu was an independent director and the chairperson of the audit committee of Chipsea Technologies (Shenzhen) Corp., Ltd. (芯海科技(深圳)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688595) ("**Chipsea Technologies**") from June 2019 to April 2025. In 2023, Mr. Qiu received a regulatory warning from the Shanghai Stock Exchange for his inadequate due diligence and supervision over discrepancies between the performance forecast for the year ended December 31, 2022 and the audited financial results for the year ended December 31, 2022, following adjustments made by the external auditors in relation to expense recording. Following the incident, Mr. Qiu, as the then independent director and chairperson of the audit committee of Chipsea Technologies, had actively reviewed and discussed the discrepancies with management and external auditors, sought clarification regarding the basis for audit adjustments, and led the preparation of the issuance of the clarification announcement. He also ensured that the audit committee fulfilled its supervisory responsibilities in accordance with applicable laws and regulations following the incident. Furthermore, Mr. Qiu promoted the implementation of rectification measures following the incident, including enhancing transparency and compliance with accounting standards through targeted training within Chipsea Technologies, strengthening internal policies, and ensuring that the audit committee's recommendations were properly documented and communicated to the board of Chipsea Technologies.

However, Mr. Qiu was not named in the Warnings as being involved in any fraudulent or dishonest conduct. No other penalties were imposed on Mr. Qiu in relation to the above incident, and his practising qualification as a certified public accountant in the PRC was not affected by the notice of criticism. The above incident was unrelated to our Group and Mr. Qiu's role as our independent non-executive Director or the chairperson of the Audit Committee.

Despite the receipt of the Warnings and Notice, after conducting a comprehensive assessment (including understanding the nature of the underlying incidents leading to the Warnings and Notice), our Company and the Directors (excluding Mr. Zhou and Mr. Qiu) believe that the Warnings and Notice did not adversely affect Mr. Zhou's suitability to act as a non-executive Director and Mr. Qiu's suitability to act as an independent non-executive Director and the chairperson of the Audit Committee, and Mr. Zhou and Mr. Qiu possess the experience, knowledge, and skills required to serve as a director of a listed company. Therefore, according to Listing Rules 3.08 and 3.09, after considering the following reasons, each of Mr. Zhou and Mr. Qiu is suitable to serve as a Director and Mr. Qiu has the requisite expertise under Rule 3.10(2) of the Listing Rules to act as the chairperson of the Audit Committee:

(i) According to the PRC Company Law and the rules of the Shenzhen Stock Exchange and the Shanghai Stock Exchange, the Warnings and Notice are not administrative penalties against Mr. Zhou and Mr. Qiu and did not disqualify Mr. Zhou and Mr. Qiu from acting as a director or an independent director of any PRC incorporated company;

(ii) Mr. Zhou and Mr. Qiu received the Warnings and Notice because they were the directors and, in Mr. Qiu's case, the auditor of the relevant companies at the material time. The Warnings and Notice did not mention any fraudulent or dishonest conduct by Mr. Zhou or Mr. Qiu;

(iii) As disclosed in Mr. Zhou's and Mr. Qiu's biographies above, Mr. Zhou and Mr. Qiu have accumulated extensive experience in board affairs of listed companies in the PRC. Mr. Zhou is a certified public accountant in the PRC. Mr. Qiu is certified public accountant in the PRC and a visiting professor at a university, with deep knowledge in the field of audit and accounting. To the best of our knowledge after making all reasonable inquiries, apart from the Warnings and Notice mentioned above, neither Mr. Zhou nor Mr. Qiu has any other non-compliance records or otherwise subject to any inquiries, investigations and proceedings by regulatory authorities and other governmental agencies during their tenures as a director of our Company or any other listed company;

(iv) Despite the receipt of the Warnings and Notice, each of Mr. Zhou and Mr. Qiu has been serving on the board of directors of certain PRC listed company(ies) thereafter, demonstrating Mr. Zhou's and Mr. Qiu's value to these companies, as well as their abilities to fulfill their duties under the directorships they hold in our Company. With respect to Mr. Qiu, (i) Mr. Qiu is a certified public accountant in the PRC and has the appropriate professional qualifications satisfying the requirement under Rule 3.10 of the Listing Rules; (ii) Mr. Qiu has been the independent director and/or the audit committee member for four listed companies and has accumulated the knowledge and experience in serving audit committees of listed companies. Particularly notable that, following the Warnings, Mr. Qiu was still appointed and has served as an independent director and a member of audit committee of Chanyuan Technology Group Co., Ltd. (長園科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600525) since November 2024. See Mr. Qiu's biography in "Directors and Senior Management Directors" for details; (iii) Mr. Qiu is also currently and has been appointed a visiting professor of the School of Accounting of Jiangxi University of Finance and Economics (江西財經大學) since November 2024; (iv) Mr. Qiu is a research scholar in the field of accounting receiving industry recognition, his academic research on the topic of equity incentives received the Second Prize of Accounting Academic Projects in 2023 issued by of Shenzhen Accounting Society (深圳市會計學會) in the PRC; and (v) Mr. Qiu has continued with professional development and received trainings as a certified public accountant in the PRC following the Warnings, further updating Mr. Qiu's professional knowledge and regulatory awareness, enhancing his ability to supervise and ensure compliance as well as demonstrating his expertise to act as a chairperson of the Audit Committee under Rule 3.10(2) of the Listing Rules;

(v) Mr. Zhou and Mr. Qiu have participated in relevant trainings to keep up with the latest regulatory developments, including training programmes, attending seminars and workshops led by industry professionals, and regularly reviewing up-to-date reading materials such as regulatory bulletins, guidance notes, legal commentaries, and industry publications delivered by the Company to the Directors and senior management from time to time covering topics such as corporate governance, directors' responsibilities, continuous obligations of listed companies under the Listing Rules and the consequences of violating the Listing Rules and Hong Kong laws. In particular, Mr. Qiu has completed follow-up trainings for independent directors of listed companies following the relevant incidents, and has fully learned the professional skills and corresponding responsibilities required for independent directors of listed companies;

(vi) We have also implemented internal control measures to ensure full compliance with applicable laws and regulations in the future, including but not limited to appointing the compliance adviser and enhancing the information disclosure policies. We have established a comprehensive information disclosure management system which will become effective upon listing. This system will monitor and manage our information disclosure activities to prevent similar incidents happening to our Company. It includes a clear review process to ensure the accuracy and truthfulness of disclosures, involving coordinated reviews by multiple departments (such as the Board Office, legal department, finance department and relevant business units and functional departments), including the secretary to the Board. In addition, when reviewing the disclosure on certain transactions, Directors, including independent non-executive Directors may seek independent professional advice at the cost of our Company to assist in reviewing and evaluating the relevant transactions; and

(vii) Our Company and the Directors will ensure compliance with all applicable laws and regulations, including but not limited to the Listing Rules, by timely consulting the compliance adviser and seeking independent legal advice when necessary (especially before entering into any transaction or corporate action subject to Chapter 14 and Chapter 14A of the Listing Rules).

Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor which casts reasonable doubt on the above view of the Company and the Directors (excluding Mr. Zhou and Mr. Qiu) that the Warnings and Notice did not adversely affect Mr. Zhou's suitability to act as a non-executive Director and Mr. Qiu's suitability to act as an independent non-executive Director and the chairperson of the Audit Committee, respectively, and Mr. Zhou and Mr. Qiu possess the experience, knowledge, and skills required to serve as a director of a listed company.

COMPANY SECRETARIES

Ms. ZHOU Yuanyuan (周鴛鴦), has been appointed as our joint company secretary since April 2025.

Ms. Zhou joined our Company in March 2021, and served as a securities affairs commissioner until December 2021. She has served as securities affairs representative since January 2022. From June 2014 to February 2021, Ms. Zhou served as an accountant at Han's Laser.

Ms. Zhou obtained the bachelor's degree in accounting from Tianjin University of Commerce (天津商業大學) in July 2011. Ms. Zhou obtained intermediate accounting qualification (中級會計職稱) by Guangdong Provincial Department of Human Resources and Social Security on January 2017.

Ms. WONG Nga Sim (黃雅嬋), has been appointed as our joint company secretary since April 2025.

Ms. Wong has over 8 years of experience in the corporate secretarial field. She currently serves as the manager of Company Secretarial Services of Tricor Services Limited (a member of Vistra Group). She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Wong obtained a bachelor's degree in business administration (hons.) from Hong Kong Baptist University in 2015. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in May 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

We have established four Board Committees in accordance with the relevant laws and regulations in the PRC, the Articles, and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee. The functions of the four committees are summarized as follows:

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions, and provide advice and comments to the Board. The Audit Committee comprises three members, namely Mr. QIU Yunliang, Mr. ZHOU Huiqiang and Ms. LI Weiwei, with Mr. QIU Yunliang as the chairperson of the Audit Committee and is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Evaluation Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses, and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises three members, namely Dr. XIN Guosheng, Mr. ZHOU Huiqiang and Mr. QIU Yunliang, with Dr. XIN Guosheng as the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises three members, namely Ms. LI Weiwei, Dr. XIN Guosheng and Mr. DU Yonggang, with Ms. LI Weiwei as the chairperson of the Nomination Committee.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. The Strategy Committee comprises three members, namely Mr. YANG Chaohui, Mr. ZHANG Jianqun and Mr. QIU Yunliang, with Mr. YANG Chaohui as the chairperson of the Strategy Committee.

Corporate Governance Code

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the Listing, save for the deviation from provision C.2.1 of Part 2 of the Corporate Governance Code that Mr. YANG Chaohui will serve as both our chairperson of the Board and general manager as discussed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and the chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairperson and chief executive, and Mr. Yang currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the general manager of our Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract, retain, and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our

Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

In particular, our Company currently has three female Directors on the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have four independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and, when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

Management Presence

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. See "Waivers from Strict Compliance with the Listing Rules and Exemptions from the Companies (Winding Up And Miscellaneous Provisions) Ordinance" in this Prospectus for further details.

REMUNERATION

Our Directors, former supervisors of the Company (the "**Supervisors**") and senior management receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, allowances and benefits in kind, performance related bonuses, share-based payment compensation and pension scheme contributions.

For each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, the total remuneration paid to our Directors and Supervisors amounted to RMB3.0 million, RMB5.9 million, RMB41.6 million and RMB23.4 million, respectively.

For each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, there were one, one, one and one Director among the five highest paid individuals, respectively. The total remuneration paid to the remaining individuals among the five highest paid individuals for each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025 amounted to RMB7.2 million, RMB7.5 million, RMB18.7 million and RMB10.2 million, respectively.

During the Track Record Period, no payment was made by us to any of our Directors, Supervisors or the five highest-paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, no compensation was paid to, or receivable by, any Director, former Director, Supervisor, former Supervisor or any of the five highest-paid individuals for the loss of office as a director of any member of our Group or for the loss of any other office in connection with the management of the affairs of any member of our Group. Save as disclosed above, there was no other payments paid or payable by our Company or any of our subsidiaries to our Directors, Supervisors or the five highest-paid individuals during the Track Record Period.

The remuneration of our Directors, Supervisors and senior management is determined with reference to their responsibilities, qualifications, position and seniority. Under the arrangement currently in force, the aggregate amounts of remuneration payable by our Company to our Directors and Supervisors for the year ending December 31, 2025 will be approximately RMB27.9 million. The actual remuneration of Directors and Supervisors in 2025 may be different from the expected remuneration.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice regarding compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise our Company, among others, in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where the business activities, development, or results of our Group deviate from any forecast, estimate, or other information in this Prospectus; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of our listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the compliance advisor shall commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, and such appointment may be subject to extension by mutual agreement.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Gao was interested in approximately 84.39% of the total issued share capital of our Company through (i) Han's Laser as to approximately 83.63% and (ii) Dazu Holdings as to approximately 0.76%. Han's Laser is a company listed on the Shenzhen Stock Exchange (stock code: 002008) and a consolidated subsidiary of Dazu Holdings. As of the Latest Practicable Date, Han's Laser was a consolidated subsidiary of Dazu Holdings on the basis that (i) despite Mr. Gao, directly and indirectly through Dazu Holdings, holding only 25.07% of the equity interest in Han's Laser, Mr. Gao (himself and through Dazu Holdings) was the largest shareholder of Han's Laser, and (ii) Dazu Holdings controlled the board of directors of Han's Laser as the board of directors of Han's Laser comprised 12 directors, 10 of whom were nominated by Dazu Holdings. As of the Latest Practicable Date, (i) Han's Laser was held by Dazu Holdings, Mr. Gao and other A shareholders as to 15.71%, 9.36% and 74.93%, respectively, and (ii) Dazu Holdings was directly held as to 99.875% by Mr. Gao, and as to 0.125% by Han's Global, which was in turn wholly and beneficially owned by Mr. Gao. As such, Mr. Gao, Han's Laser, Dazu Holdings and Han's Global constitute the Controlling Shareholders Group of our Company.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering), the Controlling Shareholders Group will hold in aggregate approximately 75.45% of the issued share capital of our Company. Therefore, they will remain as the Controlling Shareholders Group upon completion of the Global Offering.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Non-compete Undertakings

In order to avoid competition between the Controlling Shareholders Group and their respective controlled corporations (other than our Group) (the "**Related Parties**") and our Company, each of Mr. Gao, Dazu Holdings and Han's Laser executed a non-competition undertaking on May 11, 2021 (the "**CS Non-Competition Undertakings**") to undertake that:

(a) During the period in which each of Mr. Gao, Dazu Holdings and Han's Laser is a member of our Controlling Shareholders Group, our Group shall be designated as the exclusive platform for the R&D, production, and sales of specialized PCB production equipment;

(b) During the period in which each of Mr. Gao, Dazu Holdings and Han's Laser is a member of our Controlling Shareholders Group, each of Mr. Gao, Dazu Holdings and Han's Laser will make all reasonable efforts to ensure that the Related Parties do not engage in any business that constitutes material adverse competition with the principal business of our Group;

(c) Each of Mr. Gao, Dazu Holdings and Han's Laser will supervise and restrain the business activities of the Related Parties. In the case that each of Mr. Gao, Dazu Holdings, Han's Laser and/or the Related Parties obtain any business opportunity from any third party that constitutes material adverse competition with the principal business of our Group, each of Mr. Gao, Dazu Holdings, Han's Laser and/or the Related Parties shall immediately notify our Company and endeavor to enable our Group to obtain such business opportunity. In the case that any of Mr. Gao, Dazu Holdings, Han's Laser and/or the Related Parties engage in principal businesses that constitute material adverse competition with our Group, it/he shall immediately inform our Company in writing upon becoming aware of the situation and, take all reasonable measures to avoid and resolve such competition, including but not limited to our Company's being entitled to request each of Mr. Gao, Dazu Holdings and Han's Laser to coordinate and resolve the matter through our Company's acquisition such competing business within a reasonable period or sale of such competing business by any of Mr. Gao, Dazu Holdings, Han's Laser and/or Related Parties or other measures as appropriate;

(d) Each of Mr. Gao, Dazu Holdings and Han's Laser will not take advantage of its position to engage in or participate in any actions that harm the interests of our Company and the other Shareholders (including in particular, the minority Shareholders), and will not use any information obtained from our Group to assist any third party in conducting business activities that constitute material adverse competition with the principal business of our Group; and

(e) If, during the course of its implementation, any of Mr. Gao, Dazu Holdings and Han's Laser violates any of the above undertakings, it/he shall compensate our Group with all benefits and profits obtained from the relevant transactions, and where such violation causes any economic losses to our Group, it/he shall be held liable for the relevant compensation in accordance with the relevant legal requirements.

Our Company also executed a non-competition undertaking on May 11, 2021 (together with the CS Non-Competition Undertakings, the "**Non-Competition Undertakings**") to undertake that:

(a) our Company shall continue to engage in the business of the R&D, production, and, sales of specialized PCB production equipment following the listing of its A shares on the Shenzhen Stock Exchange; and

(b) our Company shall not engage in any competing business which constitutes material adverse effect to Han's Laser and its controlled corporations.

Business Delineation

Our Group's business can be clearly delineated from the business of the Controlling Shareholders Group, as our principal business is different from those of the Controlling Shareholders Group.

As a result of the Non-Competition Undertakings, during the period in which each of Mr. Gao, Dazu Holdings and Han's Laser is a member of our Controlling Shareholders Group, (i) our Group shall be designated as the exclusive platform for the R&D, production, and sales of specialized PCB production equipment for our Controlling Shareholders Group; and (ii) each of Mr. Gao, Dazu Holdings and Han's Laser will make all reasonable efforts to ensure that the Related Parties do not engage in any business that constitutes material adverse competition with the principal business of our Group.

On the other hand, Han's Laser, Dazu Holdings and Han's Global are engaged in businesses in areas which do not constitute material adverse competition with the principal business of our Group, i.e., PCB production equipment related businesses, in particular:

(a) Han's Laser is listed on the Shenzhen Stock Exchange (stock code: 002008) and specializes in the R&D, production, and sales of intelligent manufacturing equipment and its key components. Han's Laser is engaged in the production of intelligent manufacturing equipment and its components, which have a much broader and more general range of applications, with its products mainly comprise four categories: (i) non-PCB-specific components and industry-standard products such as ultraviolet and ultrafast lasers, high-power fibre lasers, medium- and low-power CO_2 lasers, pulsed fibre lasers, and general motion control systems, (ii) customized non-PCB equipment and products based on client's specific needs such as specialized laser marking equipment and laser welding equipment for consumer electronics equipment, production and processing equipment for lithium battery cells and modules, photovoltaic equipment used in the photovoltaic cell and module segments, (iii) semiconductor equipment, such as laser dicing and full-cut equipment, laser internal modification cutting equipment for front-end wafer processing; and (iv) advanced laser-related manufacturing products such as standard laser cutting, welding, and marking equipment, general-purpose laser processing equipment. In particular, the intended applications and usage scenarios of Han's Laser's products serve broad industrial purposes such as laser marking, cutting, welding, scribing, and cleaning across multiple sectors including automotive, consumer electronics, photovoltaics, and semiconductors, rather than PCB-specific manufacturing processes. The applications and core functions of these equipment differ significantly from the specialized PCB manufacturing equipment that the Group focuses on.

In contrast, our Group, as the dedicated PCB specialized equipment business unit of Han's Laser, focuses exclusively on the research, development, production, and sales of specialized equipment for PCB manufacturing processes, including key procedures such as drilling, pattern transfer, and quality inspection. The vast majority of equipment used in PCB manufacturing processes is specialized equipment which Han's Laser does not produce.

Therefore, there is no functional overlap between the products manufactured by the Group and those produced by Han's Laser, and there is no direct competition between our Group and Han's Laser.

However, due to the highly versatile and cross-industry nature of certain equipment produced by Han's Laser, there is a small overlap in their customer base. For example, Han's Laser's general-purpose processing equipment, such as laser marking machines, can be used for processing a variety of materials including plastics, paper, and stone, as well as for marking QR codes on PCB surfaces. As a result, Han's Laser also sells such equipment to companies in the PCB industry. For further details of overlapping customers, see below "— Operational Independence";

(b) Dazu Holdings was founded in 1996 and, as of the Latest Practicable Date, had a registered capital of RMB800 million. Dazu Holdings is a holding company of more than 60 subsidiaries with more than 18,000 employees operating across a wide range of sectors, including but not limited to, equipment manufacturing through Han's Laser as described in sub-paragraph (a), new energy, real estate development (both industrial and residential), hotel operations, property management, and several other sectors; and

(c) Han's Global is a subsidiary of Dazu Holdings, located in the Beijing Yizhuang National High-Tech Economic and Technological Development Zone (北京亦莊國家級高新經濟技術開發區), with a registered capital of RMB400 million. Han's Global manages two main asset projects with a total area of 530,000 square metres: the Dazu Enterprise Bay

Project (大族企業灣項目) which primarily focuses on leasing factories and R&D buildings, while the Dazu Plaza Project (大族廣場項目) which specialises in leasing commercial and office space. In addition, Han's Global has a subsidiary, Han's Qihang (Beijing) Technology Innovation Co., Ltd. (大族啟航(北京)科技創新有限公司), which is principally engaged in technical consulting and technical services.

As such, our Group is specialized as a solution provider for PCB production equipment of our Controlling Shareholders Group and our Controlling Shareholders Group do not involve in the business of of PCB production equipment. For further details of the business model and products and solutions offered by our Group, see the section headed "Business — Our Products."

Management Independence

Our Board consists of nine Directors, including one executive Director, four non-executive Directors and four independent non-executive Directors, of which three non-executive Directors, namely, Mr. ZHANG Jianqun (張建群) ("**Mr. Zhang**"), Mr. ZHOU Huiqiang (周輝強) ("**Mr. Zhou**") and Mr. DU Yonggang (杜永剛) ("**Mr. Du**"), also hold positions in Han's Laser, including Mr. Zhang as the deputy chairperson of the board and an executive deputy director of the management and decision committee of Han's Laser, Mr. Zhou as a director, an executive deputy director of the management and decision committee and the financial director of Han's Laser, and Mr. Du as the board secretary and deputy director of the management and decision committee of Han's Laser. Save as disclosed above, none of our Directors or members of our senior management team holds any position in any member of the Controlling Shareholders Group or their respective close associates.

Our Directors consider that we are capable of maintaining management independence for the following reasons:

(a) each of Mr. Zhang, Mr. Zhou and Mr. Du is a non-executive Director and is not involved in our day-to-day operation, while our daily management and operations are carried out independently by our senior management team (one of which is our executive Director), all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management" in this Prospectus;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested;

(d) we have four independent non-executive Directors, comprising more than one-third of the total seats on our Board. They have been appointed in compliance with the requirements under the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of the independent non-executive Directors from different backgrounds provides a balance of views and opinions for our Board; and

(e) We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Controlling Shareholders Group which would support our independent management. For details, see "— Corporate Governance" in this section.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders Group and their respective close associates after the Listing.

Operational Independence

We operate independently from our Controlling Shareholders Group and their respective close associates. We make and implement operational decisions independently of our Controlling Shareholders Group and has our own organizational structure with independent departments, each with specific areas of responsibility. Furthermore, we have independent production capabilities and technology relating to our Group's business and do not rely on the operations of our Controlling Shareholders Group. As of the Latest Practicable Date, the Group did not jointly own or develop any intellectual properties or jointly operate any R&D centers with its Controlling Shareholders Group or any of their respective close associates. We also maintain a set of comprehensive internal control measures to facilitate the effective operation of our business. We have established independent and comprehensive labor, personnel, and salary management systems, and have our own headcount of employees to operate the business for our operations and management for human resources. We are independent of our Controlling Shareholders Group in terms of organizational structure and personnel.

We have our independent sales and marketing teams. Members of our marketing team were recruited by our Group independently. For each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, there were no overlapping customers between the Group and Dazu Holdings and Han's Global. For each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, approximately 4.98%, 5.09%, 5.09% and 4.15% of the customers of our Group overlapped with those of Han's Laser, respectively. These overlapping customers were approached and dealt with by our Group and Han's Laser independently. Due to the following reasons, our Directors are of the view that sales to overlapping customers does not result in reliance on Han's Laser and its close associates and is in the interests of the Company and the Shareholders as a whole:

(a) we have full discretion in marketing and sales channels, and all the transactions between our Group and the overlapping customers are negotiated independently from Han's Laser and its close associates;

(b) most of the overlapping customers were large listed companies and conglomerate groups which operated across a wide range of business sectors, including consumer electronics and automotive electronics, and sought after different products from our Group and Han's Laser; and

(c) as advised by CIC, the customers in the downstream industries of the Company are mostly large listed companies and large conglomerate groups, and it is not uncommon that such customers seek for a wide range of different products for their business operations.

We procure parts and materials used in R&D and manufacturing independently. We have a separate procurement team and run our election and procurement process independently from our Controlling Shareholders Group and their respective close associates. For each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, there were no overlapping suppliers between the Group and Dazu Holdings and Han's Global. For each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, approximately 22.05%, 22.20%, 22.97% and 22.50% of the suppliers of our Group overlapped with those of Han's Laser, respectively. These overlapping suppliers were selected by our Group and

Han's Laser independently. Due to the following reasons, the Directors are of the view that procurement from overlapping suppliers does not result in reliance on Han's Laser and its close associates and is in the interests of the Company and the Shareholders as a whole:

(a) we have full discretion to select our suppliers, and all the transactions between our Group and the overlapping suppliers are negotiated independently from Han's Laser and its close associates;

(b) most of the overlapping suppliers are reputable large listed companies or conglomerate groups supplying high-precision equipment general components which are commonly used in the production of a wide range of machineries and equipment in various industries such as motors, digital server drivers, motion controllers and various range of lasers. Further, Han's Laser operates across a broad spectrum of products and business areas, necessitating procurement from a large pool of suppliers and increases the chances of supplier overlapping with the Group;

(c) most general components are readily available from alternative suppliers in the market at comparable prices, quality and terms as the overlapping suppliers; and

(d) as advised by CIC, most of the suppliers equipped with the professional and appropriate qualities in meeting the Group's demands in the upstream industries of the Group are large listed companies and conglomerate groups, and it is not uncommon that such suppliers supply a wide range of different products.

We entered into certain continuing connected transactions with our connected persons. Such connected transactions are entered into for the daily operational need of the Company, and are entered into upon arm's length negotiation and on normal commercial terms or better. See section headed "Connected Transactions" for more details. Considering that these transactions did not and are not expected to involve significant transaction amounts and are not material to the operation of our Group's principal business, our Directors believe that such transactions will not have any impact on the operational independence of our Group.

Based on the above, our Directors believe that our business is operationally independent from our Controlling Shareholders Group and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions independently according to our Company's own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We do not expect to rely on our Controlling Shareholders Group and their respective close associates for financing after the Listing as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalent on hand as well as the proceeds from the Global Offering.

In addition, we are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders Group or their respective associates. As of the Latest Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to members of our Controlling Shareholders Group or their respective associates, nor do we have any funds or assets occupied by members of our Controlling Shareholders Group or their respective associates, or any shared bank accounts or commingled tax filing with the Controlling Shareholders Group or their respective controlled corporations.

Based on the above, our Directors believe that we are financially independent from our Controlling Shareholders Group and their respective close associates.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS GROUP IN OTHER BUSINESSES

Each member of our Controlling Shareholders Group confirmed that as of the Latest Practicable Date, apart from the business of our Company, it/he did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Company and our Controlling Shareholders Group and their respective close associates:

(a) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders Group or any of their associates has a material interest, our Controlling Shareholders Group or any of their associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon Listing. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Controlling Shareholders Group or any of their associates, our Company will comply with the applicable Listing Rules;

(e) we are committed that our Board shall include a balanced composition of executive Director and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management";

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders Group, and to protect minority Shareholders' interests after the Listing.

Upon Listing, we will engage in certain transactions with our connected persons, which will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transaction upon Listing:

Names of our connected persons	Connected Relationship
Han's Laser (together with its subsidiaries apart from our Group, the "**Han's Laser Group**")	Han's Laser is a member of our Controlling Shareholders Group.
Han's TianCheng Semiconductor Co., Ltd. (北京大族天成半導體技術有限公司) ("**Beijing Tiancheng**") and its subsidiary	Beijing Tiancheng is owned as to over 30% by Han's Laser, a member of our Controlling Shareholders Group. Accordingly, Beijing Tiancheng is an associate of Han's Laser, and therefore a connected person of our Company under the Listing Rules.
Dazu Holdings and its associates (apart from the Han's Laser Group)	Dazu Holdings is a member of our Controlling Shareholders Group.

SUMMARY OF OUR CONNECTED TRANSACTIONS

Transaction	Counterparty	Applicable Listing Rule	Waiver sought
Fully-exempt Continuing Connected Transaction			
1. Trademark licensing from Han's Laser	Han's Laser	14A.76(1)	N/A
Partially-exempt Continuing Connected Transactions			
2. Procurement of products and services from Han's Laser Group	Han's Laser Group	14A.35, 14A.76(2) and 14A.105	Announcement requirement
3. Provision of products and services to Han's Laser Group	Han's Laser Group	14A.35, 14A.76(2) and 14A.105	Announcement requirement

Transaction	Counterparty	Applicable Listing Rule	Waiver sought
4. Procurement of lasers from Beijing Tiancheng and its subsidiary	Beijing Tiancheng	14A.35, 14A.76(2) and 14A.105	Announcement requirement
5. Procurement of property and construction management services from Dazu Holdings . . .	Dazu Holdings	14A.35, 14A.76(2) and 14A.105	Announcement requirement

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

1. Trademark licensing from Han's Laser

On April 28, 2025, our Company entered into a trademark licensing agreement with Han's Laser ("**Trademark License Agreement**"), pursuant to which Han's Laser irrevocably granted to us non-transferable licenses for the use of certain trademarks ("**Licensed Trademarks**") on a royalty-free basis for the validity period of the Licensed Trademarks commencing from the date of the Trademark License Agreement provided that our Company remains as a consolidated subsidiary of Han's Laser. For details of the Licensed Trademarks, see "Appendix VI — Statutory and General Information — 2. Further Information about our Business — B. Our Material Intellectual Property Rights" in this Prospectus.

We believe that the entering into of the Trademark License Agreement with a term of more than three years can ensure the stability of our operations, and is beneficial to us and the Shareholders as a whole. The Sole Sponsor is of the view that it is not uncommon business practice for agreements of this type to be of such duration.

As the right to use the Licensed Trademarks is granted to us on a royalty-free basis, the transactions under the Trademark License Agreement fall within the *de minimis* threshold under Rule 14A.76 of the Listing Rules and will be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2. Procurement of products and services from Han's Laser Group

On January 29, 2026, our Company (for and on behalf of the Group) entered into a framework agreement with Han's Laser (for and on behalf of Han's Laser Group) ("**Procurement Framework Agreement**"), pursuant to which, our Group would procure from Han's Laser Group comprehensive products and services, including but not limited to, accessories, raw materials and repair services ("**Supporting Products and Services**") as our Group may require from time to time.

The initial term of the Procurement Framework Agreement will commence on the Listing Date and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Procurement Framework Agreement.

Reasons for the transaction

Our Group has a long-term and stable business cooperation with Han's Laser Group. Han's Laser Group provides the Supporting Products and Services which we may require in the process of our productions and operations. In our ordinary and usual course of business, our Group has been procuring the Supporting Products and Services from Han's Laser Group from time to time, which enables them to be familiar with our business needs, quality standards and operational requirements in respect of our production and assembly lines. Our Directors believe that maintaining a stable and quality business relationship with Han's Laser Group will facilitate our business operations and growth.

Pricing policies

The fees to be paid to Han's Laser Group by us under the Procurement Framework Agreement shall be determined based on arm's length negotiation between our Group and Han's Laser Group with reference to (i) the historical and prevailing market price, (ii) the type of products and services to be procured, (iii) the terms, price and conditions offered by other independent third-party suppliers, and (iv) the transaction volume of the products and services to be procured. The terms shall be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties, which are in the best interests of our Company and our Shareholders as a whole.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, the historical amounts of the transactions contemplated under the Procurement Framework Agreement were approximately RMB61.3 million, RMB43.1 million, RMB40.3 million and RMB48.4 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transactions contemplated under the Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees payable by us to Han's Laser Group	99.7	124.6	157.7

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions between our Group and Han's Laser Group during the Track Record Period in respect of the transactions contemplated under the Procurement Framework Agreement. The major Supporting Products and Services we procure from Han's Laser Group include, among others, motors, sensors, chillers and controllers (and corresponding repairing services), which are components of our PCB production equipment products. Therefore, our demand for the Supporting Products and Services is largely related to the number of PCB production equipment products that we produce and sell. As the Han's Laser Group is not the exclusive supplier of the Supporting Products and Services of our Group, our relevant purchase therefrom also depends on procurement allocation among all our suppliers, the transaction amount for the year ended December 31, 2023 decreased from that in the year ended December 31, 2022, primarily due to the market downturn of the sales of our PCB production equipment products. For the year ended December 31, 2024, as our previous procurement was sufficient to satisfy our production needs, the procurement amount remained steady as compared to that in the previous year despite the gradual recovery of the market. For the ten months ended October 31, 2025, the procurement amount increased due to the increased production quantity and sales revenue of our PCB production equipment.

(ii) the expected amount of procurement of the Supporting Products and Services by our Group from Han's Laser Group taking into account the needs of our future business growth and development. With respect to the proposed annual caps for the years ending December 31, 2026, 2027 and 2028, we also take into account the projected growth of the PCB industry and our business expansion in the coming years; and

(iii) other factors including but not limited to the expected prices of the Supporting Products and Services and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends. Establishing a long-term procurement mechanism with Han's Laser Group helps ensure production continuity, control costs, and buffer against price volatility.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Procurement Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting and annual review requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

3. Provision of products and services to Han's Laser Group

On January 29, 2026, our Company (for and on behalf of the Group) entered into a framework agreement with Han's Laser (for and on behalf of Han's Laser Group) ("**Provision Framework Agreement**"), pursuant to which our Group would provide PCB equipment products and related services, including but not limited to, PCB equipment and machinery, and related accessories and repair services to Han's Laser Group as Han's Laser Group may require from time to time.

The initial term of the Provision Framework Agreement will commence on the Listing Date and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Provision Framework Agreement.

Reasons for the transaction

Han's Laser Group has been one of our distributors. Our Group is engaged in, among others, the provision of PCB equipment products and solutions to PCB manufacturers. Given our competitive edge in the PCB equipment industry and the suitability and quality of our products, certain manufacturing processes of some downstream non-PCB manufacturers of Han's Laser Group can also utilise our equipment products. The Provision Framework Agreement is entered into solely for the purpose of supplying our Group's PCB equipment products and solutions to Han's Laser Group from time to time, for onward distribution to some of its downstream non-PCB manufacturers.

Pricing policies

The products and services fees to be paid by Han's Laser Group to us under the Provision Framework Agreement shall be determined based on arm's length negotiation between our Group and Han's Laser Group with reference to (i) the historical and prevailing market price, (ii) the type of products and services to be provided, (iii) the terms, price and conditions offered to other independent third-party customers, and (iv) the transaction volume of the products and services to be provided. The terms shall be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties, which are in the best interests of our Company and our Shareholders as a whole.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, the historical amounts of the transactions contemplated under the Provision Framework Agreement were approximately RMB7.3 million, RMB2.4 million, RMB0.9 million and RMB5.3 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the sales of the above products and services under the Provision Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees payable by Han's Laser Group to us	90.1	120.1	176.2

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions contemplated under the Provision Framework Agreement during the Track Record Period. The major products and services we provide to the Han's Laser Group include our PCB production equipment products and associated accessories (along with corresponding repair services) for Han's Laser Group's further distribution, the sales of which fluctuated as the demand of the downstream customers during the Track Record Period. In particular, the historical amount of the transactions contemplated under the Provision Framework Agreement decreased from RMB2.4 million in the year ended December 31, 2023 to RMB0.9 million in the year ended December 31, 2024, primarily due to the decrease in the downstream customers' demand due to market fluctuations. Although the PCB market has shown general signs of recovery, the downstream customers are in different industries and hence have not picked up the market recovery in the PCB market in time in 2024. However, the market started to pick up again in the ten months ended October 31, 2025 and our Group has commenced the sales of our PCB production equipment products to a Singapore subsidiary of Han's Laser such that the relevant transaction amount for the ten months ended October 31, 2025 reached RMB4.0 million;

(ii) the expected amount of sales of the above products and services by our Group to Han's Laser Group to meet the needs of the downstream customers of Han's Laser Group as well as the potential business growth thereof. In particular, our Group has commenced the sales of our PCB production equipment products to a Singapore subsidiary of Han's Laser, which was established in August 2023 and has been operating for over two years and has been part of our new overseas distributorship since 2025. Driven by the overall growth trend of the PCB industry, demand from the subsidiary's downstream customers is expected to further increase.

    In particular, the proposed annual cap for 2026 was determined based on the fact that, as of December 31, 2025, we had secured unexecuted orders totaling approximately RMB26 million from Han's Laser, which will be executed in 2026. Additionally, Han's Laser's Singapore subsidiary has begun fulfilling orders for overseas markets. It is expected that the amount of purchases by Han's Laser's Singapore subsidiary from our Group is projected to increase substantially to meet demand in overseas market from 2026; and

(iii) other factors including but not limited to the expected prices of the above products and services sold by our Group and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Provision Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting and annual review requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

4. Procurement of lasers from Beijing Tiancheng and its subsidiary

On January 29, 2026, our Company entered into a framework agreement with Beijing Tiancheng ("**Beijing Tiancheng Procurement Framework Agreement**"), pursuant to which, the Company would procure from Beijing Tiancheng and its subsidiary lasers and related products as our production and operation may require from time to time.

The initial term of the Beijing Tiancheng Procurement Framework Agreement will commence on the Listing Date and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. The parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Beijing Tiancheng Procurement Framework Agreement.

Reasons for the transaction

We have a long-term and stable business cooperation with Beijing Tiancheng and its subsidiary. In our ordinary and usual business, we have been procuring lasers from Beijing Tiancheng and its subsidiary from time to time, which enables them to be familiar with our business needs, quality standards and operational requirements in respect of our production and assembly lines. Our Directors believe that maintaining a stable and quality business relationship with Beijing Tiancheng and its subsidiary will facilitate our business operations and growth.

Pricing policies

The purchase price to be paid to Beijing Tiancheng and its subsidiary by us under the Beijing Tiancheng Procurement Framework Agreement shall be determined based on arm's length negotiation between our Company and Beijing Tiancheng and its subsidiary with reference to (i) the historical and prevailing market price, (ii) the type of products to be procured, (iii) the terms, price and conditions offered by other independent third-party suppliers, and (iv) the transaction volume of the products to be procured. The terms shall be no less favorable to us compared to those transactions between our Company and Independent Third Parties, which are in the best interests of our Company and our Shareholders as a whole.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, the historical amounts of the transactions contemplated under the Beijing Tiancheng Procurement Framework Agreement were approximately RMB31.0 million, RMB5.2 million, RMB20.1 million and RMB26.9 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Beijing Tiancheng and its subsidiary under the Beijing Tiancheng Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees payable by us to Beijing Tiancheng and its subsidiary . . .	40.0	45.0	50.0

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions contemplated under the Beijing Tiancheng Procurement Framework Agreement during the Track Record Period. The lasers and related products we procure from Beijing Tiancheng and its subsidiary are components of our PCB production equipment products, the demand for which is therefore primarily based on the number of PCB production equipment products that we produce and sell, as well as our procurement allocation plan among all our suppliers;

(ii) the expected amount of procurement of lasers and related products by our Company from Beijing Tiancheng and its subsidiary to meet the needs of our future business development. Specifically: (a) given the increase in the Company's order volume and capacity planning for 2026, the procurement of lasers, as a critical component, is expected to be correspondingly expanded, and (b) to mitigate upstream supply chain fluctuations and ensure delivery stability, our Company plans to increase safety stock of critical components in 2026. As a long-term related supplier, Beijing Tiancheng, which was established in November 2011 and began its cooperation with us in December 2014, has proven product quality and delivery capability and we expect to maintain a long-term partnership with them.

In particular, the proposed annual cap for 2026 was determined in consideration of the fact that the items procured from Beijing Tiancheng, which will primarily be used in photolithography equipment, are expected to experience growth in 2026. Accordingly, the annual transaction amount under the Beijing Tiancheng Procurement Framework Agreement in 2026 is anticipated to be significantly higher than in 2025; and

(iii) other factors including but not limited to the expected prices of lasers and related products, and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Beijing Tiancheng Procurement Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting and annual review requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

5. Procurement of property and construction management services from Dazu Holdings

On January 29, 2026, our Company entered into a framework agreement with Dazu Holdings, a member of our Controlling Shareholders Group ("**Dazu Service Procurement Framework Agreement**"), pursuant to which we would procure from Dazu Holdings and its associates (apart from the Han's Laser Group) property management services and project construction management services for (i) the operation of our industrial parks, offices and employee dormitories; (ii) the construction management services for our industrial park currently under construction as detailed in "Business — Our Production Bases — Shenzhen Production Base" and "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Non-current Assets and Non-current Liabilities — Property, Plant and Equipment"; and (iii) the subsequent property management services required by our industrial park following the completion of construction.

The initial term of the Dazu Service Procurement Framework Agreement will commence on the Listing Date and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. The parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Dazu Service Procurement Framework Agreement.

Reasons for the transaction

We have a long-term and stable business cooperation with Dazu Holdings. In our ordinary and usual business, we have been procuring property management services and project construction management services from Dazu Holdings and its subsidiaries from time to time, which enables them to be familiar with our business needs, requirements and standards of our Group's properties and construction projects. Our Directors believe that maintaining a stable and quality business relationship with Dazu Holdings will facilitate the management of our Group's properties and construction projects, including the Group's industrial parks.

Pricing policies

The service fee payable by us to Dazu Holdings shall be determined based on arm's length negotiation between the parties with reference to (i) the price of the project construction services as required by the relevant rules and regulations, (ii) the type of services to be procured, (iii) the size, location and type of the relevant properties and construction projects, and (iv) the transaction volume of the services to be procured. The terms shall be no less favorable to us compared to those transactions between us and Independent Third Parties, which are in the best interests of our Group and our Shareholders as a whole.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, the historical transaction amounts were approximately RMB12.2 million, RMB17.6 million, RMB8.8 million and RMB7.4 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Dazu Holdings under the Dazu Service Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees payable by us to Dazu Holdings	36.0	30.0	30.0

The proposed annual caps are determined based on:

(i) the relevant service rates of project construction services as required by the Administrative Measures for Agent Construction of Nanshan District Government-Invested Projects (南山區政府投資項目代建制管理辦法), which serves as a reference material for the pricing under the relevant transactions as it contains standard price charges for similar projects;

(ii) the construction plans of the relevant projects currently under construction, including our industrial parks, that require construction project management services. Since April 2022, we have engaged Dazu Holdings for project construction management services for our industrial park project under construction, which is expected to be completed and management services to be ended by June 30, 2026;

(iii) the payment schedule of project construction management services, taking into account the installment of project construction management services to be paid upon completion of construction of our industrial park by June 30, 2026;

(iv) the size, location, type, relocation and development plans of the relevant properties during the term of the Dazu Service Procurement Framework Agreement. The property management services required from Dazu Holdings are expected to have a substantial increase, particularly in 2026, as a relatively large area will require property management services when our industrial park starts to operate following its completion of construction by June 30, 2026. Furthermore, upon the completion of the construction of our industrial park, the project construction management service fees will be settled, and no such expenses will occur in 2027 and 2028. Therefore, the expected proposed annual caps under the Dazu Service Procurement Framework Agreement will decrease slightly in 2027 and 2028; and

(v) other factors including but not limited to the expected prices of the above services and their potential fluctuations, taking into account the costs and expenses relating to labor and construction materials.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Dazu Service Procurement Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting and annual review requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

INTERNAL CONTROL MEASURES ADOPTED BY THE COMPANY IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under the Board is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee under the Board, the Board and various internal departments of our Company are jointly responsible for evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps for each transaction;

- the Audit Committee under the Board, the Board and various internal departments of our Company also regularly monitor the fulfillment status and the updates in relation to the continuing connected transactions. In addition, the management of our Company also regularly reviews the pricing policies of the continuing connected transactions;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and

- when considering the service fees and other fees provided by us to the above connected persons, our Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties.

DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the continuing connected transactions under the Procurement Framework Agreement, Provision Framework Agreement, Beijing Tiancheng Procurement Framework Agreement and Dazu Service Procurement Framework Agreement (the "**Partially-Exempt Continuing Connected Transactions**") have been and will be entered into in our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps under each of the Procurement Framework Agreement, Provision Framework Agreement, Beijing Tiancheng Procurement Framework Agreement and Dazu Service Procurement Framework Agreement are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

SOLE SPONSOR'S CONFIRMATION

The Sole Sponsor has (i) reviewed the relevant documents and information provided by our Company in relation to the Partially-Exempt Continuing Connected Transactions; and (ii) participated in the due diligence and discussions with the management of our Group.

Based on the aforementioned and the Directors' view above, the Sole Sponsor is of the view that the Partially-Exempt Continuing Connected Transactions have been entered into in the ordinary and usual course of our business on normal commercial terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of the Partially-Exempt Continuing Connected Transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVERS GRANTED BY THE STOCK EXCHANGE

As the above Partially-Exempt Continuing Connected Transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement requirement will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on our Group. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, waivers pursuant to Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of transactions contemplated under the Procurement Framework Agreement, Provision Framework Agreement, Beijing Tiancheng Procurement Framework Agreement and Dazu Service Procurement Framework Agreement, provided that the total amount of such transactions for the three years ending December 31, 2026, 2027 and 2028 shall not exceed the proposed caps as set out in this section.

Apart from the announcement requirement from which a waiver is sought, the Company will comply with the applicable requirements under Chapter 14A of the Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transaction referred to in this Prospectus, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as of the Latest Practicable Date and immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing), the following persons will have an interest or short position (as applicable) in our Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company:

Shareholder	Nature of Interest	Number and Description of Shares	Approximate Percentage of Interest in the Total Issued Share Capital of our Company as of the Latest Practicable Date	Approximate Percentage of Shareholding in the A Shares shortly after the Global Offering	Approximate % of Shareholding in the Total Issued Share Capital of our Company immediately after the Global Offering
Mr. Gao	Interests in controlled corporations[(1)]	359,100,000 A Shares	84.39%	84.39%	75.45%
Han's Global	Interests in controlled corporations[(1)]	359,100,000 A Shares	84.39%	84.39%	75.45%
Dazu Holdings	Interests in controlled corporations[(1)]	355,868,100 A Shares	83.63%	83.63%	74.77%
	Beneficial owner	3,231,900 A Shares	0.76%	0.76%	0.68%
Han's Laser.	Beneficial owner	355,868,100 A Shares	83.63%	83.63%	74.77%

Note:

(1) Han's Laser is a company established in the PRC, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002008) and a consolidated subsidiary of Dazu Holdings. As of the Latest Practicable Date, (i) Han's Laser was held by Dazu Holdings, Mr. Gao and other A shareholders as to 15.71%, 9.36% and 74.93%, respectively; and (ii) Dazu Holdings was directly held as to 99.875% by Mr. Gao, and as to 0.125% by Han's Global, which was in turn wholly and beneficially owned by Mr. Gao. As such, as of the Latest Practicable Date, each of Mr. Gao, Han's Global and Dazu Holdings was taken to be interested in the 359,100,000 A Shares of the Company under the SFO.

Save as otherwise disclosed in this Prospectus, our Directors are not aware of any person who will, immediately following the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the

Latest Practicable Date and Listing), have an interest or short position in the Shares or underlying Shares of our Company which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of our Group.

SHARE PLEDGE BY DAZU HOLDINGS

As of the Latest Practicable Date, 3,231,900 A Shares directly held by Dazu Holdings, representing approximately 0.76% of our total issued share capital, were subject to pledge (the "**Share Pledge**") granted in favour of Shenzhen High Tech Investment and Financing Guarantee Co., Ltd. (深圳市高新投融資擔保有限公司) ("**Shenzhen High Tech Investment**"), a PRC financing company.

The Share Pledge was provided by Dazu Holdings for the purpose of securing financing facilities for Dazu Holdings to fund its businesses and investments. In March 2024, Dazu Holdings made a public issuance of corporate bonds (the "**Bonds**") with an amount of no more than RMB500 million (including the principal amount) to professional investors and an interest of 3.2% per year. The interests of the Bonds shall accrue and be paid annually since March 19, 2024, while the principal amount shall be redeemable on March 19, 2027 (the "**Redemption Date**"). As part of the credit enhancement measures, Shenzhen High Tech Investment provided guarantee with joint and several liability for the repayment of the Bonds. In return of such guarantee, Dazu Holdings granted the Share Pledge in favour of Shenzhen High Tech Investment.

As the Redemption Date is in March 2027, which is more than 12 months since the Listing Date, our Company is of the view that it is unlikely that Dazu Holdings is forced by Shenzhen High Tech Investment to trade out the A Shares it held within the lock-up period, to which Dazu Holdings as a member of the Controlling Shareholders Group is subject under Rule 10.07 of the Listing Rules, in the event of any defaults of the Bonds for the following reasons:

(a) pursuant to the terms of the Bonds and Share Pledge (i.e., the pledge of 3,321,900 A Shares directly held by Dazu Holdings, representing only approximately 0.76% of the Company's issued share capital), the principal amount shall only be redeemable on March 19, 2027 and therefore, in the unlikely event of a default in the repayment of the principal amount, such default could only occur after March 19, 2027, by which time the lock-up requirements applicable to Dazu Holdings under Rule 10.07 of the Listing Rules, as a member of the Controlling Shareholders Group, will have expired;

(b) as of the Latest Practicable Date, Dazu Holdings was engaged in various revenue generating business through its subsidiaries and held liquid assets, including operating cashflow, self-owned funds, and investment income and was able to repay the annual interests of the Bonds;

(c) to our best knowledge, Dazu Holdings has maintained stable business relationships and good credit records with several PRC commercial banks for more than a decade; and

(d) to our best knowledge, there has not been any default in respect of the Share Pledge as of the Latest Practicable Date.

Compliance by Dazu Holdings with Rule 10.07 of the Listing Rules is further ensured through the following measures:

(a) Dazu Holdings has undertaken to the Stock Exchange that it will comply with the relevant lock-up requirements under Rule 10.07 of the Listing Rules; and

(b) as required by the relevant rules of the Shenzhen Stock Exchange, Dazu Holdings shall periodically publish on the website of the Shenzhen Stock Exchange reports on updates relating to the Bonds, including but not limited to, the repayment of the Bonds, the financial positions of Dazu Holdings, the credit ratings of the Bonds, and any other relevant material developments.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the total issued share capital of our Company was 425,509,152 A Shares of nominal value of RMB1.00 each, which are all listed on the Shenzhen Stock Exchange ChiNext Market.

Description of Shares	Number of Shares	Approximate % of issued share capital
A Shares in issue	425,509,152	100.00%

Note: As of the Latest Practicable Date, no treasury Shares were held by the Company.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital
A Shares in issue	425,509,152	89.40%
H Shares to be issued pursuant to the Global Offering	50,451,800	10.60%
Total	**475,960,952**	**100.00%**

Immediately following the completion of the Global Offering, assuming that the Over-allotment Option is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital
A Shares in issue	425,509,152	88.00%
H Shares to be issued pursuant to the Global Offering	58,019,500	12.00%
Total	**483,528,652**	**100.00%**

OUR SHARES

Our H Shares in issue upon completion of the Global Offering, and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H shares for listing and trading on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

Approval from holders of A Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the shareholders' general meeting of our Company held on May 12, 2025 and is subject to the following conditions:

(i) *Size of the offer*. The proposed number of H Shares to be offered shall not exceed 10% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option). The number of H Shares to be issued pursuant to the full exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.

(ii) *Method of offering*. The method of offering shall be by way of an international offering to institutional investors and a public offer for subscription in Hong Kong.

(iii) *Target investors*. The H Shares shall be issued to public investors in Hong Kong under the Hong Kong Public Offering and international investors, qualified domestic institutional investors in mainland China and other investors who are approved by mainland Chinese regulatory bodies to invest abroad in International Offering.

(iv) *Price determination basis*. The issue price of the H Shares will be determined, among others, after due consideration of the interests of existing shareholders of our Company, acceptance of investors and the risks related to the offering, according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) *Validity period.* The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the shareholders' meeting was held on May 12, 2025.

There is no other approved offering plans for our Shares except the Global Offering.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstance under which our shareholders' general meeting is required, see "Appendix V — Summary of the Articles of Association — Shareholders and Shareholders' Meetings" in this Prospectus.

SHARES SCHEME

Certain employees of our Group are eligible to subscribe for interests of our Shares through our share incentive scheme. For details, please refer to "Appendix VI — Statutory and General Information — 4. Our Incentive Scheme" in this Prospectus.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors as set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe or cause their designated entities to subscribe (as the case maybe) at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of US$309.8 million, equivalent to approximately HK$2,416.0 million (calculated using the Hong Kong dollar to US dollar exchange rate as disclosed in this Prospectus) (the "**Cornerstone Placing**").

Pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules, at least 40% of the total number of Offer Shares initially offered in the Global Offering must be allocated to investors in the placing tranche (other than the Cornerstone Investors). As the Company is initially offering approximately 10% of the total number of Offer Shares in the Hong Kong Public Offering, no more than 50% of the total number of the Offer Shares initially offered in the Global Offering can be allocated to all Cornerstone Investors (the "**Cornerstone Placing Allocation Limit**"). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the Company, the Sole Sponsor and the Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Accordingly, the Company, the Sole Sponsor and the Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements to ensure compliance with the Cornerstone Placing Allocation Limit in the event that the final Offer Price is set at HK$95.80 or lower, and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of the Company to be published on or around Thursday, February 5, 2026.

Assuming an Offer Price of HK$95.80 per Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 25,218,400 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Appropriate % of the total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Appropriate % of the total issued share capital immediately upon completion of the Global Offering
49.99%	5.30%	43.47%	5.22%

Our Company is of the view that the Cornerstone Placing will help to raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Our Company became acquainted with each of the Cornerstone Investors through the business network of the Group and the Underwriters.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not acquire any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreement. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. The three largest public Shareholders will not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 8.08(3) and Rule 8.24 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors and their close associates will not, by virtue of the Cornerstone Placing, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. The Cornerstone Investors and their close associates do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side agreements or arrangements between the Company, any member of the Group, or any of their respective affiliates, directors, officers, employees, agents or representatives in the Global Offering and the Cornerstone Investors, any of their respective affiliates, directors, officers, employees, agents or representatives, or any benefit, direct or indirect, conferred on the Cornerstone Investors, any of their respective affiliates, directors, officers, employees, agents or representatives by virtue of or in relation to the Cornerstone Placing other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

Among the Cornerstone Investors, MSIP (as defined below) is an existing minority Shareholder. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of the Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders and/or their close associates. For further details, see "Waivers from Strict Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Allocation of H Shares to Existing Minority Shareholders and their Close Associates."

To the best of the knowledge, information and belief of our Company, save as disclosed above, (i) each of the Cornerstone Investors and their respective ultimate beneficial owners is an Independent Third Party and is independent of the Group, its connected persons and their respective close associates; (ii) none of the Cornerstone Investors is accustomed to take or has taken instructions from our Company, the Directors, the chief executive of our Company, the Controlling Shareholders Group, substantial Shareholders, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly or indirectly financed, funded or backed back by our Company, the Directors, the chief executive of our Company, the Controlling Shareholders Group, substantial Shareholders, existing Shareholders or any of their subsidiaries or their respective close associates; (iv) save for Wind Sabre (as defined below), each Cornerstone Investor will be utilizing its internal financial resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares; (v) each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (vi) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. In addition, to the best knowledge of our Company, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

If there is over-allocation in the International Offering, there may be delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors under the Cornerstone Placing. All of the Cornerstone Investors have agreed that the Sponsor-Overall Coordinator may, in its sole discretion, defer the delivery of all or part of the Offer Shares that such Cornerstone Investors have subscribed for to a date later than the Listing Date. All of the Cornerstone Investors, including the aforesaid Cornerstone Investors who have agreed to a potential delayed delivery arrangement, have agreed to fully pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Offer Shares commence on the Stock Exchange.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around Thursday, February 5, 2026.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Hongxing International

Hongxing International Technology Limited (宏興國際科技有限公司) ("**Hongxing International**") will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement. Hongxing International is a limited company established under the laws of Hong Kong and is wholly owned by Victory Giant Technology (HuiZhou) Co., Ltd. (勝宏科技(惠州)股份有限公司), a company established under the laws of PRC, and the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300476).

GIC Private Limited

GIC Private Limited will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement. GIC Private Limited is a leading global investment firm established in 1981 to secure Singapore's financial future. As the manager of Singapore's foreign reserves, it takes a long-term, disciplined approach to investing. Its asset allocation strategy spans three asset groups — Equities, Fixed Income, and Real Assets. These include investments in developed and emerging market equities, nominal and inflation-linked bonds, private equity, real estate, alternatives, and infrastructure. Its long-term approach, multi-asset capabilities, and global connectivity enable it to be an investor of choice. It seeks to add meaningful value to its investments. Headquartered in Singapore, it has a global talent force of over 2,300 people in 11 key financial cities and have investments in over 40 countries.

Schroders

SIMSL

Schroder Investment Management (Singapore) Ltd ("**SIMSL**"), acting as a discretionary investment manager for and on behalf of certain funds and/or segregated accounts with a focus on Asian Equities, has entered into the cornerstone investment agreement with the Company. To the best of SIMSL's knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating accounts of such funds/accounts, and each of such fund/account is an Independent Third Party.

SIMSL is a company incorporated in Singapore. SIMSL is ultimately wholly owned by Schroders plc, whose ordinary shares are listed on the London Stock Exchange (LON: SDR). There is no individual person who is the "ultimate controlling shareholder" of Schroders plc. The interests of some members of the Schroder family, are spread across a number of parties, who are collectively known as the Principal Shareholder Group (PSG).

SIMHK

Schroder Investment Management (Hong Kong) Limited ("**SIMHK**"), acting as a discretionary investment manager for and on behalf of certain funds and/or segregated accounts with a focus on Asian Equities, has entered into the cornerstone investment agreement with the Company. To the best of SIMHK's knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating accounts of such funds/accounts, and each of such fund/account is an Independent Third Party.

SIMHK is a company incorporated in Hong Kong. SIMHK is ultimately wholly owned by Schroders plc, whose ordinary shares are listed on the London Stock Exchange (LON: SDR). There is no individual person who is the "ultimate controlling shareholder" of Schroders plc. The interests of some members of the Schroder family, are spread across a number of parties, who are collectively known as the Principal Shareholder Group (PSG).

HHLRA

HHLR Advisors, Ltd. ("**HHLRA**"), an exempted company incorporated in the Cayman Islands, will subscribe for the relevant number of Offer shares under the Cornerstone Investment Agreement in its capacity as an investment manager and on behalf of the investment funds (collectively, the "**HHLRA Funds**"), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions.

MSIP

Morgan Stanley & Co. International plc ("**MSIP**") will subscribe for and hold the relevant number of Offer Shares under the Cornerstone Investment Agreement on a principal basis. MSIP is a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling entity is Morgan Stanley. Morgan Stanley together with its subsidiary undertakings forms the "Morgan Stanley Group". Morgan Stanley is a global financial services firm authorised as a Financial Holding Company and regulated by the Board of Governors of the Federal Reserve System in the United States of America. The Morgan Stanley Group operates within the financial services industry and is subject to extensive supervision and regulation.

The principal activity of the Morgan Stanley Group is the provision of financial services to a global client base consisting of corporations, governments and financial institutions. Financial services include investment banking, sales and trading, and other services to clients.

Fullgoal

Fullgoal HK

Fullgoal Asset Management (HK) Limited ("**Fullgoal HK**") will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement both on a proprietary investment basis and on behalf of its clients who are Independent Third Parties. No ultimate beneficial owner of any single client contributed 30% or more of the total funds used for the Cornerstone Investment made by Fullgoal HK. Established in 2012 in Hong Kong, Fullgoal HK is a wholly owned subsidiary of Fullgoal Fund Management Co., Ltd. ("**Fullgoal Fund**"). Fullgoal HK has Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses issued by the SFC.

Fullgoal Fund

Fullgoal Fund will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement on behalf of its clients who are Independent Third Parties. No ultimate beneficial owner of any single client contributed 30% or more of the total funds used for the Cornerstone Investment made by Fullgoal Fund. Fullgoal Fund is a fund management company established in China in April 1999, and is one of the first ten fund management companies authorized by the CSRC and other regulatory authorities to obtain full licenses to provide asset management services in the PRC. Fullgoal Fund has a registered capital of RMB520 million and its main scope of business includes the provision of traditional fund management services, fund raising, fund sale and asset management solutions to both domestic and overseas clients. Fullgoal Fund is a QDII approved by the relevant PRC authority and is also the first fund management company with foreign equity participation among the first ten fund management companies in China. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal Fund are open-ended publicly raised securities investment funds registered with the CSRC.

The shareholders of Fullgoal Fund include (i) Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) holding 27.775% in Fullgoal Fund; (ii) Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司) holding 27.775% in Fullgoal Fund; (iii) Bank of Montreal holding 27.775% in Fullgoal Fund, and (iv) Shandong Financial Asset Management Co., Ltd. (山東省金融資產管理股份有限公司), holding 16.675% in Fullgoal Fund.

Tibet Longrising and CICC Financial Trading Limited (in connection with Tibet Longrising OTC Swaps)

CICC Financial Trading Limited and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Tibet Longrising OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Tibet Longrising)**"), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Tibet Longrising OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Tibet Longrising), subject to customary fees and commissions. The Tibet Longrising OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Tibet Longrising). During the terms of the Tibet Longrising OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Tibet Longrising) and all economic loss shall be borne by the CICC FT Ultimate Clients (Tibet Longrising) through the Tibet Longrising OTC Swaps, and CICC FT will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Tibet Longrising OTC Swaps are linked to the Offer Shares and the CICC FT Ultimate Clients (Tibet Longrising) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between CICC FT and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Tibet Longrising OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Tibet Longrising OTC Swaps in cash in accordance with the terms and conditions of the Tibet Longrising OTC Swaps. Despite that CICC FT will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Tibet Longrising OTC Swaps according to its internal policy. To the best of CICC FT's knowledge having made all reasonable inquiries, each of the CICC FT Ultimate Clients (Tibet Longrising) is an independent third party of CICC FT, China International Capital Corporation Hong Kong Securities Limited ("**CICCHKS**") and the companies which are members of the same group of CICCHKS. Save for Zeng Xiaojie (曾曉潔), a professional individual investor who owns approximately 39.15% in CICC FT Ultimate Clients (Tibet Longrising), namely Longrising — Shengshi No. 8 Private Securities Investment Fund (源樂晟-晟世8號私募證券投資基金) and approximately 98.32% in Longrising Qiangshu Private Securities Investment Fund (源樂晟強樹私募證券投資基金), and Yang Jianhai (楊建海), a professional individual investor who owns approximately 96.16% in Longrising Xinyun Private Securities Investment Fund (源樂晟新雲私募證券投資基金), there is no other single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Tibet Longrising).

CICC FT is a wholly-owned subsidiary of China International Capital Corporation Limited, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). CICC FT is a connected client (as defined under Appendix F1 to the Listing Rules) of CICCHKS, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to CICC FT. See "Waivers from Strict Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Consent in respect of the Proposed Subscription of Offer Shares by a Cornerstone Investor who is a Connected Client."

The CICC FT Ultimate Clients (Tibet Longrising) are five private funds managed by Tibet Longrising Asset Management Co., Ltd. ("**Tibet Longrising**") on a discretionary basis in its capacity as investment manager. Tibet Longrising is established among the early cohort of private fund managers in China, is a member of both the Asset Management Association of China (AMAC) and the Securities Association of China (SAC). The company maintains offices in Beijing, Shanghai, Hong Kong and Lhasa (Tibet), with assets under management (AUM) exceeding RMB20 billion. Its entrusted capital primarily comes from high-net-worth clients of mainstream financial institutions including domestic commercial banks and securities firms in China. Its subsidiary holds a Type 9 Asset Management License issued by the Securities and Futures Commission (SFC) of Hong Kong, empowering it to conduct asset management business in the Hong Kong market.

Save for Zeng Xiaojie holding 61.75% equity interest in Tibet Longrising, there is no other shareholder who owns 30% or more in Tibet Longrising.

ICBC Wealth

ICBC Wealth Management Co., Ltd. ("**ICBC Wealth**") was established in May 2019 in Beijing, with a registered capital of RMB16 billion. It is a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited, a company listed on the Shanghai Stock Exchange (stock code: 601398) and the Stock Exchange (stock code: 1398). The business scope of ICBC Wealth is public issuance of wealth management products to the general public, investment and management of entrusted assets for investors; non-public issuance of wealth management products to qualified investors, investment and management of entrusted assets for investors; wealth management advisory and consulting services; and other businesses as approved by the banking regulatory authority under the State Council.

As confirmed by ICBC Wealth, the subscription of the Offer Shares as a cornerstone investor will be made by ICBC Wealth in its capacity as the investment manager of certain wealth management products under its discretionary management, and no single ultimate beneficial owner holds 30% or more interests in such products.

Wind Sabre

Wind Sabre Fund SPC on behalf of Wind Sabre Opportunities Fund SP ("**Wind Sabre**") will subscribe for and hold the relevant number of Offer shares under the Cornerstone Investment Agreement. Wind Sabre is a fund established in the Cayman Islands holding securities on a discretionary basis on behalf of its clients who are Independent Third Parties. Wind Sabre Fund SPC is a Segregated Portfolio Company incorporated in the Cayman Islands with limited liabilities and is an independent third party, and Wind Sabre Opportunities Fund SP is a segregated portfolio of Wind Sabre Fund SPC. Wind Sabre Fund SPC is controlled by Wind Sabre Capital Limited as the investment manager, which is a company incorporated in Hong Kong and licensed to carry out type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. Well Smart Developments Limited, which is wholly owned by Chow Tai Fook (Nominee) Limited, an Independent Third Party, is the only investor who holds 30% or more interest in the fund. No single ultimate beneficial owner holds 30% or more interest in Chow Tai Fook (Nominee) Limited.

Wind Sabre may obtain external financing from a prime broker to finance its subscription of H Shares. The loan(s), if obtained, will be on normal commercial terms after arm's length negotiations. The H Shares to be subscribed for by Wind Sabre will not be charged to such prime broker as security for such loan(s).

OmniVision HK

WILL Semiconductor Limited ("**OmniVision HK**") is a limited liability company incorporated under the laws of Hong Kong in 2008 principally engaged in the business of semiconductor design and sales. OmniVision HK is a wholly-owned subsidiary of OmniVision Integrated Circuits Group, Inc. ("**OmniVision**"), a company listed on the Shanghai Stock Exchange (stock code: 603501) and the Stock Exchange (stock code: 0501). OmniVision is the third largest digital image sensor providers globally, with a diversified portfolio of products and solutions, a flexible fabless business model, and an extensive customer network and supply chain ecosystem. It serves a wide range of high-growth verticals such as smartphone, automobile, medical, surveillance and emerging markets such as machine vision, smart glasses and Edge AI.

The table below sets forth the details of the Cornerstone Placing:

Based on the Offer Price of HK$95.80 per H Share (being the maximum Offer Price)

			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investors	**Total Investment Amount (in US$ millions)**	**Number of Offer Shares to be acquired[(4)]**	**Approximate % of the Offer Shares**	**Approximate % of our total issued share capital immediately upon completion of the Global Offering**	**Approximate % of the Offer Shares**	**Approximate % of our total issued share capital immediately upon completion of the Global Offering**
Hongxing International	60.0	4,884,200	9.68%	1.03%	8.42%	1.01%
GIC Private Limited	90.0	7,326,300	14.52%	1.54%	12.63%	1.52%
Schroders	75.0	6,105,200	12.10%	1.28%	10.52%	1.26%
HHLRA	25.0	2,035,000	4.03%	0.43%	3.51%	0.42%
MSIP	10.0	814,000	1.61%	0.17%	1.40%	0.17%
Fullgoal	10.0	814,000	1.61%	0.17%	1.40%	0.17%
Fullgoal HK	*3.0*	*569,800*	*1.13%*	*0.12%*	*0.98%*	*0.12%*
Fullgoal Fund	*7.0*	*244,200*	*0.48%*	*0.05%*	*0.42%*	*0.05%*
Tibet Longrising and CICC Financial Trading Limited (in connection with Tibet Longrising OTC Swaps)	10.0	814,000	1.61%	0.17%	1.40%	0.17%
ICBC Wealth	10.0	814,000	1.61%	0.17%	1.40%	0.17%
Wind Sabre	10.0	814,000	1.61%	0.17%	1.40%	0.17%
OmniVision HK	9.8	797,700	1.58%	0.17%	1.37%	0.16%
Total	**309.8**	**25,218,400**	**49.99%**	**5.30%**	**43.47%**	**5.22%**

Notes:

(1) The total investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee and is calculated based on the exchange rates as described in the section headed "Information about this Prospectus and the Global Offering — Currency Translations."

(2) The total investment amount includes brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee and is calculated based on the exchange rates as described in the section headed "Information about this Prospectus and the Global Offering — Currency Translations."

(3) Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the Company, the Sole Sponsor and the Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. The Company, the Sole Sponsor and the Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements where necessary based on the final Offer Price and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of the Company to be published on or around Thursday, February 5, 2026.

(4) Subject to rounding down to the nearest whole board lot of 100 H Shares. Calculated based on the exchange rate set out in "Information about this Prospectus and the Global Offering — Currency Translations."

CLOSING CONDITIONS

The obligation of each of the Cornerstone Investors to acquire the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(ii) the Offer Price having been agreed upon between our Company and the Sponsor-Overall Coordiantor (for itself and on behalf of the Underwriters);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange; and

(iv) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreements, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and the agreement, representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under the respective Cornerstone Investment Agreements are (as of the date of the respective Cornerstone Investment Agreements) and will be (as of the Closing (as defined in the respective Cornerstone Investment Agreements)) accurate and true in all respects and not misleading and that there is no breach of the respective Cornerstone Investment Agreements on the part of the relevant Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of our Company, the Sole Sponsor and the Sponsor-Overall Coordinator, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investors, including the Lock-up Period restriction.

You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this Prospectus.

OVERVIEW

We are a leading specialized PCB production equipment solution provider in China. We operate in the specialized PCB equipment industry, serving as a key infrastructure provider for a variety of downstream industries. With over 20 years of dedicated experience in the specialized PCB equipment industry, we continuously research and develop technical processes in PCB production.

According to CIC, we have an extensive product portfolio in the global specialized PCB equipment industry, covering nearly all major PCB production processes such as drilling, photolithography, lamination, formation and testing. We focus on improving the industry value chain and providing comprehensive solutions with quality products to customers. Leveraging our advanced R&D capabilities, comprehensive product matrix and stable customer relationships, we have been consistently ranked first in terms of revenue for 16 consecutive years in the specialized equipment and instrument list published by CPCA since 2009. According to CIC, we ranked first in China in terms of revenue of specialized PCB production equipment in 2024, with a market share of 10.1% in China. Our products have received wide customer recognition for their performance and value.

Our revenue was RMB2,786.2 million, RMB1,634.3 million, RMB3,343.1 million, RMB2,623.9 million and RMB4,314.1 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. Our net profit was RMB432.0 million, RMB135.7 million, RMB299.6 million, RMB212.0 million and RMB518.9 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively.

BASIS OF PRESENTATION

The consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of our Group for each of the years and periods ended December 31, 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, the consolidated statements of financial position of our Group as of December 31, 2022, 2023, 2024 and October 31, 2025, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**") have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been adopted by our Group in the preparation of the Historical Financial Information throughout each of the years and periods ended December 31, 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025.

The Historical Financial Information has been prepared under the historical cost convention, except for certain portion of trade and bills receivable and financial liabilities at fair value through profit or loss which has been measured at fair value.

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 3 of the Accountants' Report in Appendix I to this Prospectus.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by us consistently throughout the years and periods presented, unless prohibited by the relevant standard to apply retrospectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors and developments, some of which are outside our control, including:

General Factors

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including the following:

- development of macroeconomic conditions;
- technology development and competition in the specialized PCB equipment industry;
- government policies and regulations in relation to the PCB industry and the specialized PCB production equipment industry;
- changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions; and
- weather, natural disasters and climate change.

Specific Factors

Demand for specialized PCB production equipment

Our business focuses on the R&D, production and sales of specialized PCB production equipment, which are widely used in the production of PCBs. Accordingly, our business is affected by changes in market demand for specialized PCB production equipment and for PCBs.

The decrease of our revenue from RMB2,786.2 million in 2022 to RMB1,634.3 million in 2023 was mainly due to a decline in industry output value of various sectors downstream of PCB equipment, which led to reduced demand for PCBs, and, accordingly, PCB manufacturers' decreased demand for specialized PCB production equipment. The increase in our revenue from RMB1,634.3 million in 2023 to RMB3,343.1 million in 2024 as well as from RMB2,623.9 million in the ten months ended October 31, 2024 to RMB4,314.1 million in the ten months ended October 31, 2025, was mainly attributable to the surge in demand for IT infrastructure in the AI industry chain, coupled with the recovery of the consumer electronics sector and the technological upgrade of automotive electronics, boosting demand for our specialized PCB production equipment.

According to CIC, the global market size of specialized PCB equipment increased from approximately US$5,840 million in 2020 to approximately US$7,085 million in 2024, representing a CAGR of 4.9%, and is projected to reach approximately US$11,388 million at a CAGR of 8.6% from 2025 to 2029. Meanwhile, our business remains affected by changes in market demand and performance of PCB manufacturers. The growth in sectors such as server and data storage, automotive electronics, mobile phones, computers and consumer electronics substantially influences the demand for PCBs and related equipment.

Furthermore, in response to the growing demand from overseas markets, particularly Southeast Asia, which has witnessed the global shift of the PCB industry to this region, we are actively expanding and strengthening our presence internationally. During the Track Record Period, our overseas revenue grew significantly from RMB36.4 million in 2022 to RMB84.9 million in 2023, and further to RMB361.9 million in 2024, and increased from RMB301.6 million in the ten months ended October 31, 2024 to RMB552.3 million in the ten months ended October 31, 2025, representing 1.3%, 5.2%, 10.8% and 11.5% and 12.8% of our total revenue in the same years/periods, respectively. As part of our strategy to integrate into the supply chain of leading overseas substrate manufacturers and boost our brand recognition among prominent end-customers, we have established a customer value-added service center in Thailand. Consequently, fluctuations in demand in the overseas markets could also impact our business, financial condition and operational results.

Our ability to control costs

The efficient management of costs is crucial to our ability to provide competitively priced products. The majority of our cost of sales is raw materials and consumables used, which primarily include standardized components, non-standard components and basic materials which can be used for a wide range of equipment across different business segments. Raw materials and consumables used accounted for the majority of our cost of sales, amounting to 89.2%, 85.8%, 90.2%, 89.6% and 89.2% of our cost of sales in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. The supply and market prices of the raw materials remain subject to various external factors beyond our control, such as supplier reliability, responsiveness, scale of supply, and logistics and transportation efficiencies. To control costs, we have taken comprehensive risk management strategies to mitigate the impact of any fluctuations in the prices of raw materials and consumables used, including establishing long-term partnerships with suppliers, adopting a one-time pricing model, sourcing key raw materials from multiple reliable suppliers, and assessing alternative suppliers or sources for raw materials to ensure that we can respond quickly to market demand and complete timely delivery of orders. In addition, we develop new materials and engage new suppliers to allow flexibility in the event of severe shortages or price volatility. We conduct regular reviews and implement internal mechanisms to monitor raw material prices, taking into account current inventory levels, future sales, and market trends. Our multi-dimensional business synergies, including technological synergy, supply chain synergy and customer synergy, also help to save costs. See “Business — Supply Chain Management — Our Suppliers — Supplier Selection and Management.”

With the expansion of our business, enhancing operational efficiency and streamlining production process are essential for managing production and operational costs. While we intend to leverage economies of scale to reduce production costs, we have been actively optimizing workflows and utilizing advanced technologies to improve productivity, thereby reducing overall production costs. Furthermore, we invest in employee training and development to enhance skill levels and operational effectiveness, improve utilization and cost efficiency of our production workforce. During the Track Record Period, our manufacturing labor costs amounted to RMB52.7 million, RMB31.5 million, RMB68.7 million, RMB57.0 million and RMB93.8 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, accounting for 2.9%, 2.7%, 2.8%, 2.9% and 3.2% of our cost of sales in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively.

Product mix

The breadth and depth of our product mix enable us to offer our customers a variety of options to meet their various needs. During the Track Record Period, we have consistently diversified our product mix to form a comprehensive product matrix. In addition, leveraging our extensive technological expertise and innovation in R&D, we are actively broadening our business boundaries into new product categories. Our profitability has been and will continue to be affected by our product mix. For example, during the Track Record Period, the gross profit margin of our drilling equipment was 30.7%, 25.0%, 23.7%, 23.0% and 28.2% in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. In 2023 and 2024, our sales of new-generation drilling equipment increased. Such drilling equipment had relatively low gross margins because, as it was still at early stage of commercialization, such drilling equipment had yet to fully capitalize on economies of scale and therefore bore high manufacturing costs. However, these products are strategically positioned to capture larger market share over the long term, and we expect their gross profit margins to improve as we continue to reduce costs through innovation, increase sales volume and achieve economies of scale. The increase in the gross profit margin of our drilling equipment in the ten months ended October 31, 2025 is primarily attributable to an increase in the proportion of sales of our high-precision drilling equipment, which carries a relatively higher gross profit margin, which contributed to the overall improvement in our gross profit margin for the period. We believe that the improvement and diversification of our product mix result in more balanced growth of our business and revenue, and reduce the risk of our dependence on any individual product type.

Our ability to design, produce and market technologically advanced products

The specialized PCB production equipment that our customers require generally evolve over time along with their changing preferences and needs. Therefore, our ability to design and develop new products that meet these changing requirements has been and will continue to be critical to our ability to cater to the diverse needs of our customers. We have invested in multiple product centers responsible for product development. For example, in response to the trend of further specialization in the specialized PCB equipment industry, we established the Lamination Product Center, the Coating Tool Product Center and the Optical Inspection Product Center in 2023 to supplement and strengthen our product R&D in the relevant fields. We maintain an R&D team of 871 employees, of which 74.5% held a bachelor's degree or higher as of October 31, 2025. Our investment in R&D enables us to design and develop more technologically advanced and cost-competitive PCB production equipment. We believe the investment in R&D enables us to achieve technological breakthroughs, which strengthen our competitive position as a leading specialized PCB production equipment solution provider and enhance our ability to deliver additional value to our customers. As a result, our ability to design, produce and market technologically advanced products leads to our ability to attract and retain customers as well as obtain orders, which in turn drives revenue growth and reinforces our market leadership.

Inventory management

Our inventories primarily consist of raw materials, semi-finished goods, work-in-progress, materials consigned for processing, finished goods and goods in transit. We have implemented an inventory control system that requires close internal coordination to ensure that our inventory levels are sufficient to satisfy demand and not cause any disruptions in production while minimizing carrying costs. As of December 31, 2022, 2023, 2024 and October 31, 2025, our inventories were RMB903.9 million, RMB972.1 million, RMB898.2 million and RMB1,716.9 million, respectively. Overstocking can lead to excessive warehousing costs and potential obsolescence, whereas understocking can disrupt production and delay delivery, negatively impacting our ability to timely fulfill orders, which could negatively impact our future sales. Therefore, we carefully manage and maintain inventory levels to support production effectively.

We analyze and determine the procurement strategies according to the forecast supply, market analysis and the estimation of fluctuations in procurement period and procurement price. Based on such analysis, we determine and maintain a reasonable and safe inventory level in response to changes in customer demand and fluctuations of raw material prices.

MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND JUDGEMENTS

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of industrial products

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which for domestic sales are generally at the time of the completion of installation and commissioning of the goods or generally on delivery of the goods as agreed in the sales contracts, and for overseas sales are generally at the time of shipment in accordance with Incoterms.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. Our Group has not provided any additional services or product quality warranty, so the product quality warranty does not constitute a separate performance obligation.

(b) Provision of after-sales and processing services

Our Group provides after-sales services to customers, including repair and maintenance. Revenue from after-sales services is recognized on a straight-line basis over the contract period. Our Group also provides processing services. Revenue from after-sales services is recognized when the services are rendered.

Revenue from other sources

Rental income

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which our Group has applied the practical expedient of not adjusting the effect of a significant financing component, our Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which our Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for revenue recognition above.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Our Group's business model for managing financial assets refers to how we manage our financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that our Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from our Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- our Group has transferred our rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) our Group has transferred substantially all the risks and rewards of the asset, or (b) our Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When our Group has transferred our rights to receive cash flows from an asset or has entered into a pass-through arrangement, we evaluate if, and to what extent, we have retained the risk and rewards of ownership of the asset. When we have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, our Group continues to recognize the transferred asset to the extent of our Group's continuing involvement. In that case, our Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that our Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that our Group could be required to repay.

Impairment of financial assets

Our Group recognizes an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that our Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, our Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, our Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. Our Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Our Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, our Group may also consider a financial asset to be in default when internal or external information indicates that our Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by our Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when our Group applies the practical expedient of not adjusting the effect of a significant financing component, our Group applies the simplified approach in calculating ECLs. Under the simplified approach, our Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Our Group has established a provision matrix that is based on our historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our Group's financial liabilities include trade and bills payables, other payables and accruals and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and bills payables, other payables and accruals and interest-bearing bank borrowings)

After initial recognition, trade and bills payables, other payables and accruals, and interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by our Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, our Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

We provide for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by us are initially recognized based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by our Group, liabilities assumed by our Group to the former owners of the acquiree and the equity interests issued by our Group in exchange for control of the acquiree. For each business combination, our Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Our Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When our Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of our Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Our Group performs its annual impairment test of goodwill as of December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of our Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the years and periods ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025.

Impairment of goodwill

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at December 31, 2022, 2023, 2024 and October 31, 2025 were RMB12.9 million, RMB154.0 million, RMB74.3 million and RMB12.9 million, respectively.

Impairment testing of goodwill

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as of December 31, 2022, 2023 and 2024 and October 31, 2025 were RMB12,924,000, RMB153,963,000, RMB74,323,000 and RMB12,924,000, respectively.

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Shenzhen Mason Electronics Co., Ltd. cash-generating unit;
- Advanced Intelligent Machine Co., Ltd. cash-generating unit; and
- Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. cash-generating unit.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	As at December 31,			As of October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Mason CGU	12,924	12,924	12,924	12,924
Advanced Intelligent CGU	—	—	—	—
Rayleigh CGU	—	141,039	61,399	—
	12,924	153,963	74,323	12,924

For the purpose of impairment review, the recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use. Assumptions were used in the calculation of recoverable amounts of the Mason CGU and Rayleigh CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Discount rates — The discount rates used are before tax for the recoverable amount calculated based on value in use and after tax for the recoverable amount calculated based on fair value less costs of disposal, respectively, and reflect specific risks relating to the relevant units.

Growth rates — The growth rates are determined based on historical experience and forecast of market development in which the cash-generating unit operate in.

Shenzhen Mason Electronics Co., Ltd. cash-generating unit (the "Mason CGU")

Impairment reviews on the goodwill of Mason CGU have been conducted by the management as of December 31, 2022, 2023 and 2024 according to IAS 36 "Impairment of assets." As of October 31, 2025, our management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the ten months ended October 31, 2025. Therefore the management did not make a formal estimate of the recoverable amounts of Mason CGU as of October 31, 2025.

For the purposes of impairment review, the recoverable amount of the Mason CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management. Based on the results of the impairment assessments for goodwill of Mason CGU, headroom measured by the excess of the recoverable amount over the carrying amount of Mason CGU as at December 31, 2022, 2023 and 2024 were RMB25,052,000, RMB24,845,000 and RMB42,118,000, respectively. As at December 31, 2022, 2023 and 2024, the pre-tax discount rate applied to the cash flow projections is 18.79%, 18.51% and 15.94%, respectively. The growth rate used to extrapolate the cash flows of the Mason CGU beyond the five-year period is 2.00%, 2.00% and 2.00%, respectively.

For the sensitivity analysis conducted during the impairment review on the goodwill of Mason CGU, had there been reasonably possible changes with an increase in pre-tax discount rate by 1%, or with reduction of the growth rate used to extrapolate the cash flows of the Mason CGU beyond the five-year period by 0.5%, it would cause the reduction of the recoverable amount of Mason CGU as follows, if one of the key assumptions was to change while other variable held constant: As at December 31, 2022, the recoverable amount would decrease by RMB14,100,000 and RMB1,300,000. As at December 31, 2023, the recoverable amount would decrease by RMB16,300,000 and RMB1,500,000. As at December 31, 2024, the recoverable amount would decrease by RMB18,500,000 and RMB1,500,000.

Advanced Intelligent Machine Co., Ltd. cash-generating unit (the "Advanced Intelligent CGU")

The carrying amount of the Advanced Intelligent CGU was fully impaired prior to the beginning of the Track Record Period.

Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. cash-generating unit (the "Rayleigh CGU")

According to IAS 36 "Impairment of assets", impairment reviews on the goodwill of Rayleigh CGU have been conducted by management annually as at December 31, 2023 and 2024. And due to the intense market competition during the second half of 2025, the business growth of

Rayleign CGU was well below expectations thus there was an impairment indicator for the goodwill of Rayleign CGU and impairment review has been conducted by management as at October 31, 2025. As at December 31, 2023 and 2024, the recoverable amount of the Rayleigh CGU has been determined based on the value in use which was the higher of fair value less costs of disposal and value in use. The value in use calculation was determined using cash flow projections based on financial budgets covering a five-year period approved by the senior management. As at December 31, 2023 and 2024, the pre-tax discount rate applied to the cash flow projections is 23.25% and 17.89%, respectively. As at October 31, 2025, the recoverable amount of Rayleigh CGU has been determined based on the fair value less costs of disposal as it was higher than the amount of value in use. The fair value less costs of disposal calculation was determined using discounted cash flow projections of which the accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The post-tax discount rate applied to the cash flow projections is 17.44%. The growth rate used to extrapolate the cash flows of the Rayleigh CGU beyond the five-year period is 2.00%, 2.00% and 2.00%, respectively.

Based on the results of the impairment assessments, the recoverable amounts of the Rayleigh CGU was RMB340,000,000, RMB99,820,000 and RMB5,228,000 as at December 31, 2023 and 2024 and October 31, 2025, respectively. Accordingly, the Group recognised an impairment provision of approximately RMB79,640,000 for the year ended December 31, 2024 and RMB61,399,000 for the ten months ended October 31, 2025 against the carrying amount of goodwill relating to Rayleign CGU. The impairment for the year ended December 31, 2024 and the ten months ended October 31, 2025 were attributable to the overall decline in forecasted revenue generated by Rayleigh CGU in the cash flow projection prepared by the directors of the Group with reference to the market activities of Rayleigh Taide.

Based on management's assessment on the recoverable amounts, the headroom measured by the excess of the recoverable amount over the carrying amount of Rayleigh CGU as at December 31, 2023 was RMB128,653,000. For the sensitivity analysis of Rayleigh conducted during the impairment review, had there been reasonably possible changes with an increase in pre-tax discount rate by 0.50%, or with reduction of the growth rate used to extrapolate the cash flows of the Rayleigh CGU beyond the five-year period by 0.5%, it would cause the reduction of the recoverable amount of Rayleigh CGU as follows, if one of the key assumptions was to change while other variable held constant: As at December 31, 2023, the recoverable amount would decrease by RMB8,000,000 and RMB3,000,000. As at December 31, 2024, the recoverable amount would decrease by RMB4,386,000 and RMB1,211,000.

In the opinion of the directors of our Group, any reasonably possible change in the key assumptions of the cash flow forecast would not cause its carrying amount of Rayleigh CGU exceed its recoverable amount for the year ended December 31, 2023.

Further details are given in note 18 to the Accountants' Report in Appendix I to this Prospectus.

Share-based payments

We operate a share-based payments scheme. Employees (including directors) of our Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (the "**Equity-Settled Transactions**"). The cost of Equity-Settled Transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 36 to the Accountants' Report in Appendix I to this Prospectus.

The cost of Equity-Settled Transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for Equity-Settled Transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and our Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as of the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our Group's best estimate of the number of equity instruments that will ultimately vest.

Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increased the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognized for the award is recognized immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Current and deferred income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which our Group operates.

Deferred income tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Offsetting

Deferred tax assets and deferred tax liabilities are offset if and only if our Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated results of operations for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage of revenue)									
							(unaudited)			
Revenue	2,786,150	100.0	1,634,311	100.0	3,343,091	100.0	2,623,882	100.0	4,314,146	100.0
Cost of sales	(1,838,332)	(66.0)	(1,157,425)	(70.8)	(2,435,421)	(72.8)	(1,935,634)	(73.8)	(2,971,290)	(68.9)
Gross profit	947,818	34.0	476,886	29.2	907,670	27.2	688,248	26.2	1,342,856	31.1
Other income and gains, net	184,681	6.6	127,799	7.8	192,013	5.7	89,257	3.4	131,358	3.0
Selling and marketing expenses	(160,527)	(5.8)	(132,209)	(8.1)	(196,103)	(5.9)	(160,668)	(6.1)	(235,830)	(5.5)
Administrative expenses	(153,653)	(5.5)	(112,515)	(6.9)	(203,743)	(6.1)	(154,874)	(5.9)	(218,396)	(5.1)
Research and development expenses	(229,671)	(8.2)	(193,564)	(11.8)	(266,829)	(8.0)	(200,660)	(7.6)	(299,957)	(7.0)
Impairment losses on financial assets and contract assets under expected credit loss model ("**ECL**"), net	(22,780)	(0.8)	(17,397)	(1.1)	(23,355)	(0.7)	(29,575)	(1.1)	(26,209)	(0.6)
Other expenses	(3,977)	(0.1)	(10,621)	(0.6)	(83,175)	(2.5)	(5,457)	(0.2)	(96,009)	(2.2)
Finance costs	(16,976)	(0.6)	(6,638)	(0.4)	(10,061)	(0.3)	(9,088)	(0.3)	(13,470)	(0.3)
Impairment of an investment in an associate	(55,768)	(2.0)	—	—	—	—	—	—	—	—
Share of profits and losses of associates	(5,825)	(0.2)	5,685	0.3	13,166	0.4	4,901	0.2	5,573	0.1
Profit before tax	**483,322**	**17.3**	**137,426**	**8.4**	**329,583**	**9.9**	**222,084**	**8.5**	**589,916**	**13.7**
Income tax expense	(51,310)	(1.8)	(1,758)	(0.1)	(30,001)	(0.9)	(10,109)	(0.4)	(70,997)	(1.6)
Profit for the year/period	432,012	15.5	135,668	8.3	299,582	9.0	211,975	8.1	518,919	12.0

NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and period to period, as well as company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, such non-IFRS measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under IFRS Accounting Standards. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted by adding back/subtracting share-based payment compensation and adding back listing expenses. The following table reconciles our adjusted net profit (non-IFRS measure) presented in accordance with IFRS Accounting Standards, which is profit for the year/period.

	Year Ended December 31,			Ten months ended October 31,	
	2022	**2023**	**2024**	**2024**	**2025**
			(RMB in thousands)		
				(unaudited)	
Profit for the year/period	432,012	135,668	299,582	211,975	518,919
Adjusted by:					
— Share-based payment compensation[1]	(10,260)	12,736	152,071	127,357	82,092
— Listing expenses[2]	—	—	—	—	1,143
Adjusted net profit (non-IFRS measure)	**421,752**	**148,404**	**451,653**	**339,332**	**602,154**

Notes:

(1) Share-based payment compensation is non-cash in nature and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment compensation is not expected to result in future cash payments.

(2) Listing expenses represent expenses incurred in connection with the Global Offering.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue is mainly derived from the sales of (i) drilling equipment; (ii) photolithography equipment; (iii) testing equipment; (iv) formation equipment; (v) attachment equipment; and (vi) lamination equipment. We experienced an overall revenue growth during the Track Record Period. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our revenue was RMB2,786.2 million, RMB1,634.3 million, RMB3,343.1 million, RMB2,623.9 million and RMB4,314.1 million, respectively.

Revenue by PCB production process

The following table sets forth a breakdown of our revenue from contracts with customers by PCB production process for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Drilling equipment	1,666,776	59.8	818,051	50.1	2,100,645	62.8	1,619,065	61.7	3,095,604	71.8
Photolithography equipment	403,646	14.5	189,155	11.6	340,306	10.2	288,061	11.0	247,547	5.7
Testing equipment	284,312	10.2	197,561	12.1	274,139	8.2	219,857	8.4	383,632	8.9
Formation equipment	214,864	7.7	152,323	9.3	254,138	7.6	200,959	7.7	237,581	5.5
Attachment equipment	23,603	0.8	54,778	3.4	81,940	2.5	64,796	2.5	95,437	2.2
Lamination equipment(1)	—	—	—	—	9,804	0.3	4,760	0.2	—	—
Others(2)	192,949	6.9	222,443	13.6	282,119	8.4	226,384	8.6	254,345	5.9
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Notes:

(1) We began generating revenue from lamination equipment in 2024. However, in the ten months ended October 31, 2025, we did not record any revenue from lamination equipment, despite having received new orders and delivered equipment during the period, which was primarily because the acceptance period of lamination equipment is relatively long mainly attributable to the complex structure of the lamination equipment instead of any quality-related issues, and no lamination equipment was accepted during such period. According to CIC, the duration of the acceptance period for the lamination equipment is approximately six months.

(2) Others primarily include income from after-sales maintenance services, manufacturing services (mainly including PCB testing and PCB profiling) provided to other companies and sales of spare parts, as well as rental income.

Revenue by sales channel

The following table sets forth a breakdown of our revenue by contribution from our customers for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except percentages)									
							(unaudited)			
Direct customers[1]	2,764,944	99.2	1,619,318	99.1	3,316,306	99.2	2,603,270	99.2	4,276,472	99.1
Distributorship	21,206	0.8	14,993	0.9	26,785	0.8	20,612	0.8	37,674	0.9
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Note:

(1) Direct customers refer to the end users of our products or services, engaging with us directly by themselves or through sales agents.

Revenue by geographic location

The following table sets forth a breakdown of our revenue from contracts with customers by geographic locations for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Mainland China	2,749,760	98.7	1,549,406	94.8	2,981,171	89.2	2,322,285	88.5	3,761,835	87.2
Overseas[1]	36,390	1.3	84,905	5.2	361,920	10.8	301,597	11.5	552,311	12.8
Total	**2,786,150**	**100.0**	**1,634,311**	**100.0**	**3,343,091**	**100.0**	**2,623,882**	**100.0**	**4,314,146**	**100.0**

Note:

(1) Primarily include Thailand, Taiwan China, and Malaysia.

We recorded revenue from mainland China and various overseas countries and regions. Throughout the Track Record Period, our revenue generated from overseas as a percentage of total revenue continued to increase, which was primarily driven by the increased demand from Southeast Asia for specialized PCB processing equipment, as well as our strategic layout in Southeast Asia.

Cost of Sales

Our cost of sales consists of raw materials and consumables used, manufacturing labor costs, manufacturing overhead and write-down of inventories. Our cost of sales generally fluctuated in line with our revenue. The following table sets forth our cost of sales by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Raw materials and consumables used	1,639,895	89.2	993,168	85.8	2,196,570	90.2	1,734,512	89.6	2,650,062	89.2
Manufacturing labor costs	52,739	2.9	31,534	2.7	68,662	2.8	56,989	2.9	93,839	3.2
Manufacturing overhead	122,418	6.7	85,314	7.4	144,699	5.9	123,781	6.4	196,130	6.6
Write-down of inventories	23,280	1.3	47,409	4.1	25,490	1.0	20,352	1.1	31,259	1.1
Total	**1,838,332**	**100.0**	**1,157,425**	**100.0**	**2,435,421**	**100.0**	**1,935,634**	**100.0**	**2,971,290**	**100.0**

The following table sets forth our cost of sales by PCB production process for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Drilling equipment	1,155,614	62.9	613,564	53.0	1,602,710	65.8	1,246,912	64.4	2,223,897	74.8
Photolithography equipment	226,301	12.3	122,169	10.6	221,969	9.1	192,523	9.9	151,861	5.1
Testing equipment	176,996	9.6	125,422	10.8	162,034	6.7	127,574	6.6	227,227	7.6
Formation equipment	176,587	9.6	121,176	10.5	201,621	8.3	162,929	8.4	176,601	5.9
Attachment equipment	17,458	0.9	43,278	3.7	48,990	2.0	42,355	2.2	58,256	2.0
Lamination equipment	—	—	—	—	10,370	0.4	4,296	0.2	—	—
Others	85,376	4.6	131,816	11.4	187,727	7.7	159,045	8.3	133,448	4.5
Total	**1,838,332**	**100.0**	**1,157,425**	**100.0**	**2,435,421**	**100.0**	**1,935,634**	**100.0**	**2,971,290**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit was RMB947.8 million, RMB476.9 million, RMB907.7 million, RMB688.2 million and RMB1,342.9 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. Our gross profit margin was 34.0%, 29.2%, 27.2%, 26.2% and 31.1% in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. For details on the changes in our gross profit and gross profit margin during the Track Record Period, see "— Results of Operations."

The following table sets forth a breakdown of our gross profit and gross profit margin by PCB production process for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Gross profit	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Drilling equipment	511,162	30.7	204,487	25.0	497,935	23.7	372,153	23.0	871,707	28.2
Photolithography equipment	177,345	43.9	66,986	35.4	118,337	34.8	95,538	33.2	95,686	38.7
Testing equipment	107,316	37.7	72,139	36.5	112,105	40.9	92,283	42.0	156,405	40.8
Formation equipment	38,277	17.8	31,147	20.4	52,517	20.7	38,030	18.9	60,980	25.7
Attachment equipment	6,145	26.0	11,500	21.0	32,950	40.2	22,441	34.6	37,181	39.0
Lamination equipment	—	—	—	—	(566)	(5.8)	464	9.7	—	—
Others	107,573	55.8	90,627	40.7	94,392	33.5	67,339	29.7	120,897	47.5
Total	**947,818**	**34.0**	**476,886**	**29.2**	**907,670**	**27.2**	**688,248**	**26.2**	**1,342,856**	**31.1**

Administrative Expenses

Our administrative expenses include (i) employee expenses including salaries and share-based compensation to our administrative staff; (ii) office and property related expenses; (iii) depreciation and amortization expenses on the fixed assets, intangible assets, and right-of-use assets; (iv) travel and business expenses; (v) intermediary fees in relations to consulting and legal services; and (vi) others. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our administrative expenses amounted to RMB153.7 million, RMB112.5 million, RMB203.7 million, RMB154.9 million and RMB218.4 million, respectively. The following table sets forth a breakdown of our administrative expenses by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Employee expenses	78,998	51.4	51,475	45.7	142,280	69.8	108,829	70.3	142,806	65.4
Office and property related expenses	24,875	16.2	22,845	20.3	24,853	12.2	19,435	12.5	26,050	11.9
Depreciation and amortization expenses	29,221	19.0	23,427	20.8	21,486	10.5	17,147	11.1	26,918	12.3
Travel and business expenses	10,993	7.2	4,131	3.7	3,328	1.6	2,452	1.6	2,954	1.4
Intermediary fees	2,856	1.9	5,281	4.7	4,533	2.2	2,265	1.5	10,315	4.7
Others[1]	6,710	4.3	5,356	4.8	7,263	3.6	4,746	3.0	9,353	4.3
Total	**153,653**	**100.0**	**112,515**	**100.0**	**203,743**	**100.0**	**154,874**	**100.0**	**218,396**	**100.0**

Note:

(1) Others primarily include bank fees and import and export handling fees.

Selling and Marketing Expenses

Our selling and marketing expenses include (i) employee expenses including salaries and share-based compensation to our selling and marketing staff; (ii) travel and business expenses; (iii) sales service and agency fees; (iv) business promotion expenses; (v) short-term and low-value asset lease expenses; (vi) depreciation and amortization expenses on fixed assets, intangible assets and right-of-use assets related to our selling and marketing activities; and (vii) others. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our selling and marketing expenses amounted to RMB160.5 million, RMB132.2 million, RMB196.1 million, RMB160.7 million and RMB235.8 million, respectively. The following table sets forth a breakdown of our selling and marketing expenses by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Employee expenses	108,182	67.4	85,963	65.0	121,249	61.8	104,985	65.3	153,333	64.9
Travel and business expenses	30,322	18.9	25,875	19.6	39,059	19.9	28,526	17.8	47,123	20.0
Sales service and agency fees	13,759	8.6	9,283	7.0	20,371	10.4	13,358	8.3	9,836	4.2
Business promotion expenses	1,391	0.9	4,119	3.1	8,249	4.2	7,647	4.8	18,622	7.9
Short-term and low-value asset lease expenses	3,830	2.4	2,791	2.1	2,513	1.3	1,772	1.1	2,035	0.9
Depreciation and amortization expenses	1,264	0.8	1,414	1.1	1,454	0.7	1,268	0.8	1,316	0.6
Others	1,779	1.0	2,764	2.1	3,208	1.7	3,112	1.9	3,565	1.5
Total	**160,527**	**100.0**	**132,209**	**100.0**	**196,103**	**100.0**	**160,668**	**100.0**	**235,830**	**100.0**

Research and Development Expenses

Our research and development expenses include (i) employee expenses including salaries and share-based compensation to our research and development staff; (ii) material expenses; (iii) depreciation and amortization expenses on our fixed assets, intangible assets and right-of-use assets related to research and development activities; (iv) travel expenses; (v) short-term and low-value asset lease expenses; and (vi) others. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our research and development expenses amounted to RMB229.7 million, RMB193.6 million, RMB266.8 million, RMB200.7 million and RMB300.0 million, respectively. The following table sets forth a breakdown of our research and development expenses by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Employee expenses	177,991	77.5	132,272	68.3	203,695	76.3	150,583	75.0	244,259	81.4
Material expenses	19,522	8.5	23,746	12.3	25,108	9.4	21,356	10.6	21,095	7.0
Depreciation and amortization expenses	14,065	6.1	17,579	9.1	16,220	6.1	13,215	6.6	15,436	5.1
Travel expenses	5,083	2.2	6,265	3.2	10,291	3.9	6,465	3.2	9,219	3.1
Short-term and low-value asset lease expenses	3,196	1.4	2,914	1.5	2,114	0.8	1,805	0.9	2,079	0.7
Others	9,814	4.3	10,788	5.6	9,401	3.5	7,236	3.7	7,869	2.7
Total	**229,671**	**100.0**	**193,564**	**100.0**	**266,829**	**100.0**	**200,660**	**100.0**	**299,957**	**100.0**

Impairment Losses on Financial Assets and Contract Assets Under Expected Credit Loss Model ("ECL"), Net

Our impairment losses on financial assets and contract assets under ECL, net, mainly include impairment losses for movement in loss allowance for trade and bills receivables, and movement in loss allowance for financial assets included in prepayments, other receivables and other assets. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our impairment losses on financial assets and contract assets under ECL, net, amounted to RMB22.8 million, RMB17.4 million, RMB23.4 million, RMB29.6 million and RMB26.2 million, respectively.

Other Income and Gains, Net

Our other income and gains, net, include (i) government grants; (ii) bank interest income; (iii) additional VAT deductions; (iv) foreign exchange differences, net; (v) gains/(losses) on disposal of property, plant and equipment, right-of-use assets and other non-current asset; (vi) fair value gains on financial liabilities at fair value through profit or loss; (vii) gain on remeasurement of pre-existing interest in an associate; (viii) gains on derecognition of financial liabilities measured at amortised cost; and (ix) others. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our other income and gains, net amounted to RMB184.7 million, RMB127.8 million, RMB192.0 million, RMB89.3 million and RMB131.4 million, respectively. The following table sets forth a breakdown of our other income and gains, net, by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Other Income										
Government grants	139,883	75.7	64,471	50.4	60,043	31.3	47,661	53.4	50,680	38.6
Bank interest income	40,719	22.1	40,832	32.0	20,699	10.8	17,017	19.1	33,312	25.4
Additional VAT deductions	—	—	5,310	4.2	48,308	25.2	22,910	25.7	37,804	28.7
Total other income	**180,602**	**97.8**	**110,613**	**86.6**	**129,050**	**67.2**	**87,588**	**98.1**	**121,796**	**92.7**
Other Gains, net										
Foreign exchange differences, net	1,753	0.9	—	—	—	—	—	—	—	—
Gains/(losses) on disposal of property, plant and equipment, right-of-use assets and other non-current asset	775	0.4	207	0.2	(84)	(0.0)	(261)	(0.3)	(303)	(0.2)
Fair value gains on financial liabilities at fair value through profit or loss	—	—	—	—	60,160	31.3	—	—	8,523	6.5
Gain on remeasurement of pre-existing interest in an associate	—	—	15,360	12.0	—	—	—	—	—	—
Gains on derecognition of financial liabilities measured at amortised cost	639	0.3	500	0.4	930	0.5	540	0.6	21	0.0
Others	912	0.5	1,119	0.9	1,957	1.0	1,390	1.6	1,321	1.0
Total other gains	**4,079**	**2.2**	**17,186**	**13.4**	**62,963**	**32.8**	**1,669**	**1.9**	**9,562**	**7.3**
Total other income and gains, net	**184,681**	**100.0**	**127,799**	**100.0**	**192,013**	**100.0**	**89,257**	**100.0**	**131,358**	**100.0**

Government grants mainly comprise incentives provided by local government authorities in mainland China, including various forms of government financial incentives and awards to facilitate technological innovation and expansion in production capacity (which are non-recurring in nature), and tax rebate on certain of the software components within our products (which is recurring in nature).

According to the regulations of Ministry of Finance and the State Administration of Taxation, certain entities within our Group can enjoy an additional 5% deduction calculated based on the input value-added tax ("**VAT**") from the VAT payable since January 1, 2023. The amount of additional deduction was recognized in profit or loss when the entities declared and enjoyed the preferential tax treatment.

Our fair value gains on financial liabilities at fair value through profit and loss in 2024 was related to the acquisition of Rayleigh Taide in 2023. We sought to acquire Rayleigh Taide because its core business, blade coating, is essential for the blades utilized in PCB manufacturing, and we expected its integration to enhance our product offering, improve our product performance and lifespan, and create synergistic effect that helps strengthen our position across the PCB production value chain. In 2024, Rayleigh Taide experienced a decline in operational performance and profitability as blade manufacturers started to move the coating process in-house, reducing the demand for Rayleigh Taide's coating services. Meanwhile, our anticipated synergies from the acquisition did not materialize. After analyzing its operational performance and profitability, we engaged a professional valuation agency to conduct a comprehensive review and impairment test on the cash generating units, and made the necessary goodwill impairment provisions of RMB79.6 million. Accordingly, a reduction in consideration payable and recognition of fair value gains on financial liabilities at fair value through profit or loss of RMB60.2 million were recognized in 2024. See "— Discussion of Certain Components of Consolidated Statements of Financial Position — Liabilities from Contingent Consideration."

Other Expenses

Our other expenses consist of (i) foreign exchange differences, net; (ii) donations; (iii) impairment of goodwill; (iv) compensation related to lease termination and fees associated with withdrawing orders from suppliers; and (v) others. The following table sets forth a breakdown of our other expenses by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Foreign exchange differences, net	—	—	7,053	66.4	2,345	2.8	4,610	84.5	34,092	35.5
Donations	3,000	75.4	—	—	55	0.1	50	0.9	—	—
Impairment of goodwill(1)	—	—	—	—	79,640	95.7	—	—	61,399	64.0
Compensation(2)	191	4.8	2,665	25.1	134	0.2	134	2.5	279	0.3
Others	786	19.8	903	8.5	1,001	1.2	663	12.1	239	0.2
Total	**3,977**	**100.0**	**10,621**	**100.0**	**83,175**	**100.0**	**5,457**	**100.0**	**96,009**	**100.0**

Notes:

(1) The impairment of goodwill represents the impairment of goodwill of Rayleigh Taide. In 2024, after analyzing its operational performance and profitability, we engaged a professional valuation agency to conduct a comprehensive review and impairment test on the cash-generating units, and made the necessary goodwill impairment provisions of RMB79.6 million. See "— Discussion of Certain Components of Consolidated Statements of Financial Position — Liabilities from Contingent Consideration" and "— Other Income and Gains, Net."

(2) The increase in compensation in 2023 was primarily due to an increase in fees associated with lease termination and withdrawing orders from suppliers, primarily as a result of changes in market conditions that affected our demand.

Finance Costs

Our finance costs consist of (i) interest on loans; (ii) interest expense on discounted bills; and (iii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Interest on loans	8,367	49.3	382	5.8	3,882	38.6	3,618	39.8	8,501	63.1
Interest expense on discounted bills	2,199	13.0	1,467	22.1	3,138	31.2	2,964	32.6	3,436	25.5
Interest on lease liabilities	6,410	37.8	4,789	72.1	3,041	30.2	2,506	27.6	1,533	11.4
Finance costs	**16,976**	**100.0**	**6,638**	**100.0**	**10,061**	**100.0**	**9,088**	**100.0**	**13,470**	**100.0**

Impairment of an Investment in an Associate

Our impairment of an investment in an associate mainly represents the impairment on our interests in our associate Shenzhen Mingxin Test Equipment Co., Ltd. (Shenzhen Mingxin), that are accounted for using the equity method. In 2022, our impairment of an investment in an associate amounted to RMB55.8 million, primarily due to a decrease in Shenzhen Mingxin's performance resulting from the downstream market conditions.

Share of Profits and Losses of Associates

Our share of profits and losses of associates mainly include our interests in associates that are accounted for using the equity method. In 2022, our share in losses of associates amounted to RMB5.8 million. In 2023 and 2024, our share of profits of associates amounted to RMB5.7 million and RMB13.2 million, respectively. In the ten months ended October 31, 2024 and 2025, our share of profit of associates amounted to RMB4.9 million and RMB5.6 million, respectively.

Income Tax Expenses

Our income tax expenses comprise current income tax and deferred income tax. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our income tax expenses amounted to RMB51.3 million, RMB1.8 million, RMB30.0 million, RMB10.1 million and RMB71.0 million, respectively. The following table sets forth a breakdown of our income tax expenses by nature for the years/periods indicated:

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Current income tax	65,817	128.3	9,181	522.2	12,878	42.9	14,646	144.9	110,167	155.2
Deferred income tax	(14,507)	(28.3)	(7,423)	(422.2)	17,123	57.1	(4,537)	(44.9)	(39,170)	(55.2)
Total	**51,310**	**100.0**	**1,758**	**100.0**	**30,001**	**100.0**	**10,109**	**100.0**	**70,997**	**100.0**

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of us are domiciled and operate.

PRC Corporate Income Tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% during 2022, 2023 and 2024 and the ten months ended October 31, 2024 and 2025 unless subject to tax concession set out below.

According to the Administrative Measures for Determination of High and New Tech Enterprises, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law. Our Company, Shenzhen Mason Electronics Co., Ltd. and Advanced Intelligent Machine Co., Ltd. are subject to a preferential income tax rate of 15% from 2022 to 2025. Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. was subject to a preferential income tax rate of 15% from 2024 to 2026.

Pursuant to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (circular of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission [2020] No. 23), from January 1, 2021 to December 31, 2030, enterprises located in western China that are engaged in encouraged industries shall be subject to a reduced enterprise income tax at a tax rate of 15%. The enterprises in the encouraged industries shall mainly engage in the industries set out in the Catalog of Encouraged Industries in Western China, and the revenue from the main business of such enterprises shall exceed 60% of the total revenue. Han's CNC Technology (Xinfeng) Co., Ltd. operated in western China are subject to a preferential income tax rate of 15% from 2022 to 2025. Mason Electronics (Xinfeng) Co., Ltd. was subject to a preferential income tax rate of 15% from 2024 to 2025.

Pursuant to the Corporate Income Tax Law of the People's Republic of China and its Implementation Regulations, for the period from January 1, 2021 to December 31, 2022, small and low-profit enterprises were subject to a reduced effective corporate income tax rate of 2.5% on the portion of their annual taxable income not exceeding RMB1,000,000; effective January 1, 2023 through December 31, 2027, this reduced rate on tax income up to RMB1,000,000 is 5%; concurrently, for the period spanning January 1, 2022 to December 31, 2027, the portion of annual taxable income between RMB1,000,000 and RMB3,000,000 (inclusive) for such enterprises is subject to corporate income tax at a reduced effective rate of 5%. Suzhou Mason Electronics Testing Co., Ltd., Dongguan Han's CNC Technology Co., Ltd., Shenzhen Han's Microelectronics Technology Co., Ltd. and Shanghai Han's Machinery Co., Ltd., meet the criteria for small and low-profit enterprises and thus enjoy the aforementioned corporate income tax incentives.

Additional deduction for research and development expense

Additional deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits during 2022, 2023 and 2024 and the ten months ended October 31, 2024 and 2025. Pursuant to the Corporate Income Tax Law of the People's Republic of China and its Implementation Regulations, qualified industrial machine tool enterprises are eligible for the new R&D super deduction. An extra 120% of the amount of R&D actually incurred during the period from January 1, 2023 to December 31, 2027 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognized as intangible asset and included in the current profits and losses; if the said expenses have been recognized as an intangible asset, such expenses may be amortized at the rate of 220% of the costs of the intangible assets before tax payment in the above period. The Company, Shenzhen Mason Electronics Co., Ltd. and Advnced Intelligent Machine Co., Ltd. benefitted from this tax incentive in 2023, 2024 and 2025.

Hong Kong Corporate Income Tax

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as our Group had no assessable profits derived from or earned in Hong Kong during the Track Record Period.

Thailand and Singapore Corporate Income Tax

No provision for profits tax in Thailand and Singapore was made as we did not have any assessable income subject to profits tax in Thailand and Singapore during 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025.

RESULTS OF OPERATIONS

Ten months ended October 31, 2025 compared with Ten months ended October 31, 2024

Revenue

Our revenue increased by 64.4% from RMB2,623.9 million in the ten months ended October 31, 2024 to RMB4,314.1 million in the ten months ended October 31, 2025, primarily due to (i) the surge in demand for IT infrastructure in the AI industry chain; and (ii) the recovery of the consumer electronics sector and the technological upgrade of automotive electronics. Specifically:

- Our revenue from drilling equipment increased by 91.2% from RMB1,619.1 million in the ten months ended October 31, 2024 to RMB3,095.6 million in the ten months ended October 31, 2025, primarily due to (i) an increase in sales volume from 2,569 units in the ten months ended October 31, 2024 to 4,499 units in the ten months ended October 31, 2025, driven by (a) the structural growth in demand in downstream application markets of AI servers and automotive electronics; (b) technological upgrades which enabled our products to penetrate into high-end markets; and (c) an increase in our sales of laser drilling machines with multi-terminal applications of smart phones, automotive electronics, and consumer electronics that significantly generated demand for our products; and (ii) an increase in the average selling price, resulting from an increase in the proportion of sales of our high-precision drilling equipment, which carries a relatively higher gross profit margin.

- Our revenue from photolithography equipment decreased by 14.1% from RMB288.1 million in the ten months ended October 31, 2024 to RMB247.5 million in the ten months ended October 31, 2025, primarily due to a decrease in sales volume from 119 units in the ten months ended October 31, 2024 to 103 units in the ten months ended October 31, 2025, primarily attributable to a shift in market dynamics, particularly among leading PCB manufacturers. In the ten months ended October 31, 2025, market demand for high-end photolithography equipment, particularly high-precision and large-format models that typically command higher selling prices, increased significantly. Conversely, demand for lower-end equipment among downstream customers contracted during the same period. Even though we achieved certain improvement in upgrading our photolithography equipment, as demonstrated by an increase in gross profit margin of our photolithography equipment from 33.2% in the ten months ended October 31, 2024 to 38.7% in the ten months ended October 31, 2025, we were still in the process of upgrading our production capabilities to respond to the above trend, we did not fully capture the growth in demand for high-end photolithography equipment while the addressable market for lower-end equipment decreased. As a result, we experienced the above decline in revenue from photolithography equipment.

  To address these market dynamics, we are actively optimizing our sales strategies and upgrading our product portfolio. We have accelerated the development and commercialization of high-end photolithography equipment, including high-precision, solder mask, and large-format models. As of the date of this prospectus, we have successfully completed technical validation with certain leading customers and secured corresponding sales orders for high-end photolithography equipment. With continued efforts in product upgrade and business development, we expect subsequent sales performance of photolithography equipment to achieve sustainable growth in the near future.

- Our revenue from testing equipment increased by 74.5% from RMB219.9 million in the ten months ended October 31, 2024 to RMB383.6 million in the ten months ended October 31, 2025, primarily due to (i) an increase in sales volume from 359 units in the ten months ended October 31, 2024 to 501 units in the ten months ended October 31, 2025, driven by the structural growth in testing demand in downstream application markets of AI servers, consumer electronics and automotive electronics; and (ii) an increase in the average selling price, as a result of the increase in sales of high-precision testing equipment.

- Our revenue from formation equipment increased by 18.2% from RMB201.0 million in the ten months ended October 31, 2024 to RMB237.6 million in the ten months ended October 31, 2025, primarily due to an increase in sales volume from 477 units in the ten months ended October 31, 2024 to 521 units in the ten months ended October 31, 2025, driven by the structural growth in demand in downstream application markets of AI servers, consumer electronic and automotive electronics. Meanwhile, the average selling price of our formation equipment remained stable during the same periods.

- Our revenue from attachment equipment increased by 47.3% from RMB64.8 million in the ten months ended October 31, 2024 to RMB95.4 million in the ten months ended October 31, 2025, primarily due to (i) an increase in sales volume of attachment equipment from 168 units in the ten months ended October 31, 2024 to 208 units in the ten months ended October 31, 2025, driven by the structural growth in the downstream application markets; and (ii) an increase in average selling price for our attachment equipment due to the increase in sales of more advanced models of attachment equipment in the ten months ended October 31, 2025.

- We did not record any revenue from lamination equipment in the ten months ended October 31, 2025, despite having received new orders and delivered equipment during the period, primarily because the acceptance period of lamination equipment is relatively long, and no lamination equipment was accepted during such period.

- Our revenue from others increased by 12.4% from RMB226.4 million in the ten months ended October 31, 2024 to RMB254.3 million in the ten months ended October 31, 2025, primarily due to an increase in maintenance work driven by the continuous increase in accumulated equipment sales.

Cost of Sales

Our cost of sales increased by 53.5% from RMB1,935.6 million in the ten months ended October 31, 2024 to RMB2,971.3 million in the ten months ended October 31, 2025, primarily due to an increase in the raw materials and consumables used, which was generally in line with our growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 95.1% from RMB688.2 million in the ten months ended October 31, 2024 to RMB1,342.9 million in the ten months ended October 31, 2025. Our gross profit margin increased from 26.2% in the ten months ended October 31, 2024 to 31.1% in the ten months ended October 31, 2025, primarily due to an increase in the gross profit margin of our drilling equipment.

- The gross profit of our drilling equipment increased from RMB372.2 million in the ten months ended October 31, 2024 to RMB871.7 million in the ten months ended October 31, 2025. The gross profit margin of our drilling equipment increased from 23.0% in the ten months ended October 31, 2024 to 28.2% in the ten months ended October 31, 2025 primarily due to an increase in the proportion of sales of our high-precision drilling equipment, which carries a relatively higher gross profit margin.

- The gross profit of our photolithography equipment increased from RMB95.5 million in the ten months ended October 31, 2024 to RMB95.7 million in the ten months ended October 31, 2025. The gross profit margin of our photolithography equipment increased from 33.2% in the ten months ended October 31, 2024 to 38.7% in the ten months ended October 31, 2025 primarily due to the increased proportion of sales of models of relatively higher gross profit margin.

- The gross profit of our testing equipment increased from RMB92.3 million in the ten months ended October 31, 2024 to RMB156.4 million in the ten months ended October 31, 2025. The gross profit margin of our testing equipment remained relatively stable at 42.0% and 40.8% in the ten months ended October 31, 2024 and 2025, respectively.

- The gross profit of our formation equipment increased from RMB38.0 million in the ten months ended October 31, 2024 to RMB61.0 million in the ten months ended October 31, 2025. The gross profit margin of our formation equipment increased from 18.9% in the ten months ended October 31, 2024 to 25.7% in the ten months ended October 31, 2025 primarily due to an increase in sales of our high-precision formation equipment, which carries a relatively higher gross profit margin.

- The gross profit of our attachment equipment increased from RMB22.4 million in the ten months ended October 31, 2024 to RMB37.2 million in the ten months ended October 31, 2025. The gross profit margin of our attachment equipment increased from 34.6% in the ten months ended October 31, 2024 to 39.0% in the ten months ended October 31, 2025 primarily due to the increase in sales of more advanced models of attachment equipment, which are of relatively higher gross profit margin.

- The gross profit of others increased from RMB67.3 million in the ten months ended October 31, 2024 to RMB120.9 million in the ten months ended October 31, 2025. The gross profit margin of others increased from 29.7% in the ten months ended October 31, 2024 to 47.5% in the ten months ended October 31, 2025, primarily due to our improved management of maintenance services. We strengthened preventive maintenance for our equipment, which resulted in fewer equipment failures and reduced the costs associated with providing maintenance services.

Other Income and Gains, Net

Our other income and gains, net increased by 47.1% from RMB89.3 million in the ten months ended October 31, 2024 to RMB131.4 million in the ten months ended October 31, 2025, primarily due to (i) an increase in government grants that primarily aim to encourage technological advancement, industrial growth, and operational stability; and (ii) an increase in the additional VAT deduction, primarily due to our increased procurement amounts in light of our increased sales in the ten months ended October 31, 2025, which resulted in a greater amount of input VAT eligible for the additional VAT deduction.

Administrative Expenses

Our administrative expenses increased by 41.0% from RMB154.9 million in the ten months ended October 31, 2024 to RMB218.4 million in the ten months ended October 31, 2025, primarily due to (i) an increase in employee expense, primarily resulting from an expansion of our administrative personnel and an increase in performance-based compensation of our administrative personnel; (ii) an increase in intermediary fees, primarily related to the professorial fees in connection with the consultants we engaged to enhance our management structure and capabilities and in connection with the Global Offering; and (iii) an increase in office and property related expenses, primarily due to our business growth.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 46.7% from RMB160.7 million in the ten months ended October 31, 2024 to RMB235.8 million in the ten months ended October 31, 2025, primarily as a result of (i) an increase in employee expenses of sales staff, primarily due to an expansion of our sales personnel and an increase in performance-based compensation of our sales personnel; and (ii) an increase in travel and business expenses, driven by our expanding business scale.

Research and Development Expenses

Our research and development expenses increased by 49.5% from RMB200.7 million in the ten months ended October 31, 2024 to RMB300.0 million in the ten months ended October 31, 2025, primarily due to (i) an increase in employee expenses of the research and development staff, primarily due to an expansion of our sales personnel and an increase in performance-based compensation of our research and development personnel; and (ii) an increase in material expenses, primarily due to the development of new products, which required use of materials for related research and testing activities.

Impairment Losses on Financial Assets and Contract Assets under ECL, Net

Our impairment losses on financial assets and contract assets under ECL, net decreased from RMB29.6 million in the ten months ended October 31, 2024 to RMB26.2 million in the ten months ended October 31, 2025, primarily due to a reassessment of customer creditworthiness based on current circumstances and historical payment records.

Other Expenses

Our other expenses increased from RMB5.5 million in the ten months ended October 31, 2024 to RMB96.0 million in the ten months ended October 31, 2025, primarily due to an increase in foreign exchange differences, net, primarily as a result of foreign exchange loss.

Profit for the Period

As a result of the foregoing, our net profit increased by 144.8% from RMB212.0 million in the ten months ended October 31, 2024 to RMB518.9 million in the ten months ended October 31, 2025.

Comparisons Between Years Ended December 31, 2024 and 2023

Revenue

Our revenue increased by 104.6% from RMB1,634.3 million in 2023 to RMB3,343.1 million in 2024, primarily due to an increase in demand for our specialized PCB production equipment driven by (i) the surge in demand for IT infrastructure in the AI industry chain; and (ii) the recovery of the consumer electronics sector and the technological upgrade of automotive electronics. Specifically:

- Our revenue from drilling equipment increased by 156.8% from RMB818.1 million in 2023 to RMB2,100.6 million in 2024, primarily due to an increase in sales volume from 1,129 units in 2023 to 3,119 units in 2024, driven by (i) the structural growth in demand in downstream application markets of AI servers and automotive electronics; (ii) technological upgrades which enabled our products to penetrate into high-end markets, such as the mass production of our twelve-axis automatic mechanical drilling machines in 2024; and (iii) an increase in our sales of laser drilling machines in the HDI board market segment, with multi-terminal applications of smart phones, automotive electronics, and consumer electronics that significantly generated demand for our products, offset by a decrease in the average selling price of our drilling equipment, driven by our strategies to enhance market penetration.

- Our revenue from photolithography equipment increased by 79.9% from RMB189.2 million in 2023 to RMB340.3 million in 2024, primarily due to an increase in sales volume from 79 units in 2023 to 141 units in 2024, driven by the structural growth in demand in downstream application markets, particularly in sectors such as servers and data storage for AI infrastructure, as well as consumer electronics, such as personal computers and smartphones.

- Our revenue from testing equipment increased by 38.7% from RMB197.6 million in 2023 to RMB274.1 million in 2024, primarily due to (i) an increase in sales volume from 400 units in 2023 to 446 units in 2024, driven by the structural growth in testing demand in downstream application markets of AI servers and optical modules; and (ii) an increase in sales of new-generation testing equipment products resulting from the increase in downstream customers' investment in new production lines and the mass production of our newly developed testing equipment, which offer higher precision and meet more customer needs, and therefore led to more premium pricing.

- Our revenue from formation equipment increased by 66.8% from RMB152.3 million in 2023 to RMB254.1 million in 2024, primarily due to an increase in sales volume from 289 units in 2023 to 596 units in 2024, driven by the structural growth in the multi-layer and HDI PCB sectors, partially offset by a decrease in average selling price of our formation equipment due to an increase in sales of mechanical formation equipment which typically has lower gross profit margins.

- Our revenue from attachment equipment increased by 49.5% from RMB54.8 million in 2023 to RMB81.9 million in 2024, primarily due to (i) an increase in sales volume of attachment equipment from 183 units in 2023 to 206 units in 2024, driven by the structural growth in the downstream application markets; and (ii) an increase in average selling price for our attachment equipment due to the more advanced product specifications of the attachment equipment sold in 2024 than those sold in 2023. Such attachment equipment offers enhancements over previously sold models, including the ability to accommodate larger workpieces, deliver higher processing efficiency and precision, and handle a wider range of materials, thereby providing greater value to customers and generally selling at higher prices over previous models.

- We started to generate revenue from lamination equipment in 2024, with sale of two units in 2024. In 2024, we had revenue from lamination equipment of RMB9.8 million.

- Our revenue from others increased by 26.8% from RMB222.4 million in 2023 to RMB282.1 million in 2024, primarily as a result of an increase in maintenance work driven by the continuous increase in accumulated equipment sales.

Cost of Sales

Our cost of sales increased by 110.4% from RMB1,157.4 million in 2023 to RMB2,435.4 million in 2024, primarily due to an increase in the raw materials and consumables used, which was generally in line with our growth in revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 90.3% from RMB476.9 million in 2023 to RMB907.7 million in 2024. Our gross profit margin slightly decreased from 29.2% in 2023 to 27.2% in 2024, primarily due to a decrease in the gross profit margin of our drilling equipment.

- The gross profit of our drilling equipment increased from RMB204.5 million in 2023 to RMB497.9 million in 2024. The gross profit margin of our drilling equipment decreased from 25.0% in 2023 to 23.7% in 2024, mainly due to an increase in sales of new-generation drilling equipment, which typically has a lower gross profit margin because at its early stage of commercialization, it had yet to fully capitalize on economies of scale and therefore bore high manufacturing costs. In addition, we downward adjusted the average selling price of our drilling equipment as a part of our efforts to enhance market penetration.

- The gross profit of our photolithography equipment increased from RMB67.0 million in 2023 to RMB118.3 million in 2024. The gross profit margin of our photolithography equipment remained relatively stable at 35.4% in 2023 and 34.8% in 2024.

- The gross profit of our testing equipment increased from RMB72.1 million in 2023 to RMB112.1 million in 2024. The gross profit margin of our testing equipment increased from 36.5% in 2023 to 40.9% in 2024, primarily due to an increase in sales of new-generation testing equipment products resulting from the increase in downstream customers' investment in new production lines and the mass production of our newly developed testing equipment, which offer higher precision and meet more customer needs, and therefore led to more premium pricing.

- The gross profit of our formation equipment increased from RMB31.1 million in 2023 to RMB52.5 million in 2024. The gross profit margin of our formation equipment remained relatively stable at 20.4% in 2023 and 20.7% in 2024.

- The gross profit of our attachment equipment increased from RMB11.5 million in 2023 to RMB33.0 million in 2024. The gross profit margin of our attachment equipment increased from 21.0% in 2023 to 40.2% in 2024, mainly due to an increase in our ability to charge premium pricing for our wider range of attachment equipment products as customers recognize the value of such products.

- The gross loss of our lamination equipment was RMB0.6 million in 2024. We incurred gross loss margin of 5.8% for our lamination equipment in 2024, which was mainly because our lamination equipment was at its early stage of commercialization, and had yet to fully capitalize on economies of scale and therefore bore high manufacturing costs.

- The gross profit of others increased from RMB90.6 million in 2023 to RMB94.4 million in 2024. The gross profit margin of others decreased from 40.7% in 2023 to 33.5% in 2024, primarily due to our implementation of strategic measures on after-sales maintenance services to stimulate sales in light of the the inactive downstream markets in 2023, which include the expansion of maintenance service scope and competitive contract pricing. Such initiatives resulted in an increased proportion of contracts including lower margin after-sales maintenance services in 2024, and diluted the overall profitability of others.

Other Income and Gains, Net

Our other income and gains, net increased by 50.2% from RMB127.8 million in 2023 to RMB192.0 million in 2024, mainly due to (i) an increase in additional VAT deductions which became available under the new government policy in 2023. We became eligible for the VAT deductions in the second half of 2023. As we did not have sufficient output VAT to fully utilize the available deduction within 2023, the unutilized balance was carried forward for offset in 2024, and (ii) an increase in fair value gains on financial liabilities at fair value through profit or loss resulting from the change in the valuation of contingent consideration for the acquisition of Rayleigh Taide. Our fair value gains on financial liabilities at fair value through profit and loss in 2024 was related to the acquisition of Rayleigh Taide in 2023. In 2024, after analyzing its operational performance and profitability, we engaged a professional valuation agency to conduct a comprehensive review and impairment test on the cash generating units, and made the necessary goodwill impairment provisions of RMB79.6 million. Accordingly, a reduction in consideration payable and recognition of fair value gains on financial liabilities at fair value through profit or loss of RMB60.2 million were recognized in 2024. See "— Discussion of Certain Components of Consolidated Statements of Financial Position — Liabilities from Contingent Consideration."

Administrative Expenses

Our administrative expenses increased by 81.1% from RMB112.5 million in 2023 to RMB203.7 million in 2024, primarily due to (i) an increase in employee expense, primarily resulting from an increase in share-based payment expenses recognized in 2024 and an increase in performance-based compensation of management personnel; and (ii) an increase in office and property related expenses, primarily due to our business growth.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 48.3% from RMB132.2 million in 2023 to RMB196.1 million in 2024, primarily due to (i) an increase in employee expenses of sales staff driven by an increase in share-based payment expenses recognized in 2024 and an increase in our expanding business scale; and (ii) an increase in travel and business expenses, driven by our expanding business scale.

Research and Development Expenses

Our research and development expenses increased from RMB193.6 million in 2023 to RMB266.8 million in 2024, mainly due to an increase in employee expenses of R&D employees resulting from an increase in share-based payment expenses recognized in 2024 as well as the expansion of our R&D team.

Impairment Losses on Financial Assets and Contract Assets under ECL, Net

We recorded impairment losses on financial assets and contract assets under ECL, net of RMB17.4 million in 2023 and RMB23.4 million in 2024, mainly due to an increase in the year-end receivable balances and changes in the aging structure.

Other Expenses

We recorded other expenses of RMB10.6 million in 2023 and RMB83.2 million in 2024, mainly due to the impairment of goodwill of Rayleigh Taide, a subsidiary we acquired in 2023, based on its lower-than-expected performance in 2024 which was mainly attributable to the market conditions of the industry in which Rayleigh Taide operates and increased market competition. See "— Other Income and Gains, Net."

Profit for the Year

As a result of the foregoing, our net profit increased by 120.8% from RMB135.7 million in 2023 to RMB299.6 million in 2024.

Comparisons Between Years Ended December 31, 2023 and 2022

Revenue

Our revenue decreased by 41.3% from RMB2,786.2 million in 2022 to RMB1,634.3 million in 2023, primarily due to a decline in the industry in which we operate and in various downstream sectors, as reflected by (i) a decrease in the overall market demand for specialized PCB equipment in China from approximately US$27.9 billion in 2022 to approximately US$3.7 billion in 2023; and (ii) a decline in industry output value of various sectors downstream of PCB equipment, such as servers and data storage, automotive electronics, mobile phones, computers, and consumer electronics, among others, from approximately US$81.7 billion in 2022 to approximately US$69.5 billion in 2023, which in turn led to a decrease in demand for PCBs and related upstream equipment. Especially, in the consumer electronics sector, following a peak in global product shipments in 2021 and 2022, the market entered a period of correction. Downstream brand owners moderated new order placements to address elevated channel inventories, while demand for key end products such as smartphones and PCs softened. These factors contributed to a decline in overall shipments and, consequently, a reduction in associated PCB output value. In the automotive electronics sector, 2023 was marked by subdued macroeconomic conditions, misalignment between vehicle production and sales schedules, and structural shortages of automotive-grade chips. As a result, production volumes fell short of expectations, thereby constraining PCB demand within the automotive industry. Additionally, the surplus inventory accumulated by automakers in 2022 translated into destocking pressures throughout 2023. Specifically:

- Our revenue from drilling equipment decreased by 50.9% from RMB1,666.8 million in 2022 to RMB818.1 million in 2023, primarily due to a decrease in sales volume from 2,514 units in 2022 to 1,129 units in 2023 while the average selling price of our drilling equipment increased, resulting from the increase in the proportion of sales of laser drilling equipment which has a higher average selling price.

- Our revenue from photolithography equipment decreased by 53.1% from RMB403.6 million in 2022 to RMB189.2 million in 2023, primarily due to a decrease in sales volume from 132 units in 2022 to 79 units in 2023 and a decrease in the average selling price of our photolithography equipment, resulting from the increase in the proportion of sales of photolithography equipment which has a lower average selling price.

- Our revenue from testing equipment decreased by 30.5% from RMB284.3 million in 2022 to RMB197.6 million in 2023, primarily due to a decrease in sales volume from 519 units in 2022 to 400 units in 2023 and a decrease in the average selling price of our testing equipment, resulting from the decrease in the proportion of sales of testing equipment which has a higher average selling price.

- Our revenue from formation equipment decreased by 29.1% from RMB214.9 million in 2022 to RMB152.3 million in 2023, primarily due to a decrease in sales volume from 463 units in 2022 to 289 units in 2023 while the average selling price of our formation equipment increased, resulting from the increase in the proportion of sales of laser formation equipment which has a higher average selling price.

- Our revenue from attachment equipment increased by 132.2% from RMB23.6 million in 2022 to RMB54.8 million in 2023, primarily due to an increase in sales volume of attachment equipment from 74 units in 2022 to 183 units in 2023, driven by our increased market share in the attachment equipment sector. However, the average selling price of our attachment equipment decreased, primarily because, in light of intensified market competition, we implemented competitive pricing for our older version equipment to increase sales.

- Our revenue from others increased by 15.3% from RMB192.9 million in 2022 to RMB222.4 million in 2023, primarily as a result of an increase in maintenance work driven by the continuous increase in accumulated equipment sales.

Cost of Sales

Our cost of sales decreased by 37.0% from RMB1,838.3 million in 2022 to RMB1,157.4 million in 2023, primarily due to a decrease in the raw materials and consumables used, which was generally in line with our decrease in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 49.7% from RMB947.8 million in 2022 to RMB476.9 million in 2023. Our gross profit margin decreased from 34.0% in 2022 to 29.2% in 2023, primarily due to a decrease in the gross profit margin of our drilling equipment.

- The gross profit of our drilling equipment decreased from RMB511.2 million in 2022 to RMB204.5 million in 2023. The gross profit margin of our drilling equipment decreased from 30.7% in 2022 to 25.0% in 2023, mainly due to (i) our offering of competitive pricing as a result of heightened market competition and reduced demand for new equipment from PCB manufacturers; and (ii) an increase in proportion of sales of new-generation drilling equipment, which has a lower gross profit margin because at its early stage of commercialization, it had yet to fully capitalize on economies of scale and therefore bore high manufacturing costs.

- The gross profit of our photolithography equipment decreased from RMB177.3 million in 2022 to RMB67.0 million in 2023. The gross profit margin of our photolithography equipment decreased from 43.9% in 2022 to 35.4% in 2023, mainly due to our offering competitive pricing, due to heightened market competition and reduced demand for new equipment from PCB manufacturers.

- The gross profit of our testing equipment decreased from RMB107.3 million in 2022 to RMB72.1 million in 2023. The gross profit margin of our testing equipment remained relatively stable at 37.7% in 2022 and 36.5% in 2023.

- The gross profit of our formation equipment decreased from RMB38.3 million in 2022 to RMB31.1 million in 2023. The gross profit margin of our formation equipment increased from 17.8% in 2022 to 20.4% in 2023, mainly due to an increase in the proportion of sales of laser formation equipment, which typically is of higher gross profit margin.

- The gross profit of our attachment equipment increased from RMB6.1 million in 2022 to RMB11.5 million in 2023. The gross profit margin of our attachment equipment decreased from 26.0% in 2022 to 21.0% in 2023, primarily as a result of our adoption of competitive pricing for our older version equipment to increase sales amid intensified market competition.

- The gross profit of others decreased from RMB107.6 million in 2022 to RMB90.6 million in 2023. The gross profit margin of others decreased from 55.8% to 40.7% in 2023, primarily due to our implementation of strategic measures on after-sales maintenance services to stimulate sales in light of the the inactive downstream markets in 2023, which include the expansion of maintenance service scope and competitive contract pricing. Such initiatives resulted in lower margin after-sales maintenance services, and diluted the overall profitability of others.

Other Income and Gains, Net

Our other income and gains, net decreased by 30.8% from RMB184.7 million in 2022 to RMB127.8 million in 2023, mainly due to a decrease in government grants, primarily as a result of a decrease in sales of software components due to the general decrease in our sales, which led to a reduction in VAT refund.

Administrative Expenses

Our administrative expenses decreased by 26.8% from RMB153.7 million in 2022 to RMB112.5 million in 2023, primarily due to (i) a decrease in employee expenses resulting from a decrease in performance-based compensation of management personnel, primarily due to the adverse impact on our performance caused by challenges in downstream industries; and (ii) a decrease in depreciation and amortization expenses mainly attributable to the depreciation and amortization of right-of-use assets, following the termination of leases for certain premises.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 17.6% from RMB160.5 million in 2022 to RMB132.2 million in 2023, primarily due to (i) a decrease in employee expenses of sales staff resulting from a decrease in performance-based compensation of selling and marketing employees, driven by the adverse impact on our performance caused by challenges in downstream industries; and (ii) a decrease in sales service and agency fees resulting from our decreased demand for sale services due to the relatively inactive downstream industries.

Research and Development Expenses

Our research and development expenses decreased by 15.7% from RMB229.7 million in 2022 to RMB193.6 million in 2023, mainly due to a decrease in employee expenses resulting from a decrease in performance-based compensation of R&D employees, primarily due to the adverse impact on our performance caused by challenges in downstream industries.

Impairment Losses on Financial Assets and Contract Assets under ECL, Net

We recorded impairment losses on financial assets and contract assets under ECL, net of RMB22.8 million in 2022 and RMB17.4 million in 2023, mainly due to changes in the year-end receivable balances and the aging structure.

Impairment of an Investment in an Associate

We recorded impairment of an investment in an associate of RMB55.8 million in 2022, primarily due to a decline in Shenzhen Mingxin's performance resulting from unfavorable downstream market conditions. The impairment of an investment in an associate amounted to nil in 2023, primarily due to Shenzhen Mingxin's improved financial performance in 2023 which did not trigger impairment testing.

Profit for the Year

As a result of the foregoing, our net profit decreased by 68.6% from RMB432.0 million in 2022 to RMB135.7 million in 2023.

DISCUSSION OF CERTAIN COMPONENTS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

The following table sets forth the components of our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current Assets				
Property, plant and equipment	173,355	415,379	677,804	765,468
Investment properties	1,957	1,880	1,803	1,738
Right-of-use assets	590,720	534,548	493,578	474,990
Goodwill	12,924	153,963	74,323	12,924
Other intangible assets	8,116	6,840	5,185	4,521
Investments in associates	39,892	42,308	51,310	54,293
Trade and bills receivables at amortized cost	118,624	60,913	170,002	513,566
Prepayments, other receivables and other assets	73,501	51,508	69,030	39,373
Deferred tax assets	58,112	67,085	49,967	89,338
Times deposits	—	—	400,000	417,114
Total non-current assets	**1,077,201**	**1,334,424**	**1,993,002**	**2,373,325**
Non-current liabilities				
Interest-bearing borrowings	—	—	211,050	179,960
Deferred income	3,453	2,282	1,769	1,173
Provision	13,419	2,619	6,841	20,754
Lease liabilities	83,407	45,011	12,798	12,141
Deferred tax liabilities	3,794	5,063	5,064	5,269
Total non-current liabilities	**104,073**	**54,975**	**237,522**	**219,297**

Property, Plant and Equipment

Our property, plant and equipment consist of (i) buildings; (ii) machinery; (iii) motor vehicles; (iv) electronic equipment; (v) other equipment; (vi) leasehold improvements; and (vii) construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Buildings	—	—	—	577,951
Machinery	38,997	39,408	69,833	71,993
Motor vehicles	2,674	2,573	2,426	2,059
Electronic equipment	7,500	6,402	7,489	19,991
Other equipment	24,896	23,317	23,476	25,233
Leasehold improvements	40,393	29,596	17,938	7,322
Construction in progress	58,895	314,083	556,642	60,919
Total	**173,355**	**415,379**	**677,804**	**765,468**

Our property, plant and equipment increased from RMB173.4 million as of December 31, 2022 to RMB415.4 million as of December 31, 2023, and further increased to RMB677.8 million as of December 31, 2024, primarily due to an increase in construction in progress resulting from the construction of our industrial park. The industrial park is intended to be used for the manufacturing of specialized PCB production equipment, R&D and product design. As of the Latest Practicable Date, we had completed the acquisition of land; for certain buildings, we had obtained the property ownership certificate, and for the remaining buildings, the construction of main structures, and works on the greening of outdoor roads and fire protection, while the interior renovation and deployment of production equipment were still in progress. As the industrial park is still under construction, as of the Latest Practicable Date, we were still in the process of obtaining the necessary permits and licenses for operation. The industrial park is expected to be completed and commence operation by the end of 2026. The industrial park is intended to expand our production capacity; we plan to relocate primarily the functional departments there, with minimal impact on our existing production capacity, and the relocation will be completed before the industrial park becomes operational in 2026. The relocation plan has not had, nor is it expected to have, any material adverse impact on our business operations or financial performance and conditions. Our property, plant and equipment increased from RMB677.8 million as of December

31, 2024 to RMB765.5 million as of October 31, 2025, primarily due to an increase in buildings, as we reclassified the asset from the construction in progress to the buildings with the completion of the construction of buildings in our industrial park.

Right-of-Use Assets

Our right-of-use assets include land use right and leases of buildings. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,			As of October 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Land use right	467,688	459,896	450,184	442,778
Buildings	123,032	74,652	43,394	32,212
Total	**590,720**	**534,548**	**493,578**	**474,990**

Our right-of-use assets decreased from RMB590.7 million as of December 31, 2022 to RMB534.5 million as of December 31, 2023, and further decreased by 7.7% to RMB493.6 million as of December 31, 2024, and then decreased by 3.8% from RMB493.6 million as of December 31, 2024 to RMB475.0 million as of October 31, 2025, primarily due to the depreciation of land use right and the leases of buildings, as well as early lease terminations.

Net Current Assets

	As of December 31,			As of October 31,	As of November 30,
	2022	2023	2024	2025	2025
			(RMB in thousands)		
					(unaudited)
Current assets					
Inventories	903,919	972,117	898,185	1,716,879	1,721,457
Trade and bills receivables	2,149,075	1,694,789	2,676,146	4,173,623	4,668,071
Contract assets	19,179	19,610	24,880	45,888	39,096
Prepayments, other receivables and other assets	15,899	39,406	54,820	112,085	184,738
Restricted cash	—	1,816	333	542	542
Cash and cash equivalents	2,986,535	1,916,965	1,539,131	1,146,344	1,065,201
Total current assets	**6,074,607**	**4,644,703**	**5,193,495**	**7,195,361**	**7,679,105**
Current liabilities					
Trade and bills payables	671,476	592,018	1,275,637	2,244,899	2,441,163
Contract liabilities	25,955	65,754	54,895	61,423	113,272
Other payables and accruals	503,327	380,460	411,581	590,976	741,922
Liabilities from contingent consideration	—	68,683	8,523	—	—
Interest-bearing borrowings	17,174	75,744	2,426	645,895	634,938
Lease liabilities	45,063	35,497	34,716	22,120	20,275
Income tax payable	37,357	5,724	9,250	80,630	127,121
Provisions	16,671	11,727	15,570	19,154	20,941
Total current liabilities	**1,317,023**	**1,235,607**	**1,812,598**	**3,665,097**	**4,099,632**
Net current assets	**4,757,584**	**3,409,096**	**3,380,897**	**3,530,264**	**3,579,473**

We had net current assets positions as of December 31, 2022, 2023, 2024, October 31, 2025 and November 30, 2025.

Our net current assets increased from RMB3,530.3 million as of October 31, 2025 to RMB3,579.5 million as of November 30, primarily due to (i) an increase in trade and bills receivables of RMB494.4 million and (ii) an increase in inventories of RMB4.6 million, partially offset by (i) an increase in trade and bills payables of RMB196.3 million; (ii) an increase in other payables and accruals of RMB150.9 million; and (iii) a decrease in cash and cash equivalents of RMB81.1 million.

Our net current assets increased from RMB3,380.9 million as of December 31, 2024 to RMB3,530.3 million as of October 31, 2025, primarily due to an increase in trade and bills receivables, inventories and prepayments, other receivables and other assets primarily driven by our increased sales in the ten months ended October 31, 2025, partially offset by (i) an increase in trade and bills payables and other payables and accruals driven by an increase in procurement to respond to increased sales and by our expanded business scale; (ii) an increase in interest-bearing borrowings which served as flexible sources for our enhanced raw material procurement in response to market demand; and (iii) a decrease in cash and cash equivalents.

Our net current assets decreased from RMB3,409.1 million as of December 31, 2023 to RMB3,380.9 million as of December 31, 2024, primarily due to (i) an increase in trade and bills payables of RMB683.6 million which was mainly attributable to (a) an increased demand for our products, resulting in the increase of trade payables, and (b) the issuance of more bills to settle payments with suppliers in an effort to improve liquidity management; (ii) a decrease in cash and cash equivalents of RMB377.8 million which was mainly attributable to our net cash flows used in investing activities resulting from (a) purchases of items of property, plant and equipment, other intangible assets and other non-current assets, and (b) an increase in time deposits; and (iii) a decrease in inventories of RMB73.9 million, which was mainly attributable to the increased turnover and improved efficiency in inventory management, partially offset by an increase in trade and bills receivables of RMB981.4 million, which was mainly attributable to an increase in sales resulting from the surge in demand for IT infrastructure in the AI industry chain, coupled with the recovery of the consumer electronics sector and the technological upgrade of automotive electronics.

Our net current assets decreased from RMB4,757.6 million as of December 31, 2022 to RMB3,409.1 million as of December 31, 2023, primarily due to (i) a decrease of RMB1,069.5 million in cash and cash equivalents which was mainly attributable to our net cash flows used in financing activities resulting from dividends paid; and (ii) a decrease of RMB454.3 million in trade and bills receivables which was mainly attributable to a decrease in sales, partially offset by a decrease of RMB122.8 million in other payables and accruals, which was mainly attributable to a decrease in accruals of payroll and welfare payables resulting from a reduction in performance-based compensation accrued in 2023 due to our declined financial performance in 2023.

Inventories

Our inventories primarily consisted of (i) raw materials; (ii) work-in-progress; (iii) semi-finished goods; (iv) materials consigned for processing; (v) finished goods; and (vi) goods in transit. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Raw materials	360,195	272,782	226,303	494,169
Work in progress	256,188	279,650	247,439	625,137
Semi-finished goods	66,599	47,094	58,254	104,171
Materials consigned for processing[1]	19,993	18,959	20,495	33,199
Finished goods	50,967	45,759	36,581	52,371
Goods in transit[2]	182,734	365,487	352,143	465,815
Less: Write-down of inventories to net realisable value	(32,757)	(57,614)	(43,030)	(57,983)
Total	**903,919**	**972,117**	**898,185**	**1,716,879**

Note:

(1) Materials consigned for processing primarily consisted of raw materials sent to third parties for production and raw materials dispatched for refurbishment, which would subsequently be returned to us.

(2) Goods in transit primarily consisted of equipment sent to clients for trial use and despatched equipment for which revenue has not yet been recognized.

Our inventories increased by 91.1% from RMB898.2 million as of December 31, 2024 to RMB1,716.9 million as of October 31, 2025, primarily because of the increase in market demand and order. In response to the surge in demand in the ten months ended October 31, 2025, we increased our stocking of drilling-related equipment materials. At the same time, taking into account suppliers' capacity and the procurement lead time of certain materials, we also increased our stocking of long-lead-time materials to avoid interruptions to our production and product delivery.

Our inventories decreased by 7.6% from RMB972.1 million as of December 31, 2023, to RMB898.2 million as of December 31, 2024, primarily due to the recovery of customer orders, which enabled us to accelerate inventory consumption and improve inventory turnover rate. As a result, the inventory turnover days in 2024 shortened to 140 days, compared with 296 days in 2023.

Our inventories increased by 7.5% from RMB903.9 million as of December 31, 2022, to RMB972.1 million as of December 31, 2023, primarily due to the rapid growth of goods in transit by 100.0% from 2022 to 2023, partially offset by a decrease in raw materials over the same years. For domestic customers, once products pass production inspection, they are pending shipment, and then must undergo transportation, installation, and commissioning. In practice, the cycle from product dispatch to installation and commissioning may be affected by factors such as customer site conditions and production line readiness. The increase in goods in transit was primarily due to a surge in orders in the fourth quarter of 2023 which had not completed the above processes as of December 31, 2023.

The following table sets forth an aging analysis of our inventories:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Below 6 months	487,750	664,980	637,075	1,302,966
Between 6 months and 1 year	271,542	105,969	141,837	241,278
1 year to 2 years	110,906	137,877	66,047	112,751
Over 2 years	33,721	63,291	53,226	59,884
Total	**903,919**	**972,117**	**898,185**	**1,716,879**

The following table sets forth our inventory turnover days for the years/periods indicated:

	Year Ended December 31,			Ten months ended October 31,
	2022	2023	2024	2025
Inventory turnover days[1]	210	296	140	132

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year/period divided by cost of sales for the relevant year/period and multiplied by the number of days in the relevant year/period, which is 365 days for each year and 300 days for the ten months ended October 31, 2025.

Our inventory turnover days increased from 210 days in 2022 to 296 days in 2023, primarily due to the relatively low cost of sales in 2023, mainly attributable to a decrease in demand from downstream industries. Meanwhile, although our costs decreased, we maintained a safe inventory level to prevent stockouts, and we had a surge in orders in the fourth quarter of 2023 which resulted in an increased inventory level. Our inventory turnover days decreased to 140 days in

2024, and further decreased to 132 days in the ten months ended October 31, 2025, primarily due to a substantial increase in cost of sales, primarily attributable to the increased sales in 2024, driven by the increased demand for our products. In addition, we strengthened our inventory management: we promote precise planning to align our inventory with market demands, ensuring timely restocking to prevent shortages. By remaining agile and responsive to market fluctuations, we adjust inventory levels as necessary. We also emphasize on the prompt clearance of long-aged materials to minimize holding costs and enhance storage efficiency.

As of November 30, 2025, RMB646.7 million, or 37.7% of inventories as of October 31, 2025, had been used, consumed or sold. Our Directors are of the view that there are no material impairment issues with these inventories. We have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We conduct regular reviews to detect items with low sales or usage value for which impairment provisions are made. Inventories are measured at the lower of cost and net realizable value. For inventories with impairment indicators, we have recognized adequate provisions in accordance with our accounting policies, and such provisions have been audited by our reporting accountants to ensure adequacy and compliance.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables	1,783,804	1,592,881	2,586,503	4,362,538
Bills receivable	582,759	278,325	397,249	485,986
Less: Allowance for credit losses	(98,864)	(115,504)	(137,604)	(161,335)
Total	**2,267,699**	**1,755,702**	**2,846,148**	**4,687,189**

Our trade receivables and bills receivables mainly refer to outstanding amount due from our customers and related parties for the purchase of goods we sold in the ordinary course of business, less credit loss allowance. Our trade and bills receivables decreased by 22.6% from RMB2,267.7 million as of December 31, 2022, to RMB1,755.7 million as of December 31, 2023, primarily due to a decrease in our revenue by 41.3% during the same period. Our trade and bills receivables increased by 62.1% to RMB2,846.1 million as of December 31, 2024, primarily due to the industry recovery in demand for our products in 2024 when our revenue grew by 104.6%. The growth rate of trade receivable was significantly lower than the growth rate of revenue, mainly because we strengthened our liquidity management through measures such as implementing cash flow budgeting, coordinating with the sales department to set collection targets, adopting quarterly rolling budgets, enhancing collection efforts. These measures effectively reduced the capital tied up in trade receivable. This was also reflected by a decrease in trade receivable turnover days from 377 days in 2023 to 228 days in 2024. Our trade and bills receivables further increased by 64.7% to RMB4,687.2 million as of October 31, 2025, mainly driven by the surge in demand for IT infrastructure along the AI industry chain, the recovery of the consumer electronics sector, technological upgrades in automotive electronics, and broader industry expansion, all of which contributed to higher sales volumes and increased order intake. For the ten months ended October 31, 2025, our revenue increased by 64.4%, and the expansion in sales scale resulted in a corresponding 68.0% increase in trade receivables, broadly in line with the growth in revenue.

We generally grant credit terms ranging from three to 18 months to our customers.

The following table sets out an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,			As of October 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Within 1 year	1,548,655	1,128,898	2,280,109	3,859,254
1 year to 2 years	143,563	348,532	159,933	327,375
2 years to 3 years	19,091	14,460	28,979	29,809
3 years to 5 years	192	936	610	385
Over 5 years	29	32	245	—
Total	**1,711,530**	**1,492,858**	**2,469,876**	**4,216,823**

We believe there were no recoverability issues for trade receivables aged over one year during the Track Record Period. We closely review the balances of trade receivables on an ongoing basis and assess the collectability of overdue balances. We routinely analyze the aging profile of trade receivables to proactively identify potential risks to implement appropriate collection methods. We also monitor the collections of trade receivables and retrospectively review the accounting estimate of prior periods to identify any material discrepancies. To assess the adequacy of the impairment of our trade receivables, our Directors have considered the recoverability of certain customers, including, among others, the credit terms granted to customers, the credit history, the historical settlement records, the aging analysis and forward-looking information. Based on the results of our Director's assessment, we provided the impairment losses of our trade receivables in accordance with the accounting policies in Note 3 to the Accountants' Report set out in Appendix I to this prospectus. On the basis of each of the factors as assessed above, our Directors considered that sufficient provision had been made on trade receivables as of the end of each year/period during the Track Record Period.

The following table sets forth our trade receivables turnover days for the years/periods indicated:

	Year Ended December 31,			Ten months ended October 31,
	2022	**2023**	**2024**	**2025**
Trade receivables turnover days(1) . . .	254	377	228	242

Note:

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables (excluding provision for impairment) for a year/period divided by revenue for the relevant year/period and multiplied by the number of days in the relevant year/period, which is 365 days for each year and 300 days for the ten months ended October 31, 2025.

Our trade receivables turnover days increased from 254 days in 2022 to 377 days in 2023, primarily due to an increased proportion of sales settled through installments as part of our efforts to secure orders from customers, in light of the downturn in our industry and various downstream sectors. In 2024, our trade receivables turnover days decreased to 228 days, mainly due to (i) a shift in our product mix, with a higher proportion of products offering shorter payment terms; (ii) an increase in revenue as the industry improved, leading to rebounded demand and more timely customer payments; and (iii) the implementation of measures to enhance the management and collection of trade receivables. Our trade receivables turnover days increased from 228 days in 2024 to 242 days in the ten months ended October 31, 2025, primarily due to an increased proportion of sales settled through installments as part of our efforts to secure orders from customers in light of the market competition. We identify and manage credit risks by conducting thorough credit investigations and maintaining updated customer profiles. Customers are classified based on financial indicators and credit risk, and we apply tailored credit management strategies to different categories of customers. We also calculate credit sales limits for customers based on their financial health and profitability.

As of November 30, 2025, RMB469.0 million, or 11.1% of our trade receivables as of October 31, 2025, had been settled.

Our Directors are of the view that there are no material recoverability issues with these trade receivable for the following reasons (i) we have implemented stringent credit risk management measures. We conduct comprehensive credit assessment during customer onboarding. For certain customers with relatively small business scale or developing credit profiles, we typically require them to either enter into guarantee agreements or make full payments through financing arrangements in order to mitigate potential bad debt risks; (ii) we regularly assess the recoverability of trade receivables, taking into account customer credit profiles, historical repayment patterns, aging analysis and subsequent settlement; and (iii) impairment provisions have been fully recognized in accordance with the expected credit loss model under IFRS 9 and audited by our reporting accountants.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consisted of prepayments for raw materials and equipment, deposits for leases, value added tax recoverable and other receivables pertaining to security deposits when submitting bids to customers. Our prepayments, deposits and other receivables remained relatively stable at RMB89.4 million as of December 31, 2022 and RMB90.9 million as of December 31, 2023. Our prepayment, other receivables and other assets increased by 36.3% from RMB90.9 million as of December 31, 2023 to RMB123.9 million as of December 31, 2024, primarily due to (i) an increase in prepayments, mainly attributable to an increase in sales orders, which increased our demand from and thus prepayments to upstream suppliers; and (ii) an increase in VAT recoverable, primarily due to the input VAT on construction and material procurement for projects under construction by a subsidiary, the revenue generated by which was significantly less than the expenditure on engineering and materials, resulting in the accumulation of the VAT to be recovered. Our prepayments, other receivables and other assets increased by 22.3% from RMB123.9 million as of December 31, 2024 to RMB151.5 million as of October 31, 2025, primarily due to (i) an increase in VAT recoverable, primarily due to higher purchases of raw materials, which resulted in greater input VAT and thus a larger amount of VAT available to be carried forward for future deduction; and (ii) an increase in prepayments, mainly attributable to an increase in sales orders, which increased our demand from and thus prepayments to upstream suppliers.

As of November 30, 2025, RMB64.0 million, or 42.2% of our prepayments, other receivables and other assets as of October 31, 2025, had been settled.

Trade and Bills Payables

Our trade and bills payables are non-interest-bearing. The following table sets out a breakdown of our trade payables and bills payables as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade payables	398,582	545,395	664,080	1,368,006
Bills payables	272,894	46,623	611,557	876,893
Total	**671,476**	**592,018**	**1,275,637**	**2,244,899**

Our trade payables and bills payables decreased by 11.8% from RMB671.5 million as of December 31, 2022, to RMB592.0 million as of December 31, 2023, primarily due to an increase in procurement of raw materials in the fourth quarter of 2023 in light of the increased demand for our products. Meanwhile, the decrease in bills payables was primarily attributable to a decrease in our settlement with customers with bills. Our trade and bills payables increased by 115.5% to RMB1,275.6 million as of December 31, 2024, primarily because there was an increased demand for our products, resulting in the increase of trade payables. In addition, we issued more bills to settle payments with suppliers in an effort to improve liquidity management. Our trade and bills payables increased by 76.0% from RMB1,275.6 million as of December 31, 2024 to RMB2,244.9 million as of October 31, 2025, primarily due to our increased purchase of raw materials in light of increased demand of our products.

The trade payables are typically settled within six months. The following table sets out an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Within one year	391,293	529,811	652,541	1,354,535
1 to 2 years	6,270	8,713	2,046	1,816
2 to 3 years	807	6,126	3,361	3,676
Over 3 years	212	745	6,132	7,979
Total	**398,582**	**545,395**	**664,080**	**1,368,006**

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year Ended December 31,			As of October 31,
	2022	2023	2024	2025
Trade payables turnover days[1]	99	149	91	103

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by the number of days in the relevant year/period, which is 365 days for each year and 300 days for the ten months ended October 31, 2025.

Our trade payables turnover days increased from 99 days in 2022 to 149 days in 2023, primarily due to (i) a decrease in cost of sales in 2023, which was in line with a decrease in revenue; (ii) an increase in trade payables as of December 31, 2023, primarily due to an increase in procurement of raw materials in the fourth quarter of 2023 in preparation for the increased demand for our products; and (iii) our prudent management of our payment schedule to suppliers to better control our liquidity position while maintaining favorable supplier relationships. Our trade payables turnover days decreased to 91 days in 2024, primarily due to an increase in cost of sales, which was in line with the increase in revenue during the same years or periods. Meanwhile, we increased the settlement with suppliers using bills in 2024. Our trade payables turnover days increased from 91 days in 2024 to 103 days in the ten months ended October 31, 2025, primarily due to our prudent management of our payment schedule to suppliers and the use of financial instruments to better control our liquidity position while maintaining favorable supplier relationships. To effectively manage cash utilization, we maintain open communication with suppliers and negotiate terms that are mutually beneficial, allowing for flexibility in payment when needed. We closely monitor key performance indicators related to cash utilization and trade payable turnover, which enables us to identify trends and make informed decisions. Our accounts payable policies are regularly reviewed to ensure alignment with our business objectives and market conditions. In addition, we flexibly utilize various payment methods to achieve optimal cash utilization efficiency.

As of November 30, 2025, RMB404.4 million, or 29.6% of our trade payables as of October 31, 2025, and RMB80.7 million, or 9.2% of our bills payables as of October 31, 2025, had been settled.

Contract Liabilities

Our contract liabilities represent the advances received to deliver goods. As of December 31, 2022, 2023, 2024 and October 31, 2025, our contract liabilities amounted to RMB26.0 million, RMB65.8 million, RMB54.9 million and RMB61.4 million, respectively. The relatively high contract liabilities in 2023 were primarily due to the substantial amount of advance payment from one new overseas customer, which ordered highly customized products from us.

As of November 30, 2025, RMB9.0 million, or 14.7% of our contract liabilities as of October 31, 2025, had been recognized as revenue.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) payroll and welfare payables; (ii) endorsed bills receivable that have not been derecognized and not yet due; (iii) payable for acquisition of a subsidiary; (iv) payable for acquisition of non-current assets; (v) other tax payables; (vi) accruals; (vii) deposits; and (viii) others. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Payroll and welfare payables	304,272	204,448	179,436	250,732
Endorsed bills receivable that have not been derecognized and not yet due	100,546	82,868	100,908	210,110
Payable for acquisition of non-current assets	51,033	56,301	100,318	105,087
Other tax payables	37,066	19,615	15,836	15,052
Accruals	9,439	14,768	14,336	9,131
Deposits	971	877	691	864
Others	—	1,583	56	—
Total	**503,327**	**380,460**	**411,581**	**590,976**

Our other payables and accruals decreased by 24.4% from RMB503.3 million as of December 31, 2022 to RMB380.5 million as of December 31, 2023, primarily due to a decrease in accruals of payroll and welfare payables, which was primarily because there was a reduction in performance-based compensation accrued in 2023 due to our declined financial performance in

2023. Our other payables and accruals increased by 8.2% to RMB411.6 million as of December 31, 2024, primarily due to an increase in payable for acquisition of non-current assets related to the construction of our industrial park. Meanwhile, our payroll and welfare payables as of December 31, 2024 decreased, primarily due to payments made in 2024. Our other payables and accruals increased from RMB411.6 million as of December 31, 2024 to RMB591.0 million as of October 31, 2025, primarily due to (i) an increase in payable for acquisition of non-current assets related to the construction of our industrial park; (ii) an increase in endorsed bills receivable that have not been derecognized and not yet due, primarily due to an increase in the use of endorsed bills to make payments for our procurement of raw materials and consumables; and (iii) an increase in payroll and welfare payables driven by our overall business expansion and an increase in employee headcount.

As of November 30, 2025, RMB209.1 million, or 35.4% of our other payables and accruals as of October 31, 2025, had been settled.

Liabilities from Contingent Consideration

We had liabilities from contingent consideration of RMB68.7 million, RMB8.5 million and nil as of December 31, 2023, 2024 and October 31, 2025, respectively. Our liabilities from contingent consideration arose from the acquisition of 60% equity interest in Rayleigh Taide. Pursuant to the acquisition agreement entered into between us and the seller of the 60% equity interest (an Independent Third Party) in Rayleigh Taide, the total consideration shall be adjusted with reference to the net profit of Rayleigh Taide in 2022, 2023, 2024 and 2025 (the "**Contingent Consideration**"). The initial amount of the Contingent Consideration recognized upon the acquisition was RMB68.7 million, which was determined using the discounted cash flow model and is within Level 3 fair value measurement. The consideration is due for final measurement and payment to the former shareholders on December 31, 2025. A significant increase/decrease in the profit before tax of Rayleigh Taide would result in a significant increase/decrease in the fair value of our Contingent Consideration liability. In 2024, due to the market conditions of the industry in which Rayleigh Taide operates and increased market competition, Rayleigh Taide experienced a decline in operational performance and profitability and its actual operating results for 2024 were lower than the profit forecast at the time of acquisition. Our management engaged an independent professional valuation agency to conduct a comprehensive review and impairment test on the cash generating units that might show signs of impairment, and made the impairment provisions of RMB79.6 million in 2024. As a result, the carrying amount of our goodwill was written down by RMB79.6 million in 2024. Accordingly, a reduction in consideration payable and recognition of fair value gains on financial liabilities at fair value through profit or loss of RMB60.2 million were also recognized in 2024, resulting in a decrease in our liabilities from contingent consideration from RMB68.7 million as of December 31, 2023 to RMB8.5 million as of December 31, 2024. See Note 18, Note 33 and Note 39 to the Accountants' Report in Appendix I to this Prospectus.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have historically funded our cash requirements principally from proceeds from our business operations, capital contribution from shareholders and bank borrowings. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations and the net proceeds from the Global Offering. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Net cash flows from/(used in) operating activities	655,354	416,774	154,986	(123,331)	(754,356)
Net cash used in investing activities	(145,763)	(310,938)	(623,967)	(595,128)	(111,583)
Net cash from/(used in) financing activities	2,256,554	(1,174,846)	93,786	(63,030)	473,845
Cash and cash equivalents at beginning of year/period	219,259	2,986,535	1,916,965	1,916,965	1,539,131
Effect of foreign exchange rate changes, net	1,131	(560)	(2,639)	(2,074)	(693)
Cash and cash equivalents at end of year/period	**2,986,535**	**1,916,965**	**1,539,131**	**1,133,402**	**1,146,344**

Net Cash Flows from/(Used in) Operating Activities

Our cash flows from operating activities primarily reflect our profit before taxation adjusted by: (i) non-cash and non-operating items and (ii) changes in working capital.

In the ten months ended October 31, 2025, our net cash flows used in operating activities were RMB754.4 million, Our net cash used in operating activities is calculated by adjusting our profit before tax of RMB589.9 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB855.1 million. Our movements in working capital primarily reflect (i) an increase in trade and bills receivables of RMB2,774.8 million and (ii) an increase in inventories of RMB860.9 million, partially offset by (i) an increase in trade and bills payables of RMB1,771.6 million and (ii) an increase in other payables and accruals of RMB293.7 million.

We recorded operating cash outflow for the ten months ended October 31, 2025, primarily due to (i) a timing mismatch between cash inflows from sales and cash outflows for purchases; and (ii) higher performance-based remuneration and an increase in headcount, which further increased cash outflows related to employee compensation.

To improve the net cash outflow position as of October 31, 2025, we continued to implement liquidity measures, such as steady cash flow operations and budgeting, collaborating with sales department, adopting rolling budgets, and following up on customer payments. Further, we increased the proportion of prepayments to secure earlier cash inflows and reduce reliance on extended installment settlements, which typically delay cash collection. For example, with regards to certain types of our equipment products designed for AI servers, we initially offered credit periods ranging from 12 to 20 months upon launch. As we further upgraded our products and improved their competitiveness, and taking into account market competitive landscape, we actively negotiated with customers and were able to bargain for shortened credit periods ranging from approximately three to 12 months, with the specific credit period for each customer determined after careful analysis of each customer's creditworthiness and historical credit records. We believe such significant operating cash outflow in the ten months ended October 31, 2025 is temporary, and that the above measures will lead to improvements in our operating cash flow position for the full year of 2025.

We experienced similar operating cash outflow in the ten months ended October 31, 2024 as well, because in 2024, we experienced a significant increase in sales revenue, which in turn required us to expand our procurement scale to meet such increase in demand, resulting in a significant increase in payments to suppliers. In the ten months ended October 31, 2024, our trade receivable turnover days reached 240 days, and we experienced net cash used in operating activities of RMB123.3 million.

To reduce such turnover days and improve operating cash flow position, we focused on the following, which we also continued to implement and improve in 2025:

- maintaining steady cash flow operations and budgeting by enhancing cash flow forecasting and payment scheduling with an aim to optimize payment timing and maintain a balance between cash payments and the need to support essential operational expenditure and procurement;

- collaborating with the sales department to set collection targets;

- adopting quarterly rolling budgets, and conducting reviews and analyses on variances between budgeted and actual figures to identify underlying reasons; and

- following up on customer payments in a timely manner, including implementing targeted collection strategies, particularly for customers with longer outstanding receivables.

We also enhanced collection efforts in the last two months of 2024, adopted bank acceptance bills to optimize the procurement payment cycle, and incentivized our sales personnel to expedite cash collection. As a result of the above measures our trade receivable turnover days improved from 240 days in the ten months ended October 31, 2024 to 228 days for the year ended December 31, 2024. Benefitting from the above measures, our net operating cash outflow of RMB123.3 million in the ten months ended October 31, 2024 reverted to a net operating cash inflow of RMB155.0 million in the full year of 2024.

In 2024, our net cash flows from operating activities were RMB155.0 million. Our net cash from operating activities is calculated by adjusting our profit before tax of RMB329.6 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB603.9 million. Our movements in working capital primarily reflect (i) an increase in trade and bills payables of RMB1,361.7 million and (ii) a decrease in inventories of RMB11.5 million, partially offset by an increase in trade and bills receivables of RMB1,813.7 million. Our operating cash flow decreased in 2024 compared to 2023 despite recording an increase in operating profit before working capital changes, primarily because we generally grant credit terms of three to 18 months, and as a result, our net cash generated from operating activities in 2024 is largely correlated to our results of operations in 2023. Our cash from operating activities in 2024 was also negatively affected by (i) an increase in the amount paid for matured notes payable in 2024; and (ii) high procurement expenditures in late 2024 to fulfill the increased orders. Our net operating cash outflow position in the ten months ended October 31, 2024 turned into a net operating cash inflow position in the full year of 2024 due to the above measures on cash flow operations and budgeting, collaborating with sales department and other measures to expedite cash collection.

In 2023, our net cash flows from operating activities were RMB416.8 million. Our net cash from operating activities is calculated by adjusting our profit before tax of RMB137.4 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB247.4 million. Our movements in working capital primarily reflect (i) an increase in trade and bills payables of RMB309.7 million and (ii) a decrease in trade and bills receivables of RMB119.0 million, partially offset by (i) a decrease in other payables and accruals of RMB135.5 million and (ii) an increase in inventories of RMB116.1 million.

In 2022, our net cash flows from operating activities were RMB655.4 million. Our net cash from operating activities is calculated by adjusting our profit before tax of RMB483.3 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB633.3 million. Our movements in working capital primarily reflect (i) a decrease in inventories of RMB271.1 million and (ii) an increase in trade and bills payables of RMB217.0 million, partially offset by a decrease in other payables and accruals of RMB227.5 million.

Net Cash Flows Used in Investing Activities

In the ten months ended October 31, 2025, our net cash flows used in investing activities were RMB111.6 million, which was attributable to purchases of items of property, plant and equipment, other intangible assets and other non-current assets of RMB114.2 million, partially offset by dividend received from an associate of RMB2.6 million.

In 2024, our net cash flows used in investing activities were RMB624.0 million, which was attributable to (i) purchases of items of property, plant and equipment, other intangible assets and other non-current assets of RMB224.1 million; and (ii) an increase in time deposits of RMB400.0 million.

In 2023, our net cash flows used in investing activities were RMB310.9 million, which was attributable to (i) purchases of items of property, plant and equipment, other intangible assets and other non-current assets of RMB242.4 million; and (ii) acquisition of subsidiaries of RMB69.1 million, partially offset by proceeds from disposal of items of property, plant and equipment, right-of-use assets and other non-current assets of RMB0.6 million.

In 2022, our net cash flows used in investing activities were RMB145.8 million, which was attributable to (i) purchases of items of property, plant and equipment, other intangible assets and other non-current assets of RMB143.8 million; and (ii) addition of investment in an associate of RMB2.0 million.

Net Cash Flows From/(Used) in Financing Activities

In the ten months ended October 31, 2025, our net cash flows generated from financing activities were RMB473.8 million, primarily attributable to proceeds of borrowings from banks of RMB1,610.8 million, partially offset by repayment of borrowings from banks of RMB1,024.7 million.

In 2024, our net cash flows generated from financing activities were RMB93.8 million, primarily attributable to proceeds of borrowings from banks of RMB867.1 million, partially offset by repayment of borrowings from banks of RMB728.8 million.

In 2023, our net cash flows used in financing activities were RMB1,174.8 million, primarily attributable to dividends paid of RMB1,197.0 million, partially offset by proceeds of borrowings from banks of RMB75.7 million.

In 2022, our net cash flows generated from financing activities were RMB2,256.6 million, primarily attributable to proceeds from issue of shares of RMB3,093.3 million, partially offset by repayments of borrowings from banks of RMB871.5 million.

INDEBTEDNESS

As of December 31, 2022, 2023, 2024, October 31, 2025 and November 30, 2025, our indebtedness included interest-bearing borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of October 31,	As of November 30,
	2022	2023	2024	2025	2025
	(RMB in thousands)				
					(unaudited)
Current					
Interest-bearing borrowings	17,174	75,744	2,426	645,895	634,938
Lease liabilities	45,063	35,497	34,716	22,120	20,275
Sub-total	**62,237**	**111,241**	**37,142**	**668,015**	**655,213**
Non-current					
Interest-bearing borrowings	—	—	211,050	179,960	179,960
Lease liabilities	83,407	45,011	12,798	12,141	11,216
Sub-total	**83,407**	**45,011**	**223,848**	**192,101**	**191,176**
Total	**145,644**	**156,252**	**260,990**	**860,116**	**846,389**

Lease Liabilities

As of December 31, 2022, 2023, 2024 and October 31, and November 30, 2025, our total lease liabilities (including current and non-current portions) amounted to RMB128.5 million, RMB80.5 million, RMB47.5 million, RMB34.3 million and RMB31.5 million, respectively.

Our total lease liabilities decreased by 37.4% from RMB128.5 million as of December 31, 2022 to RMB80.5 million as of December 31, 2023, and then decreased by 41.0% to RMB47.5 million as of December 31, 2024, and further decreased by 27.9% to RMB34.3 million as of October 31, 2025, before decreasing by 8.1% to RMB31.5 million as of November 30, 2025 primarily due to a decrease in the remaining lease terms. The effective interest rates of our lease liabilities ranged from 1.45% to 4.75% during the Track Record Period and in the eleven months ended November 30, 2025.

Interest-bearing Borrowings

As of December 31, 2022, 2023, 2024, October 31, 2025 and November 30, 2025, our interest-bearing borrowings amounted to RMB17.2 million, RMB75.7 million, RMB213.5 million, RMB825.9 million and RMB814.9 million, respectively, mainly representing unsecured bank loans and discounted unmatured bills for working capital purposes. The increase in our current interest-bearing borrowings from RMB2.4 million as of December 31, 2024 to RMB645.9 million as of October 31, 2025 was primarily attributable to our cash management strategy, which involves our carefully balancing the use of internal resources with the cost of external funding to optimize overall funding costs while satisfying our cash needs to achieve business operations and growth. The effective interest rate on our bank loans ranged from 2.08% to 3.60% during the Track Record Period and up to November 30, 2025.

As of November 30, 2025, our unutilized banking facilities amounted to RMB1,905.7 million. Our bank borrowings are all denominated in Renminbi.

No Other Outstanding Indebtedness

Our Directors confirm that (i) as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt; and (ii) our Group did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans and other borrowings or breach of covenants during the Track Record Period and up to the date of this Prospectus.

Except as disclosed above, as of November 30, 2025, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our directors have confirmed that there has been no material change in our indebtedness from November 30, 2025 to the date of this Prospectus.

CONTINGENT LIABILITIES

Our contingent liabilities amounted to RMB25.5 million, RMB25.5 million, RMB35.5 million and RMB45.5 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively, which was in relation to our undertaking to make available a part of our facilities under construction for public use per requirement of the local government in accordance with government policies. The facilities under construction for public use primarily consist of community and public service facilities located within the industrial park, such as community management and service centers, community health service centers, community cultural activity rooms, public transport terminals, public charging stations and security offices. A guarantee has been issued in respect of these undertakings. As a result, we may be subject to compensation claims from the local government if we fail to fulfill such obligations. As such, the above liabilities are contingent upon local governments' potential to raise claims if we breach our undertaking. We plan to comply with the relevant requirement of the local government by strictly following the public resource planning and construction plans approved by the local government. During construction, we will adhere to all applicable national, provincial, and municipal laws and regulations regarding quality, safety, fire protection, planning, environmental protection, gas, and energy conservation, using building materials that meet national standards for safety, durability, cost-effectiveness, and environmental protection. We will assume full management responsibility throughout the construction process, proactively accept supervision from the relevant authorities, and only transfer the completed facilities to the local government for acceptance after passing all required inspections and acceptance procedures.

NO MATERIAL CHANGES

The Directors confirm that, up to the date of this Prospectus, there has been no material adverse change in our financial or trading position since October 31, 2025, and there is no event since October 31, 2025 which would materially affect the information shown in the consolidated financial statements included elsewhere in this Prospectus.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years/periods indicated:

	As of/Year ended December 31,			As of/Ten months ended October 31,	
	2022	2023	2024	2024	2025
				(unaudited)	
Current ratio *(times)*[(1)]	4.6	3.8	2.9	—	2.0
Quick ratio *(times)*[(2)]	3.9	3.0	2.4	—	1.5
Gearing ratio *(%)*[(3)]	19.9	21.6	28.5	—	40.6
Return on equity *(%)*[(4)]	10.7	2.6	6.1	4.4	9.6
Gross profit margin (%)[(5)]	34.0	29.2	27.2	26.2	31.1
Net profit margin (%)[(6)]	15.5	8.3	9.0	8.1	12.0

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the same date.

(2) Quick ratio equals current assets minus inventories divided by current liabilities as of the same date.

(3) Gearing ratio equals total liabilities divided by total assets as of the same date and multiplied by 100%.

(4) Return on equity equals profit for the year/period after tax attributable to owners of the parent divided by average total equity attributable to owners of the parent and multiplied by 100%.

(5) Gross profit margin equals gross profit divided by revenue for the year/period.

(6) Net profit margin equals profit divided by revenue for the year/period.

Our gearing ratio increased from 19.9% as of December 31, 2022 to 21.6% as of December 31, 2023, primarily due to the decrease in total assets. Our gearing ratio increased from 21.6% as of December 31, 2023 to 28.5% as of December 31, 2024, primarily due to the increase in total liabilities. Our gearing ratio increased from 28.5% as of December 31, 2024 to 40.6% as of October 31, 2025, primarily due to a faster increase in total liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted of expenditures for the purchases of property, plant and equipment, other intangible assets and other non-current assets.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our capital expenditures were RMB143.8 million, RMB242.4 million, RMB224.1 million, RMB195.2 million and RMB114.2 million, respectively. We funded these expenditures mainly with cash generated from our business operations.

Following the Global Offering, we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations. See "Future Plans and Use of Proceeds." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

The following table sets forth details of our capital commitments as of the dates indicated:

	As of December 31,			As of October 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Property, plant and equipment	5,786	2,405	1,104	92,484
Intangible assets	873	604	157	319
Long-term prepaid expenses — renovation expenses	9,445	6,701	4,270	24,807
Construction in progress	41,886	234,979	134,137	822
Total	**57,990**	**244,689**	**139,668**	**118,432**

Our construction in progress as of December 31, 2022, 2023, 2024 and October 31, 2025 primarily represented the construction of our industrial park.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 44 of Appendix I to this Prospectus.

Our Directors are of the view that each of the related party transactions set out in Note 44 to the Accountants' Report in Appendix I to this Prospectus was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties.

Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL RISKS DISCLOSURE

Our Group's principal financial instruments comprise cash and cash equivalents, restricted cash, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, time deposits, financial liabilities included in other payables and accruals, interest-bearing borrowings and lease liabilities. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade and bills receivables and trade and bill payables, which arise directly from our operations.

The main risks arising from our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Group's exposure to the risk of changes in market interest rates relates primarily to our Group's interest-bearing bank borrowings.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our Group's financial condition and results of operations.

Credit Risk

Our Group trades only with recognized and creditworthy parties. It is our Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Our Directors believe that there is no material credit risk inherent in our Group's outstanding balance of other receivables.

Further quantitative data in respect of our Group's exposure to credit risk arising from trade and bills receivables and contract assets are disclosed in Note 22 and 24 to the Accountants' Report in Appendix I to this Prospectus.

Since our Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within our Group.

Liquidity Risk

Our Group monitors our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

See Note 47 to the Accountants' Report in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

Our dividend policy states that in principle we carry out cash dividends once a year; the specific dividend ratio shall be formulated by the Board in accordance with relevant regulations and operating conditions, and deliberated and approved by Shareholders' general meeting. We do not currently have any fixed dividend pay-out ratio. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination, or other methods permitted by laws and regulations, and we preferentially adopt cash dividends. Any proposed distribution is subject to the discretion of our Board and approval at our Shareholders' meetings as described above, after considering our results of operations, financial condition, operating and capital requirements, shareholders' interests and other conditions deemed relevant.

During the Track Record Period, we declared cash dividends to our shareholders as follows:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Final dividends in respect of the previous year, declared and paid during the year/period (tax inclusive)	168,000	1,197,000	—	168,000

See Note 13 to the Accountants' Report in Appendix I to this Prospectus.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities, and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this Prospectus.

DISTRIBUTABLE RESERVES

As of October 31, 2025, we had approximately RMB5,095.5 million of retained earnings available for distribution to our shareholders.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in Appendix IIA to this Prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to equity holders of the Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to equity holders of the Company	Not less than RMB785 million (equivalent to HK$871 million)

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately HK$202.6 million (assuming the maximum Offer Price of HK$95.80 per Offer Share and no exercise of the Over-allotment Option), representing 4.2% of the gross proceeds (based on the maximum Offer Price for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering. We recorded listing expenses of nil, nil, nil, nil and RMB1.1 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. We expect to incur listing expenses of approximately HK$202.6 million, of which approximately HK$6.2 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately HK$196.4 million is expected to be recognized as a deduction in equity directly upon the Listing. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our listing expenses are composed of (i) underwriting commission and discretionary fees of approximately HK$169.2 million; and (ii) non-underwriting related expenses of approximately HK$33.4 million, which consist of fees and expenses of legal advisors and Reporting Accountants of approximately HK$20.9 million and other fees and expenses of approximately HK$12.5 million.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Appendix II — Unaudited *Pro Forma* Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since October 31, 2025, being the end date of the years/periods reported in Appendix I to this Prospectus, and there is no event since October 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this Prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" in this Prospectus for a detailed description of our future plans.

USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming the maximum Offer Price of HK$95.80 per Share, we estimate that we will receive net proceeds of approximately HK$4,630.7 million from the Global Offering.

We intend to use 90.0% of the net proceeds, or approximately HK$4,167.6 million, in enhancing the R&D and operational capabilities and improving the production capacity of specialized PCB equipment in China, seeing China's core position in the global PCB industry and China's well-established electronic information industry chain. Such layout is expected to enable us to leverage the local industry cluster effect and integrate R&D, production and market resources, further consolidating our competitive advantage in the global PCB equipment sector.

According to Prismark, China is the largest PCB production base in the world, with an output value of US$41.2 billion in 2024, accounting for approximately 56% of the global PCB output value, and China's PCB output value is expected to reach US$49.7 billion in 2029. China's PCB industry is undergoing structural transformation, upgrading from traditional through-hole board to high-end HDI, package substrate, high-frequency high-speed board. The demand for high-precision high-performance specialized equipment continues to thrive. Fuelled by the AI computing revolution and the surge in intelligent new energy vehicles, there has been a significant increase in demand for high-end PCB products, such as high multi-layer boards (particularly those with 18 layers or more), SLPs and packaging substrates. This trend has also directly contributed to the strong demand for high-end PCB-dedicated manufacturing equipment. Investments in related equipment have also increased significantly.

Our target customers include industry-leading domestic and global manufacturers that set up production basis in China and Southeast Asia. These customers focus on high-end products such as high multi-layer boards for AI servers, GPU-packaged substrates and high-frequency high-speed boards for new energy vehicles, typically with a reduced lead time of less than 90 days. Leveraging our extensive technological expertise in the specialized PCB equipment industry, we offer a diverse product portfolio that encompasses nearly all major PCB. Our customers already include 80% of the enterprises in the Prismark Global PCB Top 100 Enterprises List in 2024. We expect to further expand our market share in China while also meeting the needs of Southeast Asian customers as they pursue overseas expansion.

Our decision to improve the production capacity and enhance the R&D and operational capabilities in China was made following comprehensive feasibility study. We have also performed a financial return analysis with regards to capacity expansion projects. We do not expect to experience any material obstacles to securing the necessary license and permits. The commencement of improving the production capacity and enhancing the R&D and operational capabilities is contingent upon receipt of proceeds from the Global Offering.

Specifically, we intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 50.0% of the net proceeds, or HK$2,315.3 million, will be used in enhancing the R&D and operational capabilities. We intend to better understand and meet the needs of our overseas customers, especially responding quickly to those in areas of AI servers, NEVs, and next-generation intelligent terminals. We aim to ensure that our products align with the latest technological advancements and further enhance our global distribution channels and sales and services networks by facilitating the integration of R&D, manufacturing and sales. In addition, we intend to strengthen our international R&D team by attracting international talents and setting up advanced laboratories and centers dedicated to research collaboration and exchange. Our goal is to continuously develop innovative solutions in areas of high-end PCBs, advanced packaging substrates and new materials processing, thereby enhancing our brand recognition among end customers.

    - approximately 40.0% of the net proceeds, or HK$1,852.3 million, will be used to increase investments in R&D and enhance our core technological and innovative capabilities, which include establishing a technology platform for PCB equipment and diversifying our product portfolio.

        - approximately 24.0% of the net proceeds, or HK$1,111.4 million, will be used to enrich the technology platform for PCB equipment and diversify our product portfolio. Specifically:

            - approximately 12.0%, or HK$555.7 million, will be used to continuously upgrade our technology platform for advanced PCB equipment. In particular, in the next three to five years, we will focus on the research and development of high-speed, high-multilevel and high-reliability PCB equipment technologies required by AI servers. By enhancing the architectural design of our PCB equipment technology platform and optimizing system integration, we aim to achieve more efficient coordination between hardware and software, which will enable us to meet the stringent requirements of AI servers, including ultra-high data transmission rates, robust power delivery and superior thermal management. In addition, to strengthen our R&D capabilities, we plan to procure advanced specialized hardware and software.

- approximately 8.0%, or HK$370.5 million, will be used for the R&D of high-density and high-reliability packaging solutions for new energy automotive power systems and intelligent driving domain controllers. In particular, over the next three to five years, we intend to invest in the development of advanced process equipment, increase such equipment's packaging density and enhance its long-term reliability under harsh conditions. Simultaneously, we will focus on developing processing technologies for new materials, such as high temperature substrate material for high power electronic control system, to meet the sensor fusion needs of high frequency high-speed packaging material. Such improvement will enable precision processing and performance optimization across different materials, providing more reliable equipment solutions for the new energy vehicle and intelligent driving sectors.

- approximately 4.0%, or HK$185.2 million, will be used to continuously strengthen the R&D of our core technologies. We intend to focus on the R&D of high-frequency high-speed material processing and HLC+HDI market-related technology. Through the research and development of proprietary high-precision laser processing technology and advanced control system, we aim to continuously improve processing precision and efficiency, equipment performance and reliability. Simultaneously, we will continue to explore the development of intelligent detection technology, using innovative optical detection architecture and upgraded algorithm design, to create high-precision and efficient testing platform.

- approximately 16.0%, or HK$740.9 million, will be invested in the R&D of our products to further diversify our product portfolio and actively help us expand into the high-end market.

  - approximately 12.0%, or HK$555.7 million, will be used in the research and development of new generation advanced specialized PCB equipment. New generation advanced PCB equipment will achieve extremely high alignment accuracy of ≤±5μm in processing capability to meet the demanding interconnection density requirements of AI servers and intelligent driving main control boards. In terms of productivity, through multi-axis linkage and high-speed real-time positioning technology, we target to increase processing efficiency by more than 30% to increase the production rhythm of high-end PCBs such as large AI server superchips. On the intelligence front, the equipment will integrate multi-dimensional real-time monitoring systems, enabling online inspection and adaptive adjustment of process parameters, transforming the equipment from passive execution to proactive optimization, ensuring consistency in mass production. In terms of system collaboration, we endeavor to break through the limitations of the single machine and strive to achieve the deep collaboration between the hardware and software of multiple modules, thereby providing customers with high efficiency, less-delayed smart-line solutions. Based on the abovementioned technology, we aim to develop a new generation of advanced specified PCB equipment for AI servers and new energy vehicles. In addition, we plan to continuously upgrade our existing product portfolios to remain competitive in the evolving market. We plan to recruit and build an international R&D team of approximately 200 to 250 top R&D talents. We also plan to customize core components and optimize equipment designing with distributions to further enrich our product portfolios.

- approximately 4.0%, or HK$185.2 million, will be used to strengthen the technical compatibility of equipment in overseas markets. We will promote the localization of advanced equipment in overseas markets and continue to develop new generation specialized PCB equipment that aligns with international standards. Through in-depth market research, we aim to understand local markets and key customer needs, optimize equipment performance and improve equipment intelligence, thereby making products better tailored to meet local production needs.

- approximately 5.0% of the net proceeds, or HK$231.5 million, will be used to expand our overseas products sales and marketing capabilities and improve our global distribution channels and sales networks, in order to increase our brand's global recognition. We intend to recruit overseas sales representatives and sales managers with global vision and overseas experience. We also intend to set up product showrooms, participate in local product exhibitions and meetings and conduct business and commercial negotiations with customers and suppliers. Specifically, we plan to recruit 50 to 70 sales personnel responsible for market development, customer acquisition, client relationship management and handling contracts and orders. Such personnel should have at least three years' industry sales experience, be fluent in English, possess a professional appearance and demeanour and hold a bachelor's degree or above.

- approximately 5.0% of the net proceeds, or HK$231.5 million, will be used to establish after-sales service teams dedicated to technical and spare parts support and fund related after-sales activities, such as customer visits, to ensure prompt responses to local customer needs, thereby enhancing customer loyalty and brand recognition. In particular, we expect to recruit approximately 80 to 100 after-sales professionals responsible for after-sale maintenance. Such personnel should have at least two years' experience in specialized equipment for the electronics industry and hold a bachelor's degree or above.

- approximately 40.0% of the net proceeds, or HK$1,852.3 million, will be used in improving the production capacity for specialized PCB equipment. To seize the trend in China's PCB industry moving towards high-end and precision development and to meet domestic and overseas customer' demand for advanced technical requirement of PCB production equipment, we expect to increase our production capacity for specialized PCB equipment in China. We intend to focus on the production and R&D of advanced specialized PCB equipment, with an aim to achieve an annual production capacity of approximately 400 specialized PCB equipment, including approximately 290 mechanical processing equipment, approximately 40 new generation laser processing equipment, approximately 35 high-resolution laser direct imaging equipment and approximately 35 high-precision inspection equipment. At this stage, we expect that our new production facility in China will commence operation by the end of 2027, and the equipment to be produced at this facility will be priced between RMB1.5 million and RMB8.0 million.

  We plan to lease a production facility with a total gross floor area that meets the planned operational requirements, and have conducted a payback-period and a break-even analysis. The analysis is based on a project plan that conforms to the technical standards of China and is tailored to the specific production processes required for advanced PCB production equipment. In our analysis, we considered key criteria, including the investment structure and funding, the cost structure, the operational and financial projections, and came to the conclusion that the financial indicators, including the total investment return rate, the net profit margin and the internal rate of return, demonstrated profitability and value creation, while the payback periods indicate a healthy recovery of the initial investment. Our production utilization rate is expected to remain above 70% upon full operation.

Equipment to be produced will feature enhanced precision and advanced technical specifications, such as enhanced alignment accuracy, higher resolution and smaller drilling diameter, among others. These technical upgrades will require increased investment in both technology and the procurement of raw materials and consumables, leading to higher production costs. At the same time, the improved performance and precision of the new equipment will justify a higher selling price, enabling us to capture greater value within the high-end market segment. As a result, our improved production capacity is expected to have a relatively large and positive impact on our total revenue.

- approximately 20.0% of the net proceeds, or HK$926.1 million, will be used for the procurement of raw materials and consumables and additional production equipment and devices. In particular, we intend to procure core raw materials and key consumables in the initial stage of productions, including spindles, control systems, lasers, galvanometers, worktables, sheet metal parts and machined parts. Timely stocking of core raw materials and key consumables is fundamental to ensuring consistent product performance, stable production processes and rapid ramp-up of initial production capacity. In addition, we intend to procure necessary production equipment and testing devices to optimize key manufacturing stages. Such procurement comprehensively enhances the level of production automation and improves the reliability of product quality.

- approximately 15.0% of the net proceeds, or HK$694.6 million, will be used to recruit production personnel and other supporting staff. We intend to hire approximately 370 staff, comprising (i) approximately 320 production staff responsible for formulating production plans based on orders or market demand to ensure timely delivery, optimizing production processes to improve efficiency and reduce wastage, and implementing quality standards to ensure products meet customer or industry specifications. Such personnel should have at least one year's experience in industrial equipment assembly and preferably have obtained relevant certifications such as electrician or machining certificates; (ii) approximately 40 technical staff responsible for providing technical support related to manufacturing procedures and production processes. Such personnel should have at least one year's experience in industrial equipment industry, hold a bachelor's degree or above and preferably with background in mechanical engineering, electrical engineering, or other related areas; and (iii) approximately 10 administrative staff responsible for daily administrative management, including managing company licenses, records and office supplies and coordinating meetings. Such personnel should have experience in human resources or administrative management and preferably have a background in human resources and sociology.

- approximately 5.0% of the net proceeds, or HK$231.5 million, will be used to comprehensively enhance our global supply chain and operational capability. Specifically, we intend to:

  (i) build an integrated supply chain digital platform. We will deploy a cloud-based global supply chain collaboration system and recruit 20 to 30 personnel responsible for procurement, material control and supplier management. We aim to enable real-time visibility and dynamic optimisation across the entire supply chain process — from sales orders and production material planning to channel inventory and regional logistics distribution. We aim to increase efficiency in cross-regional production and sales coordination and strengthen our ability to respond quickly to customer needs.

  (ii) strengthen global supply chain resource integration and localized support. Leveraging our operational experience in overseas markets, we will assist our long-term core Chinese suppliers in establishing local services and capacity support systems in key overseas markets. These suppliers typically maintain long-standing cooperative relationship with us and are our important partners in helping us improve technical processes, cost control and product quality in the specialized PCB equipment industry. By promoting collaborative supply chain expansion overseas, we aim to optimise global delivery efficiency, reduce cross-border logistics and tariff costs, and enhance our overall competitiveness in the global market.

  (iii) establish a multi-region backup supplier system. In addition to our existing supply base, we will systematically develop and certify local suppliers overseas, thereby establishing a diversified source of key material supply. This will strengthen the resilience of our supply chain, reduce reliance on single regions and ensure the continuous and stable operation of our global business.

  (iv) improve sustainability across the entire supply chain. We will retain third parties to provide ESG training and risk assessments for major suppliers and gradually implement green procurement policies, with an aim to systematically enhance the environmental and social responsibility performance of the entire supply chain, thereby meeting the sustainability requirements of international customers and regulatory bodies.

- approximately 10.0% of the net proceeds, or HK$463.1 million, will be used as working capital and for general corporate uses to support our daily operations and future business development.

If we set the final Offer Price to be below the maximum Offer Price, we will reduce the allocation of the net proceeds to the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be HK$699.5 million (assuming the maximum Offer Price of HK$95.80 per Share).

To the extent that the net proceeds from the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis, but the proportion dedicated to research and development will be maintained at a reasonable level to ensure our core technologies' competitiveness.

We do not expect to rely on the net proceeds of the Global Offering to carry on our ordinary business operations. While the net proceeds from the Global Offering are expected to cover the majority of the capital expenditure associated with our above mentioned expansion plans, to the extent that the net proceeds of the Global Offering are not sufficient to fund our development plan, we intend to fund the shortfall through a variety of means, including proceeds from cash generated from operation.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
Deutsche Bank AG, Hong Kong Branch
Sinolink Securities (Hong Kong) Company Limited
SDIC Securities (Hong Kong) Limited
ABCI Securities Company Limited

UNDERWRITING

This Prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 5,045,200 Hong Kong Offer Shares and the International Offering of initially 45,406,600 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" in this Prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option), on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) in their sole and absolute discretion, shall have the right by giving a notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there develops, occurs, exists or comes into force:

(i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) and Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective material change, or any event or series of events or circumstances likely to result in a material change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a significant devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies , a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar) or other financial markets (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (A) the trading in shares or equity securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (B) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

(v) the imposition or declaration of any general moratorium on commercial banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) other than with the prior written consent of the Sponsor-Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to this Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a member of the Group or a director or a senior management member of any member of the Group or announcing an intention to take any such action; or

(viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of the Group or any member of the Controlling Shareholders Group or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(ix) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or any non-compliance of this Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(x) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any member of the Controlling Shareholders Group or any Director (which in the case of an independent non-executive Director with respect to his/her action as independent non-executive Director of the Company) or senior management members as named in this Prospectus; or

(xi) any contravention by any member of the Group or any Director of the Listing Rules or applicable laws; or

(xii) any Director or any member of senior management of the Company named in this Prospectus is prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(xiii) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group;

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and/or the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters): (A) has or will or may have a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or (B) has or will or may have a Material Adverse Effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (C) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or (D) has or will or may have the effect of making any part of this Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Sole Sponsor and/or the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:

(i) any statement contained in any of the Offering Documents, the Operative Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate or incomplete in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any material respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(iii) any material breach of, or any event or circumstance rendering untrue or incorrect or incomplete or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Controlling Shareholders Group in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable; or

(v) any material breach of any of the obligations or undertakings imposed upon the Company or any member of the Controlling Shareholders Group or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the cornerstone investment agreements; or

(vi) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or

(vii) that the chairman of the Board, any Director or any member of senior management of the Company named in this Prospectus seeks to retire, or is removed from office or vacating his/her office; or any Director or any member of senior management of the Company named in this Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(viii) the Company withdraws this Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(ix) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(x) any person (other than the Sole Sponsor) has withdrawn its consent to the issue of this Prospectus or any of the Offering Documents with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(xi) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xii) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws in any material respects; or

(xiii) that (A) a material portion of the orders placed or confirmed in the bookbuilding process or (B) any investment commitment made by any cornerstone investors under the cornerstone investment agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Controlling Shareholders Group

Pursuant to Rule 10.07 of the Listing Rules, each member of the Controlling Shareholders Group has undertaken to the Stock Exchange and the Company that, he/it will not and will procure that the relevant registered holder(s) will not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

(a) in the period commencing on the date by reference to which disclosure of his/its shareholdings in the Company is made in this Prospectus and ending on the date which is six months from the Listing Date (the "**First Six-Month Period**"), either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which he/it is shown by this Prospectus to be the beneficial owner(s); and

(b) in the period of six months from the expiry of the First Six-Month Period, either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a controlling shareholder (as defined under the Listing Rules).

Note 2 to Rule 10.07(2) of the Listing Rules provides that the foregoing shall not prevent members of the Controlling Shareholders Group from using securities of the Company beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each member of the Controlling Shareholders Group has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholder in the Company is made in this Prospectus and ending on the date which is 12 months from the Listing Date, he/it will and will procure that the relevant registered holder(s) will:

(i) when he/it pledges or charges any securities of the Company beneficially owned by him/it in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07 of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and

(ii) when he/it receives indications, either verbal or written, from the pledgee or chargee of any securities of the Company that any of the pledged or charged securities will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (i) and (ii) above by the Controlling Shareholders Group and subject to the then applicable requirements of the Listing Rules disclose such matters by way of an announcement.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

Except for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**Relevant Period**"), it will not, without the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital, any Shares or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital, Shares or other securities of the Company, as applicable), or deposit any share capital, Shares or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing specified in paragraphs (i), (ii) or (iii) or announce any intention to do so, in each case, whether any of the foregoing transactions is to be settled by delivery of share capital, H Shares or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the Relevant Period). In the event the Company is allowed to enter into any of the transactions described in paragraphs (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the Relevant Period expires, it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any Shares or other securities of the Company.

Hong Kong Underwriters' Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any H Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Company's H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the Sole Sponsor, the Sponsor-Overall Coordinator and the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering."

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinator on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 7,567,700 H Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-allotment Option."

Commissions and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 2.5% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Capital Market Intermediaries may receive a discretionary incentive fee of up to 1% of the aggregate Offer Price of all the Offer Shares to be issued by the Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

Assuming full payment of discretionary incentive fees, the fixed fees and discretionary fees payable to the Underwriters represent approximately 51.8% and 48.2%, respectively, of the aggregated fees payable to the Capital Market Intermediaries in connection with the Global Offering.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable to the Capital Market Intermediaries in relation to the Global Offering (assuming an indicative Offer Price of HK$95.80 per Offer Share (which is the maximum Offer Price), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) will be approximately HK$194.54 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$228.06 million (assuming an indicative Offer Price of HK$95.80 per Offer Share (which is the maximum Offer Price), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) and will be paid by the Company.

Indemnity

The Company has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, loan financing, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to our assets, securities and/or instruments and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the

H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering." Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, loan financing and other services to the Company and certain of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of the Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Main Board of the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this Prospectus.

50,451,800 Offer Shares will initially be made available under the Global Offering comprising:

- the Hong Kong Public Offering of initially 5,045,200 Offer Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" below; and

- the International Offering of initially 45,406,600 Offer Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S, as described in "— The International Offering" below.

Investors may either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10.60% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the Listing Date. If the Over-allotment Option is exercised in full and no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the Listing Date, the Offer Shares will represent approximately 12.00% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering.

References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 5,045,200 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 1.06% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the Listing Date).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B, with any odd board lots being allocated to Pool A. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 2,522,600 Hong Kong Offer Shares (50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinator will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as it deems appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinator deems appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 2,522,500 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 7,567,700 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 to the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$9,676.61 for one board lot of 100 Offer Shares. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in "How to Apply for Hong Kong Offer Shares."

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an initial offering of 45,406,600 Offer Shares offered by the Company (subject to reallocation and the Over-allotment Option), representing approximately 90% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public

Offering, will represent approximately 9.54% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the Listing Date).

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the subsection headed "Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor is excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in "— The Hong Kong Public Offering — Reallocation" above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 7,567,700 additional H Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full and no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the Listing Date, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.57% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made by the Company.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager (or any person acting for it) reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in clauses (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;

- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;

- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Thursday, March 5, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or before Wednesday, February 4, 2026 and, in any event, no later than 12:00 noon on Wednesday, February 4, 2026, by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

We will determine the Offer Price by reference to, among other factors, the closing price of our A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at **www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=301200**), and the Offer Price will not be more than HK$95.80. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

Period	**High**	**Low**	**ADTV[1]**
	(RMB)	*(RMB)*	*(A Shares)*
Year ended December 31, 2022	76.56	38.31	2,051,805
Year ended December 31, 2023	49.69	34.68	860,131
Year ended December 31, 2024	42.95	26.76	1,307,696
Year ended December 31, 2025	133.00	31.62	4,588,726
Year of 2026 (up to the Latest Practicable Date)	161.34	119.25	5,850,557

Note:

(1) Average daily trading volume ("**ADTV**") represents daily average number of our A Shares traded over the relevant period.

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the

International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered as stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, post a notice on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of our Company (**www.hanscnc.com**) (the contents of the website do not form a part of this Prospectus). Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so announced, the number of Offer Shares will not be reduced.

The final pricing of the Offer Shares, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this Prospectus, on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

- the pricing of the Offer Shares having been agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company;

- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this Prospectus.

If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company on or before 12:00 noon on Wednesday, February 4, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the websites of the Company and the Stock Exchange at **www.hanscnc.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, February 6, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, February 6, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, February 6, 2026.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 3200.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES
FULLY ELECTRONIC APPLICATION PROCESS

The Company has adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and the Company's website at www.hanscnc.com.

The contents of this Prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address *(for the **HK eIPO White Form** service only)*; and
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

Unless permitted by the Listing Rules and/or the Guide for New Listing Applicants or a waiver and/or consent has been granted by the Stock Exchange to the Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder of the Company;
- are a Director or chief executive of the Company and/or a director, supervisor or chief executive of any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;

- are a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon the completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Thursday, January 29, 2026 and end at 12:00 noon on Tuesday, February 3, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Thursday, January 29, 2026 until 11:30 a.m. on Tuesday, February 3, 2026 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Tuesday, February 3, 2026, the last day for application, or such later time as described in "— E. Severe Weather Arrangements" below.

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s) as shown on your identity document	• Full name(s) as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority:	• Identity document type, with order of priority:
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
• Identity document number	iv. Other equivalent document; and
	• Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, an LEI number must be used if an entity has an LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;

   - control more than half of the voting power of the company; or

   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, the Company and the Sponsor-Overall Coordinator, as the Company's agent, have discretion to consider whether to accept it on any conditions they think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . :	100 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . . . :	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$95.80 per H Share. If you are applying through the **HKSCC EIPO** channel, your **broker or custodian** may require you to pre-fund your application, in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	9,676.61	2,500	241,915.36	30,000	2,902,984.29	600,000	58,059,685.80
200	19,353.23	3,000	290,298.43	40,000	3,870,645.72	700,000	67,736,300.10
300	29,029.84	3,500	338,681.49	50,000	4,838,307.16	800,000	77,412,914.40
400	38,706.46	4,000	387,064.57	60,000	5,805,968.58	900,000	87,089,528.70
500	48,383.07	4,500	435,447.65	70,000	6,773,630.01	1,000,000	96,766,143.00
600	58,059.69	5,000	483,830.71	80,000	7,741,291.45	1,500,000	145,149,214.50
700	67,736.30	6,000	580,596.86	90,000	8,708,952.86	2,000,000	193,532,286.00
800	77,412.91	7,000	677,363.01	100,000	9,676,614.30	2,522,600(1)	244,102,272.34
900	87,089.53	8,000	774,129.14	200,000	19,353,228.60		
1,000	96,766.14	9,000	870,895.28	300,000	29,029,842.90		
1,500	145,149.22	10,000	967,661.44	400,000	38,706,457.20		
2,000	193,532.29	20,000	1,935,322.85	500,000	48,383,071.50		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares in the International Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Sponsor-Overall Coordinator, as the Company's agent, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this Prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of H Shares set out in this Prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this Prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this Prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to the Company, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraphs headed "— G. Personal Data — 3. Purposes" and "— 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances in which You will not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither the Company nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this Prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, supervisors, chief executive, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, supervisors, chief executive, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that the Company and the Sponsor-Overall Coordinator will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or **HKSCC EIPO** channel:		
Website	From the "Allotment Results" page on the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function.	24 hours, from 11:00 p.m. on Thursday, February 5, 2026 to 12:00 midnight on Wednesday, February 11, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult**.	
	The Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.hanscnc.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, February 5, 2026 (Hong Kong time)
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m. from Friday, February 6, 2026 to Wednesday, February 11, 2026 (Hong Kong time) on a business day

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, February 4, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, February 4, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

The Company expects to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.hanscnc.com** by no later than 11:00 p.m. on Thursday, February 5, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If the Company or its agents exercise their discretion to reject your application:

The Company, the Sponsor-Overall Coordinator, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or

- within a longer period of up to six weeks if the Stock Exchange notifies the Company of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Sponsor-Overall Coordinator believes that by accepting your application, it or the Company would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Offer Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the receiving banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted Offer Shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of the Company, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Offer Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, February 6, 2026 (Hong Kong time), provided that the Global Offering has become unconditional, and the right of termination described in the section headed "Underwriting" in this Prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate[1]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account
	Time: from 9:00 a.m. to 1:00 p.m. on Friday, February 6, 2026 (Hong Kong time), or any other place or date notified by the Company	No action by you is required

1 Except in the event any Severe Weather Signals (as defined below) in force in Hong Kong in the morning on Thursday, February 5, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Severe Weather Arrangements" in this section.

	HK eIPO White Form service	HKSCC EIPO channel
	If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	
	Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For application of less than 1,000,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk	
	Date: Thursday, February 5, 2026	

Refund mechanism for surplus application monies paid by you

Date	Friday, February 6, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it

	HK eIPO White Form service	HKSCC EIPO channel
Application monies paid through multiple bank accounts	Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, February 3, 2026 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an Extreme Condition,

(collectively, the "**Severe Weather Signal(s)**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, February 3, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this Prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.hanscnc.com** of the revised timetable.

If a Severe Weather Signal is hoisted on Thursday, February 5, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, February 6, 2026, and for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office reopens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, February 5, 2026 or on Friday, February 6, 2026).

If a Severe Weather Signal is hoisted on Friday, February 6, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, February 6, 2026 or on Monday, February 9, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and the Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agreed to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this Prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;

- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;

- maintaining or updating the register of members of the Company;

- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;

- facilitating Hong Kong Offer Shares balloting;

- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;

- distributing communications from the Company and its subsidiaries;

- compiling statistical information and profiles of the holder of the H Shares;

- disclosing relevant information to facilitate claims on entitlements; and

- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and principal share registrar;

- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operations;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data was collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar holds their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this Prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Shenzhen Han's CNC Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-169, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and October 31, 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-169 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 29 January 2026 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at December 31, 2022, 2023 and 2024 and October 31, 2025, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the ten months ended October 31, 2024, and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
29 January 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended December 31,			Ten months ended October 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
REVENUE	*5*	2,786,150	1,634,311	3,343,091	2,623,882	4,314,146
Cost of sales		(1,838,332)	(1,157,425)	(2,435,421)	(1,935,634)	(2,971,290)
Gross profit		947,818	476,886	907,670	688,248	1,342,856
Other income and gains, net	*6*	184,681	127,799	192,013	89,257	131,358
Selling and marketing expenses		(160,527)	(132,209)	(196,103)	(160,668)	(235,830)
Administrative expenses		(153,653)	(112,515)	(203,743)	(154,874)	(218,396)
Research and development expenses		(229,671)	(193,564)	(266,829)	(200,660)	(299,957)
Impairment losses on financial assets and contract assets under expected credit loss model ("**ECL**"), net		(22,780)	(17,397)	(23,355)	(29,575)	(26,209)
Other expenses	*9*	(3,977)	(10,621)	(83,175)	(5,457)	(96,009)
Finance costs	*8*	(16,976)	(6,638)	(10,061)	(9,088)	(13,470)
Impairment of an investment in an associate		(55,768)	—	—	—	—
Share of profits and losses of associates		(5,825)	5,685	13,166	4,901	5,573
PROFIT BEFORE TAX	*7*	483,322	137,426	329,583	222,084	589,916
Income tax expense	*12*	(51,310)	(1,758)	(30,001)	(10,109)	(70,997)
PROFIT FOR THE YEAR/PERIOD		432,012	135,668	299,582	211,975	518,919
Attributable to:						
Owners of the parent		434,687	135,546	301,180	212,262	523,089
Non-controlling interests		(2,675)	122	(1,598)	(287)	(4,170)
		432,012	135,668	299,582	211,975	518,919
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic *(RMB per share)*	*14*	1.05	0.32	0.72	0.51	1.24
Diluted *(RMB per share)*	*14*	1.05	0.32	0.71	0.50	1.22

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
PROFIT FOR THE YEAR/PERIOD	432,012	135,668	299,582	211,975	518,919
OTHER COMPREHENSIVE INCOME					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income/(loss) of associates	28	(14)	60	—	(40)
Exchange differences on translation of foreign operations	1,391	235	343	(78)	(148)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	1,419	221	403	(78)	(188)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	433,431	135,889	299,985	211,897	518,731
Attributable to:					
Owners of the parent	436,106	135,767	301,583	212,184	522,901
Non-controlling interests	(2,675)	122	(1,598)	(287)	(4,170)
	433,431	135,889	299,985	211,897	518,731

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31,			As at October 31,
		2022	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*15*	173,355	415,379	677,804	765,468
Investment properties	*16*	1,957	1,880	1,803	1,738
Right-of-use assets	*17(a)*	590,720	534,548	493,578	474,990
Goodwill	*18*	12,924	153,963	74,323	12,924
Other intangible assets	*19*	8,116	6,840	5,185	4,521
Investments in associates	*20*	39,892	42,308	51,310	54,293
Trade and bills receivables at amortised cost	*22*	118,624	60,913	170,002	513,566
Prepayments, other receivables and other assets	*23*	73,501	51,508	69,030	39,373
Deferred tax assets	*34*	58,112	67,085	49,967	89,338
Time deposits	*26*	—	—	400,000	417,114
Total non-current assets		1,077,201	1,334,424	1,993,002	2,373,325
CURRENT ASSETS					
Inventories	*21*	903,919	972,117	898,185	1,716,879
Trade and bills receivables	*22*	2,149,075	1,694,789	2,676,146	4,173,623
Contract assets	*24*	19,179	19,610	24,880	45,888
Prepayments, other receivables and other assets	*23*	15,899	39,406	54,820	112,085
Restricted cash	*26*	—	1,816	333	542
Cash and cash equivalents	*26*	2,986,535	1,916,965	1,539,131	1,146,344
Total current assets		6,074,607	4,644,703	5,193,495	7,195,361

	Notes	As at December 31,			At at October 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT LIABILITIES					
Trade and bills payables. . .	*27*	671,476	592,018	1,275,637	2,244,899
Contract liabilities	*28*	25,955	65,754	54,895	61,423
Other payables and accruals	*31*	503,327	380,460	411,581	590,976
Liabilities from contingent consideration	*33*	—	68,683	8,523	—
Interest-bearing borrowings	*32*	17,174	75,744	2,426	645,895
Lease liabilities	*17(b)*	45,063	35,497	34,716	22,120
Income tax payable		37,357	5,724	9,250	80,630
Provision	*30*	16,671	11,727	15,570	19,154
Total current liabilities		1,317,023	1,235,607	1,812,598	3,665,097
NET CURRENT ASSETS.		4,757,584	3,409,096	3,380,897	3,530,264
TOTAL ASSETS LESS CURRENT LIABILITIES		5,834,785	4,743,520	5,373,899	5,903,589
NON-CURRENT LIABILITIES					
Interest-bearing borrowings	*32*	—	—	211,050	179,960
Deferred income.	*29*	3,453	2,282	1,769	1,173
Provision	*30*	13,419	2,619	6,841	20,754
Lease liabilities	*17(b)*	83,407	45,011	12,798	12,141
Deferred tax liabilities	*34*	3,794	5,063	5,064	5,269
Total non-current liabilities		104,073	54,975	237,522	219,297
Net assets.		5,730,712	4,688,545	5,136,377	5,684,292
EQUITY					
Equity attributable to owners of the parent					
Share capital	*35*	420,000	420,000	420,000	425,509
Reserves.	*37*	5,307,867	4,257,493	4,706,923	5,242,966
		5,727,867	4,677,493	5,126,923	5,668,475
Non-controlling interests . .		2,845	11,052	9,454	15,817
Total equity		5,730,712	4,688,545	5,136,377	5,684,292

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2022

	Attributable to owners of the parent									
	Share capital	Share premium	Share-based payment reserve	Other reserve	Translation reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (note 35)	RMB'000 (note 37(a))	RMB'000 (note 37(b))	RMB'000 (note 37(c))	RMB'000 (note 37(d))	RMB'000 (note 37(e))	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	378,000	1,012,586	24,991	3,052	(894)	100,111	870,390	2,388,236	5,526	2,393,762
Profit for the year	—	—	—	—	—	—	434,687	434,687	(2,675)	432,012
Other comprehensive income for the year:										
Share of other comprehensive income of associates	—	—	—	—	28	—	—	28	—	28
Exchange differences on translation of foreign operations	—	—	—	—	1,391	—	—	1,391	—	1,391
Total comprehensive income for the year	—	—	—	—	1,419	—	434,687	436,106	(2,675)	433,431
Dividends declared	—	—	—	—	—	—	(168,000)	(168,000)	—	(168,000)
Issue of shares	42,000	3,039,779	—	—	—	—	—	3,081,779	—	3,081,779
Transfer of share option reserve upon the forfeiture or expiry of share options	—	14,737	(14,737)	—	—	—	—	—	—	—
Share-based payment compensation	—	—	(10,254)	—	—	—	—	(10,254)	(6)	(10,260)
Transfer from retained profits	—	—	—	—	—	45,745	(45,745)	—	—	—
At December 31, 2022	420,000	4,067,102*	—*	3,052*	525*	145,856*	1,091,332*	5,727,867	2,845	5,730,712

Year ended December 31, 2023

	Attributable to owners of the parent									
	Share capital	Share premium	Share-based payment reserve	Other reserve	Translation reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 35)	*(note 37(a))*	*(note 37(b))*	*(note 37(c))*	*(note 37(d))*	*(note 37(e))*				
At January 1, 2023	420,000	4,067,102	—	3,052	525	145,856	1,091,332	5,727,867	2,845	5,730,712
Profit for the year	—	—	—	—	—	—	135,546	135,546	122	135,668
Other comprehensive income for the year:										
Share of other comprehensive loss of associates	—	—	—	—	(14)	—	—	(14)	—	(14)
Exchange differences on translation of foreign operations	—	—	—	—	235	—	—	235	—	235
Total comprehensive income for the year	—	—	—	—	221	—	135,546	135,767	122	135,889
Acquisition of non-controlling interests	—	—	—	(1,877)	—	—	—	(1,877)	(1,676)	(3,553)
Non-controlling interests arising from business combination *(note 39)*	—	—	—	—	—	—	—	—	9,761	9,761
Dividends declared	—	—	—	—	—	—	(1,197,000)	(1,197,000)	—	(1,197,000)
Share-based payment compensation	—	—	12,736	—	—	—	—	12,736	—	12,736
Transfer from retained profits	—	—	—	—	—	28,444	(28,444)	—	—	—
At December 31, 2023	420,000	4,067,102*	12,736*	1,175*	746*	174,300*	1,434*	4,677,493	11,052	4,688,545

Year ended December 31, 2024

	Attributable to owners of the parent									
	Share capital	Share premium	Share-based payment reserve	Other reserve	Translation reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 35)	*(note 37(a))*	*(note 37(b))*	*(note 37(c))*	*(note 37(d))*	*(note 37(e))*				
At January 1, 2024	420,000	4,067,102	12,736	1,175	746	174,300	1,434	4,677,493	11,052	4,688,545
Profit for the year	—	—	—	—	—	—	301,180	301,180	(1,598)	299,582
Other comprehensive income for the year:										
Share of other comprehensive income of associates	—	—	—	—	60	—	—	60	—	60
Exchange differences on translation of foreign operations	—	—	—	—	343	—	—	343	—	343
Total comprehensive income for the year	—	—	—	—	403	—	301,180	301,583	(1,598)	299,985
Changes due to passive dilution of investment in an associate	—	—	—	(4,224)	—	—	—	(4,224)	—	(4,224)
Share-based payment compensation	—	—	152,071	—	—	—	—	152,071	—	152,071
Transfer from retained profits	—	—	—	—	—	29,452	(29,452)	—	—	—
At December 31, 2024	420,000	4,067,102*	164,807*	(3,049)*	1,149*	203,752*	273,162*	5,126,923	9,454	5,136,377

Ten months ended October 31, 2024

	Attributable to owners of the parent									
	Share capital	Share premium	Share-based payment reserve	Other reserve	Translation reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 35)	*(note 37(a))*	*(note 37(b))*	*(note 37(c))*	*(note 37(d))*	*(note 37(e))*				
At January 1, 2024	420,000	4,067,102	12,736	1,175	746	174,300	1,434	4,677,493	11,052	4,688,545
Profit for the period (unaudited).	—	—	—	—	—	—	212,262	212,262	(287)	211,975
Other comprehensive income for the period: (unaudited). .										
Exchange differences on translation of foreign operations (unaudited) . . .	—	—	—	—	(78)	—	—	(78)	—	(78)
Total comprehensive income for the period (unaudited) .	—	—	—	—	(78)	—	212,262	212,184	(287)	211,897
Share-based payment compensation (unaudited) . .	—	—	127,357	—	—	—	—	127,357	—	127,357
At October 31, 2024 (unaudited)	420,000	4,067,102	140,093	1,175	668	174,300	213,696	5,017,034	10,765	5,027,799

Ten months ended October 31, 2025

	Attributable to owners of the parent									
	Share capital	Share premium	Share-based payment reserve	Other reserve	Translation reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 35)	*(note 37(a))*	*(note 37(b))*	*(note 37(c))*	*(note 37(d))*	*(note 37(e))*				
At January 1, 2025	420,000	4,067,102	164,807	(3,049)	1,149	203,752	273,162	5,126,923	9,454	5,136,377
Profit for the period	—	—	—	—	—	—	523,089	523,089	(4,170)	518,919
Other comprehensive loss for the period:										
Share of other comprehensive loss of associates	—	—	—	—	(40)	—	—	(40)	—	(40)
Exchange differences on translation of foreign operations	—	—	—	—	(148)	—	—	(148)	—	(148)
Total comprehensive income for the period	—	—	—	—	(188)	—	523,089	522,901	(4,170)	518,731
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	10,533	10,533
Dividends declared	—	—	—	—	—	—	(168,000)	(168,000)	—	(168,000)
Exercise of share options	5,509	198,490	(99,440)	—	—	—	—	104,559	—	104,559
Share-based payment compensation	—	—	82,092	—	—	—	—	82,092	—	82,092
At October 31, 2025	425,509	4,265,592*	147,459*	(3,049)*	961*	203,752*	628,251*	5,668,475	15,817	5,684,292

* These reserve accounts comprise total reserve of RMB5,307,867,000, RMB4,257,493,000, RMB4,706,923,000 and RMB5,242,966,000 in the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and October 31, 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31,			Ten months ended October 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		483,322	137,426	329,583	222,084	589,916
Adjustment for:						
Finance costs	*8*	16,976	6,638	10,061	9,088	13,470
Share of profits and losses of associates		5,825	(5,685)	(13,166)	(4,901)	(5,573)
Bank interest income	*6*	(40,719)	(40,832)	(20,699)	(17,017)	(33,312)
(Gains)/losses on disposal of property, plant and equipment, right-of-use assets and other non-current asset	*6*	(775)	(207)	84	261	303
Fair value gains on liabilities from contingent consideration	*6*	—	—	(60,160)	—	(8,523)
Depreciation of property, plant and equipment	*7*	25,440	28,240	29,330	23,837	35,267
Depreciation of right-of-use assets	*7*	51,907	50,572	44,239	36,425	35,724
Amortisation of intangible assets	*7*	2,083	2,407	2,612	2,138	2,228
Depreciation of investment properties	*7*	77	77	77	65	65
Write-down of inventories to net realisable value	*7*	23,280	47,409	25,490	20,352	31,259
Impairment loss recognised on financial assets and contract assets under ECL model, net	*7*	22,780	17,397	23,355	29,575	26,209
Gain on remeasurement of pre-existing interest in an associate	*6*	—	(15,360)	—	—	—
Gains on derecognition of financial liabilities measured at amortised cost	*6*	(639)	(500)	(930)	(540)	(21)
Impairment of goodwill	*7*	—	—	79,640	—	61,399
Impairment of an investment in an associate	*7*	55,768	—	—	—	—
Share-based payment compensation	*36*	(10,260)	12,736	152,071	127,357	82,092
Foreign exchange differences, net		(1,753)	7,053	2,345	4,610	24,586

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Operating profit before working capital changes	633,312	247,371	603,932	453,334	855,089
Derease/(increase) in inventories	271,075	(116,061)	11,518	(113,548)	(860,941)
(Increase)/decrease in trade and bills receivables	(184,448)	119,035	(1,813,724)	(1,548,215)	(2,774,793)
Derease/(increase) in contract assets	17,054	(168)	(5,387)	(5,747)	(21,343)
Derease/(increase) in prepayments, other receivables and other assets	55,241	(25,477)	(40,125)	(13,092)	(15,940)
(Increase)/decrease in restricted cash	—	(1,816)	1,483	(3,836)	(209)
Increase in trade and bills payables	216,978	309,663	1,361,730	1,107,026	1,771,643
(Decrease)/increase in other payables and accruals	(227,502)	(135,476)	25,418	(43,981)	293,675
(Decrease)/increase in contract liabilities	(35,615)	39,799	(10,859)	26,896	6,528
Decrease in deferred income	(1,010)	(1,171)	(513)	(564)	(596)
(Decrease)/increase in provision	(5,470)	(15,744)	8,065	8,627	17,497
Cash generated from/(used in) operations	739,615	419,955	141,538	(133,100)	(729,390)
Interests received	40,719	40,832	20,699	17,017	13,821
Income tax paid	(124,980)	(44,013)	(7,251)	(7,248)	(38,787)
Net cash flows from/(used in) operating activities	655,354	416,774	154,986	(123,331)	(754,356)

	Notes	Year ended December 31,			Ten months ended October 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment, other intangible assets and other non-current assets		(143,825)	(242,422)	(224,111)	(195,221)	(114,211)
Proceeds from disposal of items of property, plant and equipment, and other non-current asset		62	570	144	93	78
Addition of investment in an associate		(2,000)	—	—	—	—
Dividend received from an associate		—	—	—	—	2,550
Acquisition of a subsidiary	*39*	—	(69,086)	—	—	—
Increase in time deposits		—	—	(400,000)	(400,000)	—
Net cash flows used in investing activities		(145,763)	(310,938)	(623,967)	(595,128)	(111,583)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issue of shares	*35*	3,093,327	—	—	—	—
Proceeds from exercising share options		—	—	—	—	104,564
Proceeds from capital injection by non-controlling interests		—	—	—	—	10,533
Share issue expenses		(15,375)	—	—	—	—
Listing expense paid		—	—	—	—	(12,883)
Proceeds of borrowings from banks		277,875	75,739	867,063	485,530	1,610,791
Repayment of borrowings from banks		(871,501)	—	(728,845)	(510,153)	(1,024,724)
Interest paid		(8,908)	(382)	(3,676)	(3,458)	(8,852)
Lease payment and payment for lease related deposits		(50,864)	(49,650)	(40,756)	(34,949)	(37,584)
Acquisition of non-controlling interests		—	(3,553)	—	—	—
Dividends paid		(168,000)	(1,197,000)	—	—	(168,000)
Net cash flows from/(used in) financing activities		2,256,554	(1,174,846)	93,786	(63,030)	473,845

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,766,145	(1,069,010)	(375,195)	(781,489)	(392,094)
Cash and cash equivalents at beginning of year/period	219,259	2,986,535	1,916,965	1,916,965	1,539,131
Effect of foreign exchange rate changes, net	1,131	(560)	(2,639)	(2,074)	(693)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	2,986,535	1,916,965	1,539,131	1,133,402	1,146,344

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31,			As at October 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*15*	80,300	64,578	89,583	95,571
Right-of-use assets	*17(a)*	94,592	51,644	28,506	15,225
Other intangible assets	*19*	6,046	5,303	4,171	3,843
Investment in subsidiaries	*25*	571,018	883,746	929,356	847,275
Investments in associates	*20*	2,705	—	—	—
Trade and bills receivables	*22*	117,130	39,738	91,782	398,257
Prepayments, other receivables and other assets	*23*	41,200	31,580	30,560	15,797
Deferred tax assets	*34*	51,311	55,348	37,370	74,264
Time deposits	*26*	—	—	400,000	417,114
Total non-current assets		964,302	1,131,937	1,611,328	1,867,346
CURRENT ASSETS					
Inventories	*21*	755,068	659,604	580,436	1,026,397
Trade and bills receivables	*22*	1,889,136	1,403,703	2,251,280	3,607,265
Contract assets	*24*	14,758	14,971	18,216	34,963
Prepayments, other receivables and other assets	*23*	287,128	663,530	974,186	1,098,049
Restricted cash	*26*	—	1,816	330	542
Cash and cash equivalents	*26*	2,893,102	1,812,165	1,289,700	1,050,104
Total current assets		5,839,192	4,555,789	5,114,148	6,817,320

	Notes	As at December 31,			As at October 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT LIABILITIES					
Trade and bills payables	*27*	596,973	466,069	1,023,167	1,817,210
Contract liabilities	*28*	14,876	31,532	30,247	42,601
Other payables and accruals	*31*	380,511	246,546	218,718	330,431
Liabilities from contingent consideration	*33*	—	68,683	8,523	—
Interest-bearing borrowings	*32*	17,174	75,744	2,426	645,295
Lease liabilities	*17(b)*	35,922	24,486	23,833	13,162
Income tax payable		34,048	—	2,566	62,726
Provision	*30*	16,446	11,422	15,053	18,638
Total current liabilities		1,095,950	924,482	1,324,533	2,930,063
NET CURRENT ASSETS		4,743,242	3,631,307	3,789,615	3,887,257
TOTAL ASSETS LESS CURRENT LIABILITIES		5,707,544	4,763,244	5,400,943	5,754,603
NON-CURRENT LIABILITIES					
Interest-bearing borrowings	*32*	—	—	211,050	179,960
Deferred income	*29*	2,713	1,662	1,105	641
Provision	*30*	13,419	2,619	6,599	20,058
Lease liabilities	*17(b)*	62,777	30,933	7,564	3,288
Deferred tax liabilities		783	—	—	—
Total non-current liabilities		79,692	35,214	226,318	203,947
Net assets		5,627,852	4,728,030	5,174,625	5,550,656
EQUITY					
Equity attributable to owners of the parent					
Share capital	*35*	420,000	420,000	420,000	425,509
Reserves	*37*	5,207,852	4,308,030	4,754,625	5,125,147
Total equity		5,627,852	4,728,030	5,174,625	5,550,656

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is incorporated in the People's Republic of China ("**PRC**") and was converted into a joint stock company on November 11, 2020. The registered office of the Company is located at Han's Laser Global Intelligent Manufacturing Center, Baoan District, Shenzhen, Guangdong province, China. The Company's A shares are listed on Shenzhen Stock Exchange on February 28, 2022.

During the Relevant Periods, the Company and its subsidiaries (collectively the "**Group**") were involved in the research, manufacturing and trading of production equipment of printed circuit board ("**PCB**").

The immediate holding company of the Company is Han's Laser Technology Industry Group Co., Ltd. ("**Han's Laser**") a listed company on Shenzhen Stock Exchange, the ultimate holding company of the Company is Dazu Holdings Group Co., Ltd., and the ultimate controlling person of the Company is Mr. Gao Yunfeng.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Han's CNC Technology (Xinfeng) Co., Ltd.* *(note (ii))* 大族數控科技(信豐)有限公司	PRC/ Chinese mainland November 15, 2022	RMB140,000,000	100%	—	Manufacturing and trading of PCB equipment
Asia Foundation (Shenzhen) Wood Industry Co., Ltd.* *(note (iv))* 亞洲創建(深圳)木業有限公司.	PRC/ Chinese mainland January 14, 2000	RMB82,884,000	100%	—	Park operation

Name	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Han's Machinery Co., Ltd.* *(note (v))* 上海大族機械有限公司 . .	PRC/ Chinese mainland February 8, 2023	RMB50,000,000	100%	—	Research, manufacturing and trading of PCB equipment
Shenzhen Han's Microelectronics Technology Co., Ltd.* *(notes (i) and (x))* ("**Han's Microelectronics**") 深圳市大族微電子科技有限公司.	PRC/ Chinese mainland June 7, 2021	RMB50,000,000	70%	—	Research, manufacturing and trading of PCB equipment
Shenzhen Mason Electronics Co., Ltd.* *(note (iii))* 深圳麥遜電子有限公司 . . .	PRC/ Chinese mainland November 17, 1999	RMB25,800,000	100%	—	Research, manufacturing and trading of PCB equipment
Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd.* ("**Rayleigh Taide**") *(note (vi))* 深圳市大族瑞利泰德精密塗層有限公司.	PRC/ Chinese mainland August 1, 2022	RMB20,000,000	70%	—	Research, manufacturing and trading
Advanced Intelligent Machine Co., Ltd.* *(notes (iv) and (vii))* 深圳市升宇智能科技有限公司	PRC/ Chinese mainland January 17, 2014	RMB10,000,000	100%	—	Research, manufacturing and trading of PCB equipment

Name	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Mason Electronics (Xinfeng) Co., Ltd.* *(note (xi))* 麥遜電子(信豐)有限公司 . .	PRC/ Chinese mainland November 15, 2022	RMB5,000,000	—	100%	Manufacturing and trading of PCB equipment
Suzhou MASON Electronics Testing Co., Ltd.* *(note (i))* 蘇州明信電子測試有限公司	PRC/ Chinese mainland September 25, 2007	RMB500,000	—	100%	Provision of processing services
Han's Mason Electronics (HK) Co., Ltd. *(note (ix))* .	Hong Kong October 14, 2008	HK$10,000	—	100%	Trading of PCB equipment
Hong Kong Mason Electronics Co., Ltd. *(note (ix))*	Hong Kong June 4, 2021	HK$200,000	—	100%	Trading of PCB equipment
HANS CNC TECHNOLOGY (THAILAND) CO., LTD. *(note (i))*.	Thailand June 12, 2024	Thai Bhat ("**THB**") 15,000,000	—	99%	After-sales service
HANS CNC SINGAPORE PTE. LTD. *(note (i))*	Singapore November 6, 2024	Singapore dollar ("**SGD**") 100,000	100%	—	Research, manufacturing and trading of PCB equipment

Notes:

* The English names of the above company registered in the PRC represents the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.

(i) As at the date of this report, no audited financial statements have been prepared for these entities for the years ended December 31, 2022, 2023 and 2024 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation.

(ii) The statutory financial statements of this entity for the years ended December 31, 2023 and 2024 prepared under China Accounting Standards for Business Enterprises ("**CAS**") were audited by RSM China (容誠會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(iii) The statutory financial statements of this entity for the years ended December 31, 2022 prepared under CAS were audited by Shenzhen Tongde Certified Public Accountants (General Partnership) (深圳同德會計師事務所(普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of this entity for the years ended December 31, 2023 and 2024 prepared under CAS were audited by RSM China (容誠會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(iv) The statutory financial statements of these entities for the years ended December 31, 2022, 2023 and 2024 prepared under CAS were audited by Shenzhen Tongde Certified Public Accountants (General Partnership) (深圳同德會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(v) The statutory financial statements of this entity for the years ended December 31, 2023 and 2024 prepared under CAS were audited by Shenzhen Tongde Certified Public Accountants (General Partnership) (深圳同德會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(vi) Prior to the acquisition of 60% interest in Rayleigh Taide by the Group on May 30, 2023, Rayleigh Taide was an associate of the Group. The statutory financial statements of this entity for the years ended December 31, 2023 and 2024 prepared under CAS were audited by Shenzhen Tongde Certified Public Accountants (General Partnership) (深圳同德會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(vii) The entity was a 70%-owned subsidiary of the Group as at December 31, 2022. The Group acquired the remaining 30% interests during the year ended December 31, 2023 and the entity became a wholly-owned subsidiary as at December 31, 2023 and 2024 and October 31, 2025.

(viii) Dongguan Han's CNC Technology Co., Ltd. 大族數控科技(東莞市)有限公司 was deregistered during the year ended December 31, 2024, As at the date of this report, no audited financial statements have been prepared for this entity for the years ended December 31, 2022 and 2023 as this entity was not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation.

(ix) The statutory financial statements of these entities for the years ended December 31, 2022, 2023 and 2024 prepared under HKFRS Accounting Standards were audited by New Choice C.P.A. & Co. registered in Hong Kong.

(x) The entity was a wholly-owned subsidiary of the Group as at December 31, 2022, 2023 and 2024. The interest of the equity was reduced to 70% in 2025 due to the issue of shares to certain non-controlling interest shareholders.

(xi) The statutory financial statements of this entity for the year ended December 31, 2024 prepared under CAS were audited by Shenzhen Tongde Certified Public Accountants (General Partnership) (深圳同德會計師事務所(普通合夥)), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025 together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for certain portion of trade and bills receivable and financial liabilities at fair value through profit or loss which has been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

Notes

1 Effective for annual periods beginning on or after January 1, 2026
2 Effective for annual/reporting periods beginning on or after January 1, 2027
3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards except for IFRS 18, may result in changes in accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.4%
Machinery	9.6% to 19.2%
Motor vehicles	19.2%
Electronic equipment	19.2%
Other equipment	19.2%
Leasehold improvements	Over the shorter of the lease terms and 5 years (20%)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less any impairment losses and are amortised to its residual value on the straight-line basis over their estimated useful lives of 40 years.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Categories	Estimated useful lives
Software	3-10 years
Patents	3-10 years

The estimated useful lives of intangible assets are determined by considering the period of the economic benefits to the Group or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use rights	50 years
Buildings	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instrument)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals and interest-bearing bank borrowings and financial liabilities at fair value through profit or loss.

The Group classifies financial liabilities that arise from a supplier finance arrangement within interest-bearing borrowings in the statement of financial position because based on the Group's assessment, The supplier finance arrangement is not part of the working capital used in the Group's normal operating cycle, the terms of the liabilities that are part of the supply chain finance arrangement are substantially different from the terms of trade and bills payables that are not part of the arrangement. The assessment has considered factors such as the commercial purpose, the nature and specific terms of the arrangement, as well as the credit terms in place with the financial institutions and suppliers. Therefore, cash flows related to liabilities arising from supplier finance arrangements that are classified in interest-bearing borrowings in the statement of financial position are included in financing activities in the statement of cash flows.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and bills payables, other payables and accruals and interest-bearing bank borrowings)

After initial recognition, trade and bills payables, other payables and accruals, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of industrial products

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which for domestic sales are generally at the time of the completion of installation and commissioning of the goods or generally on delivery of the goods as agreed in the sales contracts, and for overseas sales are generally at the time of shipment in accordance with Incoterms.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. The Group has not provided any additional services or product quality warranty, so the product quality warranty does not constitute a separate performance obligation.

(b) Provision of after-sales and processing services

The Group provides after-sales services to customers, including repair and maintenance. Revenue from after-sales services is recognised on a straight-line basis over the contract period. The Group also provides processing services. Revenue from processing services is recognised when the services are rendered.

Revenue from other sources

Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates a Share-based payments scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 36 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is canceled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Company and Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

Housing fund and other social insurances — Chinese mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its Historical Financial Information. The Group will adjust the amounts recognised in its Historical Financial Information to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These Historical Financial Information are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Development expenses

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

Deferred tax assets

Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each reporting period. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Inventory provision determined on net realisable value

According to the inventory accounting policy, the Group measures the inventory at the lower of cost and net realisable value, and makes inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than their net realisable value. At the end of each of the Relevant Periods, the Group reviews whether individual inventory items are obsolete or stagnant and whether their net realisable value is lower than their cost. The impairment of inventory is based on the assessment of the inventory's merchantability and its net realisable value. Identification of inventory impairment requires management to make judgements and estimates based on solid evidence and factors such as the purpose of holding the inventory and the impact of events after the end of each of the Relevant Periods. The difference between the actual result and the original estimate will affect the carrying amount of inventories and the accrual or reversal of inventory provision during the period in which the estimate is changed.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at December 31, 2022, 2023 and 2024 and October 31, 2025 were RMB12,924,000, RMB153,963,000, RMB74,323,000 and RMB12,924,000, respectively. Further details are given in note 18.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on invoice date for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 22 and note 24 to the Historical Financial Information, respectively.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in one single operating segment, i.e., research, manufacturing and trading of manufacturing equipment of printed circuit board. Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and preformation assessment. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Chinese mainland	2,729,482	1,538,264	2,965,452	2,308,510	3,750,145
Other countries/region .	36,390	84,905	361,920	301,597	552,311
	2,765,872	1,623,169	3,327,372	2,610,107	4,302,456

(b) Non-current assets

The geographical information of non-current assets is not presented as more than 90% of the non-current assets of the Group are located in Chinese mainland.

Information about major customers

Revenue from the major customers which amounted to 10% or more of the Group's revenue is set out below:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	352,016	N/A*	N/A*	N/A*	N/A*
Customer B	300,770	N/A*	N/A*	N/A*	N/A*
Customer C	N/A*	N/A*	N/A*	N/A*	851,306

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE

An analysis of revenue is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	2,765,872	1,623,169	3,327,372	2,610,107	4,302,456
Revenue from other sources					
Rental income.	20,278	11,142	15,719	13,775	11,690
Total	2,786,150	1,634,311	3,343,091	2,623,882	4,314,146

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended December 31,			Ten months ended October 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services					
Drilling equipment	1,666,776	818,051	2,100,645	1,619,065	3,095,604
Photolithography equipment	403,646	189,155	340,306	288,061	247,547
Testing equipment	284,312	197,561	274,139	219,857	383,632
Formation equipment	214,864	152,323	254,138	200,959	237,581
Attachment equipment	23,603	54,778	81,940	64,796	95,437
Lamination equipment	—	—	9,804	4,760	—
Others	172,671	211,301	266,400	212,609	242,655
Total	2,765,872	1,623,169	3,327,372	2,610,107	4,302,456
Timing of revenue recognition					
Goods transferred at a point in time	2,683,744	1,531,567	3,204,618	2,511,739	4,172,927
Services transferred over time	82,128	91,602	122,754	98,368	129,529
Total	2,765,872	1,623,169	3,327,372	2,610,107	4,302,456

The following table shows the amounts of revenue recognised in the Relevant Periods and the ten months ended October 31, 2024 that were included in the contract liabilities at the beginning of the reporting period:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	61,100	25,955	65,754	42,813	38,962

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and completion of installation and customer acceptance.

Maintenance services

The performance obligation is satisfied over time as services are rendered and payment is generally due by installments upon completion of maintenance and customer acceptance, except for certain customers, where payment in advance is normally required.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The Group elected to apply the practical expedient for not to disclose the remaining performance obligations. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net, is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Government grants*	139,883	64,471	60,043	47,661	50,680
Bank interest income	40,719	40,832	20,699	17,017	33,312
Additional VAT deduction**	—	5,310	48,308	22,910	37,804
Total other income	180,602	110,613	129,050	87,588	121,796
Other gains, net					
Foreign exchange differences, net	1,753	—	—	—	—
Gains/(losses) on disposal of property, plant and equipment, right-of-use assets and other non-current asset	775	207	(84)	(261)	(303)
Fair value gains on contingent consideration	—	—	60,160	—	8,523
Gain on remeasurement of pre-existing interest in an associate *(note 39)*	—	15,360	—	—	—
Gains on derecognition of financial liabilities measured at amortised cost	639	500	930	540	21
Others	912	1,119	1,957	1,390	1,321
Total other gains	4,079	17,186	62,963	1,669	9,562
Total other income and gains, net	184,681	127,799	192,013	89,257	131,358

* Government grants related to income that is received or receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period upon actual receipt and purchases of items of property, plant and equipment. There are no unfulfilled conditions or contingencies relating to these grants.

** According to the regulations of Ministry of Finance and the State Administration of Taxation, certain entities within the Group can enjoy an additional 5% or 15% deduction calculated based on the input value-added tax ("**VAT**") from the VAT payable since January 1, 2023. The amount of additional deduction was recognised in profit or loss when the entities declared and enjoyed the preferential tax treatment.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended December 31,			Ten months ended October 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of inventories sold		1,790,716	1,075,587	2,361,863	1,875,395	2,867,301
Cost of services provided		24,336	34,429	48,068	39,887	72,730
Depreciation of investment properties	*16*	77	77	77	65	65
Depreciation of property, plant and equipment*	*15*	25,440	28,240	29,330	23,837	35,267
Depreciation of right-of-use assets*	*17(a)*	51,907	50,572	44,239	36,425	35,724
Amortisation of other intangible assets*	*19*	2,083	2,407	2,612	2,138	2,228
Research and development costs		229,671	193,564	266,829	200,660	299,957
Impairment of goodwill#	*18*	—	—	79,640	—	61,399
Expense relating to short-term leases and leases of low-value assets	*17(c)*	20,517	15,585	18,075	15,724	23,428
Auditor's remuneration		600	600	700	143	817
Listing expense		—	—	—	—	1,143
Employee benefit expense (excluding directors' and supervisors' remuneration *(note 10)*):						
Wages and salaries		439,605	305,949	402,476	311,953	512,524
Pension scheme contributions		28,943	30,554	37,178	29,564	42,460
Equity-settled share based payment expense		(8,177)	9,552	113,863	95,519	61,197
Foreign exchange differences, net		(1,753)	7,053	2,345	4,610	34,092
Impairment of an investment in an associate		55,768	—	—	—	—
Impairment of financial and contract assets:						
Impairment of trade and bills receivables		22,634	16,282	22,243	28,194	23,755
(Reversal of)/provision for impairment of contract assets		(477)	(263)	153	505	335
Impairment of financial assets included in prepayments, other receivables and other assets		623	1,378	959	876	2,119
		22,780	17,397	23,355	29,575	26,209

	Notes	Year ended December 31,			Ten months ended October 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Write-down of inventories to net realisable value.		23,280	47,409	25,490	20,352	31,259
Product warranty provision		26,998	13,082	33,553	30,833	31,401
Gains on derecognition of financial liabilities measured at amortised cost.		(639)	(500)	(930)	(540)	(21)
Bank interest income		(40,719)	(40,832)	(20,699)	(17,017)	(33,312)
(Gains)/losses on disposal of property, plant and equipment, right-of-use assets and other non-current asset.		(775)	(207)	84	261	303

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets for the Relevant Periods and the ten months ended October 31, 2024 are included in "Cost of sales", "Administrative expenses", "Selling and marketing expenses" and "Research and development expenses" in the consolidated statements of profit or loss.

\# The impairment of goodwill included in "Other expenses" in the consolidated statement of profit or loss.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on loans.	8,367	382	3,882	3,618	8,501
Interest expense on discounted bills.	2,199	1,467	3,138	2,964	3,436
Interest on lease liabilities	6,410	4,789	3,041	2,506	1,533
Total	16,976	6,638	10,061	9,088	13,470

9. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Foreign exchange differences, net	—	7,053	2,345	4,610	34,092
Donations	3,000	—	55	50	—
Impairment of goodwill	—	—	79,640	—	61,399
Compensation	191	2,665	134	134	279
Others	786	903	1,001	663	239
Total	3,977	10,621	83,175	5,457	96,009

10. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the Relevant Periods and the ten months ended October 31, 2024 is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	360	360	350	290	300
Other emoluments:					
Salaries, allowances and benefits in kind	1,526	2,168	2,301	1,749	2,077
Performance related bonuses	990	81	555	—	—
Share-based payment compensation	(2,083)	3,184	38,208	31,840	20,895
Pension scheme contributions	149	153	153	127	139
Total	942	5,946	41,567	34,006	23,411

During the Relevant Periods and the ten months ended October 31, 2024, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 36 to the Historical Financial Information. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the current year is included in the above directors' and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the ten months ended October 31, 2024 were as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Mr. Qiu Yunliang	120	120	120	100	100
Ms. Wu Yanni (i)	120	120	—	—	—
Mr. Chen Changsheng (iii).	120	120	40	40	—
Ms. Li Weiwei (ii)	—	—	110	90	100
Mr. Xin Guosheng (iv).	—	—	80	60	100
Total	360	360	350	290	300

(i) Ms. Wu Yanni resigned as an independent non-executive director of the Company on February 2, 2024. Ms. Wu Yanni has waived the remuneration of director for January 2024.

(ii) Ms. Li Weiwei was appointed as an independent non-executive director of the Company with effect from February 2, 2024.

(iii) Mr. Chen Changsheng resigned as an independent non-executive director of the Company on May 6, 2024.

(iv) Mr. Xin Guosheng was appointed as an independent non-executive director of the Company with effect from May 6, 2024.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and the ten months ended October 31, 2024.

(b) Executive directors and supervisors

Year ended December 31, 2022

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Mr. Yang Chaohui (i)	—	1,147	900	(2,001)	96	142
Non-executive directors						
Mr. Zhang Jianqun (ii)	—	—	—	—	—	—
Mr. Zhou Huiqiang (iii)	—	—	—	—	—	—
Mr. Du Yonggang (iv)	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Supervisors						
Mr. Hu Zhixiong (v)	—	—	—	—	—	—
Mr. Hu Zhiyi (vi)	—	—	—	—	—	—
Ms. Huang Linting (vii)	—	379	90	(82)	53	440
Subtotal	—	379	90	(82)	53	440
Total	—	1,526	990	(2,083)	149	582

Year ended December 31, 2023

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Mr. Yang Chaohui (i)	—	1,790	—	3,184	101	5,075
Non-executive directors						
Mr. Zhang Jianqun (ii)	—	—	—	—	—	—
Mr. Zhou Huiqiang (iii)	—	—	—	—	—	—
Mr. Du Yonggang (iv)	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Supervisors						
Mr. Hu Zhixiong (v)	—	—	—	—	—	—
Mr. Hu Zhiyi (vi)	—	—	—	—	—	—
Ms. Huang Linting (vii)	—	378	81	—	52	511
Mr. Liu Tao (viii)	—	—	—	—	—	—
Subtotal	—	378	81	—	52	511
Total	—	2,168	81	3,184	153	5,586

Year ended December 31, 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Mr. Yang Chaohui (i)	—	1,903	411	38,208	101	40,623
Non-executive directors						
Mr. Zhang Jianqun (ii)	—	—	—	—	—	—
Mr. Zhou Huiqiang (iii)	—	—	—	—	—	—
Mr. Du Yonggang (iv)	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Supervisors						
Mr. Hu Zhixiong (v)	—	—	—	—	—	—
Mr. Hu Zhiyi (vi)	—	—	—	—	—	—
Ms. Huang Linting (vii)	—	398	144	—	52	594
Mr. Liu Tao (viii)	—	—	—	—	—	—
Subtotal	—	398	144	—	52	594
Total	—	2,301	555	38,208	153	41,217

Ten months ended October 31, 2024 (unaudited)

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions	Total remuneration
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Executive directors						
Mr. Yang Chaohui (i)	—	1,423	—	31,840	84	33,347
Non-executive directors						
Mr. Zhang Jianqun (ii)	—	—	—	—	—	—
Mr. Zhou Huiqiang (iii)	—	—	—	—	—	—
Mr. Du Yonggang (iv)	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Supervisors						
Mr. Hu Zhixiong (v)	—	—	—	—	—	—
Mr. Hu Zhiyi (vi)	—	—	—	—	—	—
Ms. Huang Linting (vii)	—	326	—	—	43	369
Mr. Liu Tao (viii)	—	—	—	—	—	—
Subtotal	—	326	—	—	43	369
Total	—	1,749	—	31,840	127	33,716

Ten months ended October 31, 2025

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Mr. Yang Chaohui (i)	—	1,716	—	20,895	91	22,702
Non-executive directors						
Mr. Zhang Jianqun (ii)	—	—	—	—	—	—
Mr. Zhou Huiqiang (iii)	—	—	—	—	—	—
Mr. Du Yonggang (iv)	—	—	—	—	—	—
Ms. Huang Linting (vii)	—	361	—	—	48	409
Subtotal	—	361	—	—	48	409
Supervisors						
Mr. Hu Zhixiong (v)	—	—	—	—	—	—
Mr. Hu Zhiyi (vi)	—	—	—	—	—	—
Ms. Huang Linting (vii)	—	—	—	—	—	—
Mr. Liu Tao (viii)	—	—	—	—	—	—
Mr. Yuan Yangbo (ix)	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	—	2,077	—	20,895	139	23,111

(i) Mr. Yang Chaohui was appointed as an executive director of the Company with effect from November 6, 2020. Mr. Yang Chaohui was also serving as the chief executive officer of the Company since May 2003.

(ii) Mr. Zhang Jianqun was appointed as an executive director of the Company with effect from November 6, 2020.

(iii) Mr. Zhou Huiqiang was appointed as an executive director of the Company with effect from November 6, 2020.

(iv) Mr. Du Yonggang was appointed as an executive director of the Company with effect from November 6, 2020.

(v) Mr. Hu Zhixiong was appointed as a supervisor of the Company with effect from November 6, 2020 and resigned on November 8, 2023.

(vi) Mr. Hu Zhiyi was appointed as a supervisor of the Company with effect from March 20, 2021 and retired on January 15, 2025.

(vii) Ms. Huang Linting was appointed as a supervisor of the Company with effect from November 6, 2020 and retired on May 12, 2025. Ms. Huang Linting was appointed as a non-executive director (employee director) of the Company with effect from May 14, 2025.

(viii) Mr. Liu Tao was appointed as a supervisor of the Company with effect from November 8, 2023 and retired on May 12, 2025.

(ix) Mr. Yuan Yangbo was appointed as a supervisor of the Company with effect from January 15, 2025. and retired on May 12, 2025.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods and the ten months ended October 31, 2024. No compensation was paid to, or receivable by, any Director, former director or any of the five highest-paid individuals for the loss of any other office in connection with the management of the affairs of any member of our Group.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2024 and 2025 included one, one, one, one and one directors of the Company, respectively, details of whose remuneration are set out in note 10 to the Historical Financial Information above. Details of the remuneration for the remaining highest paid employees during the Relevant Periods and the ten months ended October 31, 2024 are as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	4,307	4,282	3,326	3,081	3,062
Performance related bonuses	3,225	2,061	2,360	—	—
Share-based payment compensation	163	932	12,781	10,651	6,990
Pension scheme contributions	(513)	243	210	175	184
Total	7,182	7,518	18,677	13,907	10,236

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
HK$1,500,001 to HK$2,000,000.	2	3	—	—	—
HK$2,000,001 to HK$2,500,000.	2	—	—	—	3
HK$2,500,001 to HK$3,000,000.	—	1	—	—	—
HK$3,000,001 to HK$4,500,000.	—	—	—	4	1
HK$4,500,001 to HK$5,000,000.	—	—	2	—	—
HK$5,000,001 to HK$5,500,000.	—	—	1	—	—
HK$5,500,001 to HK$6,000,000	—	—	1	—	—
Total	4	4	4	4	4

During the Relevant Periods and the ten months ended October 31, 2024, share options were granted to four non-director and non-chief executive highest paid employee in respect of their services to the Group, further details of which are included in the disclosures in note 36 to the Historical Financial Information. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information during the Relevant Periods and the ten months ended October 31, 2024 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

12. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% during the Relevant Periods and the ten months ended October 31, 2024 unless subject to tax concession set out below.

According to the Administrative Measures for Determination of High and New Tech Enterprises, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and became effective on January 1, 2016, an enterprise recognised as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law. The Company, Shenzhen Mason Electronics Co., Ltd. and Advanced Intelligent Machine Co., Ltd. are subject to a preferential income tax rate of 15% from 2022 to 2025. Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. was subject to a preferential income tax rate of 15% from 2024 to 2026.

Pursuant to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (circular of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission [2020] No. 23), from January 1, 2021 to December 31, 2030, enterprises located in western China that are engaged in encouraged industries shall be subject to a reduced enterprise income tax at a tax rate of 15%. The enterprises in the encouraged industries shall mainly engage in the industries set out in the Catalog of Encouraged Industries in Western China, and the revenue from the main business of such enterprises shall exceed 60% of the total revenue. Han's CNC Technology (Xinfeng) Co., Ltd. operated in western China are subject to a preferential income tax rate of 15% from 2022 to 2025. Mason Electronics (Xinfeng) Co., Ltd. was subject to a preferential income tax rate of 15% from 2024 to 2025.

Pursuant to the Corporate Income Tax Law of the People's Republic of China and its Implementation Regulations, for the period from January 1, 2021 to December 31, 2022, small and low-profit enterprises were subject to a reduced effective corporate income tax rate of 2.5% on the portion of their annual taxable income not exceeding RMB1,000,000; effective January 1, 2023 through December 31, 2027, this reduced rate on taxable income up to RMB1,000,000 is 5%; concurrently, for the period spanning January 1, 2022 to December 31, 2027, the portion of annual taxable income between RMB1,000,000 and RMB3,000,000 (inclusive) for such enterprises is subject to corporate income tax at a reduced effective rate of 5%. Suzhou Mason Electronics

Testing Co., Ltd., Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd., Dongguan Han's CNC Technology Co., Ltd., Shenzhen Han's Microelectronics Technology Co., Ltd. and Shanghai Han's Machinery Co., Ltd., meet the criteria for small and low-profit enterprises and thus enjoy the aforementioned corporate income tax incentives.

Additional deduction for research and development expense

Additional deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits during the Relevant Periods and the ten months ended October 31, 2024. Pursuant to the Corporate Income Tax Law of the People's Republic of China and its Implementation Regulations, qualified industrial machine tool enterprises are eligible for the new R&D super deduction. An extra 120% of the amount of R&D actually incurred during the period from January 1, 2023 to December 31, 2027 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognized as intangible asset and included in the current profits and losses; if the said expenses have been recognized as an intangible asset, such expenses may be amortized at the rate of 220% of the costs of the intangible assets before tax payment in the above period. The Company, Shenzhen Mason Electronics Co., Ltd. and Advanced Intelligent Machine Co., Ltd. benefited from this tax incentive in 2023, 2024 and 2025.

Hong Kong

Pursuant to the Inland Revenue (Amendment) (No. 3) Ordinance 2018, the two-tiered profits tax rates regime will be applicable to any year of assessment commencing on or after April 1, 2018. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

Thailand and Singapore

No provision for profits tax in Thailand and Singapore was made as the Group did not have any assessable income subject to profits tax in Thailand and Singapore during the Relevant Periods and the ten months ended October 31, 2024.

The income tax expense of the Group for the Relevant Periods and the ten months ended October 31, 2024 is analysed as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current income tax	65,817	9,181	12,878	14,646	110,167
Deferred income tax	(14,507)	(7,423)	17,123	(4,537)	(39,170)
Total	51,310	1,758	30,001	10,109	70,997

A reconciliation of the tax expense applicable to profit before tax at the applicable rate to the tax expense at the effective tax rate is as follows:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before tax	483,322	137,426	329,583	222,084	589,916
Tax at the applicable tax rate	72,529	22,873	51,333	35,468	93,064
Adjustments in respect of current tax of previous periods	10	2,595	(14)	(14)	—
Income not subject to tax	(106)	(91)	(1,988)	(1,007)	(836)
Expenses not deductible for tax	3,213	862	16,423	3,532	14,023
Additional deductible allowance for research and development expenses	(29,570)	(33,046)	(37,173)	(26,256)	(37,757)
Tax losses and deductible temporary differences utilised from previous periods	—	(67)	(2,088)	(2,302)	(4,411)
Tax losses and deductible temporary differences not recognised	5,234	8,677	3,388	688	6,914
Effect on deferred tax balances due to change in income tax rate	—	(45)	120	—	—
Tax charge at the Group's effective tax rate	51,310	1,758	30,001	10,109	70,997

13. DIVIDEND

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Dividends in respect of the previous year/period, declared or paid during the year/period (tax inclusive)	168,000	1,197,000	—	—	168,000

The final dividends of RMB0.40, RMB2.00, nil and RMB0.40 (inclusive of tax) for each ordinary share in respect of the years ended December 31, 2021, 2022, 2023 and 2024 were approved by the Annual General Meeting of the Company.

The dividends of RMB0.85 (inclusive of tax) for each ordinary share in respect of the nine months ended September 30, 2023 were approved by the Extraordinary General Meeting of the Company on November 8, 2023.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the Relevant Periods and the ten months ended October 31, 2024 attributable to ordinary equity holders of the parent, and the weighted average number of share capital outstanding during the Relevant Periods and the ten months ended October 31, 2024.

The share option granted by the Company have potential dilutive effect on the earnings per share. The calculation of the diluted earnings per share amounts is based on the profit for the Relevant Periods and the ten months ended October 31, 2024 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in outstanding during the Relevant Periods and the ten months ended October 31, 2024, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share are based on:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Earnings					
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	434,687	135,546	301,180	212,262	523,089
Shares					
Weighted average number of ordinary shares outstanding during the year/period, used in the basic earnings per share calculation *('000)*	413,000	420,000	420,000	420,000	422,954
Effect of dilution — weighted average number of ordinary shares *('000)*:					
Share option	—	—	1,748	1,732	6,524
Weighted average number of ordinary shares used in the diluted earnings per share calculation *('000)*	413,000	420,000	421,748	421,732	429,478

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022							
As at January 2022:							
Cost	53,087	3,245	10,152	34,841	60,307	833	162,465
Accumulated depreciation	(23,367)	(1,809)	(3,727)	(19,737)	(9,354)	—	(57,994)
Net carrying amount	29,720	1,436	6,425	15,104	50,953	833	104,471
At January 1, 2022, net of accumulated depreciation	29,720	1,436	6,425	15,104	50,953	833	104,471
Additions	1,107	1,879	2,823	14,808	1,486	58,062	80,165
Disposals	(212)	—	(34)	(121)	—	—	(367)
Depreciation provided during the year	(5,486)	(641)	(1,884)	(5,383)	(12,046)	—	(25,440)
Transfer from inventories	13,868	—	170	487	—	—	14,525
Exchange realignment	—	—	—	1	—	—	1
At December 31, 2022, net of accumulated depreciation	38,997	2,674	7,500	24,896	40,393	58,895	173,355
As at December 31, 2022							
Cost	67,515	5,124	12,820	48,093	61,793	58,895	254,240
Accumulated depreciation	(28,518)	(2,450)	(5,320)	(23,197)	(21,400)	—	(80,885)
Net carrying amount	38,997	2,674	7,500	24,896	40,393	58,895	173,355

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
As at January 1, 2023:							
Cost	67,515	5,124	12,820	48,093	61,793	58,895	254,240
Accumulated depreciation	(28,518)	(2,450)	(5,320)	(23,197)	(21,400)	—	(80,885)
Net carrying amount	38,997	2,674	7,500	24,896	40,393	58,895	173,355
At January 1, 2023, net of accumulated depreciation	38,997	2,674	7,500	24,896	40,393	58,895	173,355
Additions	13	—	969	3,407	1,005	255,779	261,173
Acquisition of a subsidiary *(note 39)*	4,735	639	25	170	—	—	5,569
Disposals	(905)	—	(27)	(36)	—	—	(968)
Depreciation provided during the year	(6,390)	(740)	(2,085)	(6,632)	(12,393)	—	(28,240)
Transfers	—	—	—	—	591	(591)	—
Transfer from inventories	5,007	—	19	1,512	—	—	6,538
Transfer to inventories	(2,049)	—	—	—	—	—	(2,049)
Exchange realignment	—	—	1	—	—	—	1
At December 31, 2023, net of accumulated depreciation	39,408	2,573	6,402	23,317	29,596	314,083	415,379
As at December 31, 2023							
Cost	71,393	5,914	13,485	52,453	62,976	314,083	520,304
Accumulated depreciation	(31,985)	(3,341)	(7,083)	(29,136)	(33,380)	—	(104,925)
Net carrying amount	39,408	2,573	6,402	23,317	29,596	314,083	415,379

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
As at January 1, 2024:							
Cost	71,393	5,914	13,485	52,453	62,976	314,083	520,304
Accumulated depreciation	(31,985)	(3,341)	(7,083)	(29,136)	(33,380)	—	(104,925)
Net carrying amount	39,408	2,573	6,402	23,317	29,596	314,083	415,379
At January 1, 2024, net of accumulated depreciation	39,408	2,573	6,402	23,317	29,596	314,083	415,379
Additions	1,073	680	3,222	6,645	962	242,706	255,288
Disposals	(338)	(14)	(57)	(48)	—	—	(457)
Depreciation provided during the year	(6,426)	(813)	(2,271)	(7,053)	(12,767)	—	(29,330)
Transfers	—	—	—	—	147	(147)	—
Transfer from inventories	36,116	—	193	615	—	—	36,924
At December 31, 2024, net of accumulated depreciation	69,833	2,426	7,489	23,476	17,938	556,642	677,804
As at December 31, 2024							
Cost	105,238	6,209	16,347	58,759	63,591	556,642	806,786
Accumulated depreciation	(35,405)	(3,783)	(8,858)	(35,283)	(45,653)	—	(128,982)
Net carrying amount	69,833	2,426	7,489	23,476	17,938	556,642	677,804

	Buildings	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at October 31, 2025								
As at January 1, 2025:								
Cost	—	105,238	6,209	16,347	58,759	63,591	556,642	806,786
Accumulated depreciation	—	(35,405)	(3,783)	(8,858)	(35,283)	(45,653)	—	(128,982)
Net carrying amount	—	69,833	2,426	7,489	23,476	17,938	556,642	677,804
At January 1, 2025, net of accumulated depreciation	—	69,833	2,426	7,489	23,476	17,938	556,642	677,804
Additions	—	3,356	300	14,722	8,167	—	86,555	113,100
Disposals	—	(1,049)	—	(80)	(25)	(3)	—	(1,157)
Depreciation provided during the period	(4,327)	(10,408)	(667)	(2,578)	(6,674)	(10,613)	—	(35,267)
Transfers	582,278	—	—	—	—	—	(582,278)	—
Transfer to inventories	—	—	—	—	(37)	—	—	(37)
Transfer from inventories	—	10,261	—	438	326	—	—	11,025
At October 31, 2025, net of accumulated depreciation	577,951	71,993	2,059	19,991	25,233	7,322	60,919	765,468
As at October 31, 2025								
Cost	582,278	109,279	6,509	30,996	66,923	63,588	60,919	920,492
Accumulated depreciation	(4,327)	(37,286)	(4,450)	(11,005)	(41,690)	(56,266)	—	(155,024)
Net carrying amount	577,951	71,993	2,059	19,991	25,233	7,322	60,919	765,468

The Company

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022							
As at January 1, 2022:							
Cost	18,309	2,612	7,001	29,859	42,958	—	100,739
Accumulated depreciation	(6,942)	(1,784)	(1,902)	(16,830)	(7,040)	—	(34,498)
Net carrying amount	11,367	828	5,099	13,029	35,918	—	66,241
At January 1, 2022, net of accumulated depreciation	11,367	828	5,099	13,029	35,918	—	66,241
Additions	—	1,879	2,351	13,281	1,210	591	19,312
Disposals	(202)	—	(15)	(120)	—	—	(337)
Depreciation provided during the year	(2,022)	(580)	(1,511)	(4,735)	(8,557)	—	(17,405)
Transfer from inventories	12,010	—	134	345	—	—	12,489
At December 31, 2022, net of accumulated depreciation	21,153	2,127	6,058	21,800	28,571	591	80,300
As at December 31, 2022							
Cost	29,832	4,491	9,285	41,495	44,168	591	129,862
Accumulated depreciation	(8,679)	(2,364)	(3,227)	(19,695)	(15,597)	—	(49,562)
Net carrying amount	21,153	2,127	6,058	21,800	28,571	591	80,300

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
As at January 1, 2023:							
Cost	29,832	4,491	9,285	41,495	44,168	591	129,862
Accumulated depreciation	(8,679)	(2,364)	(3,227)	(19,695)	(15,597)	—	(49,562)
Net carrying amount	21,153	2,127	6,058	21,800	28,571	591	80,300
At January 1, 2023, net of accumulated depreciation	21,153	2,127	6,058	21,800	28,571	591	80,300
Additions	—	—	540	3,060	143	—	3,743
Disposals	(167)	—	(189)	(1,350)	—	—	(1,706)
Depreciation provided during the year	(2,977)	(562)	(1,642)	(5,656)	(8,468)	—	(19,305)
Transfers	—	—	—	—	591	(591)	—
Transfer from inventories	3,595	—	—	—	—	—	3,595
Transfer to inventories	(2,049)	—	—	—	—	—	(2,049)
At December 31, 2023, net of accumulated depreciation	19,555	1,565	4,767	17,854	20,837	—	64,578
As at December 31, 2023							
Cost	30,412	4,491	9,392	40,910	44,902	—	130,107
Accumulated depreciation	(10,857)	(2,926)	(4,625)	(23,056)	(24,065)	—	(65,529)
Net carrying amount	19,555	1,565	4,767	17,854	20,837	—	64,578

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
As at January 1, 2024:							
Cost	30,412	4,491	9,392	40,910	44,902	—	130,107
Accumulated depreciation	(10,857)	(2,926)	(4,625)	(23,056)	(24,065)	—	(65,529)
Net carrying amount	19,555	1,565	4,767	17,854	20,837	—	64,578
At January 1, 2024, net of accumulated depreciation	19,555	1,565	4,767	17,854	20,837	—	64,578
Additions	—	663	2,908	5,920	395	—	9,886
Disposals	(162)	(15)	(99)	(46)	—	—	(322)
Depreciation provided during the year	(3,031)	(533)	(1,712)	(5,647)	(8,470)	—	(19,393)
Transfer from inventories	34,460	—	169	205	—	—	34,834
At December 31, 2024, net of accumulated depreciation	50,822	1,680	6,033	18,286	12,762	—	89,583
As at December 31, 2024							
Cost	63,808	4,787	12,200	46,348	45,297	—	172,440
Accumulated depreciation	(12,986)	(3,107)	(6,167)	(28,062)	(32,535)	—	(82,857)
Net carrying amount	50,822	1,680	6,033	18,286	12,762	—	89,583

	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at October 31, 2025							
As at January 1, 2025:							
Cost	63,808	4,787	12,200	46,348	45,297	—	172,440
Accumulated depreciation	(12,986)	(3,107)	(6,167)	(28,062)	(32,535)	—	(82,857)
Net carrying amount	50,822	1,680	6,033	18,286	12,762	—	89,583
At January 1, 2025, net of accumulated depreciation	50,822	1,680	6,033	18,286	12,762	—	89,583
Additions	384	300	14,195	4,930	—	—	19,809
Disposals	(8)	—	(122)	(30)	—	—	(160)
Depreciation provided during the period	(5,364)	(495)	(4,028)	(5,465)	(7,484)	—	(22,836)
Transfer from inventories	8,919	—	256	—	—	—	9,175
At October 31, 2025, net of accumulated depreciation	54,753	1,485	16,334	17,721	5,278	—	95,571
As at October 31, 2025							
Cost	73,102	5,087	26,313	51,096	45,297	—	200,895
Accumulated depreciation	(18,349)	(3,602)	(9,979)	(33,375)	(40,019)	—	(105,324)
Net carrying amount	54,753	1,485	16,334	17,721	5,278	—	95,571

At the end of each of the Relevant Periods, no property, plant and equipment of the Group and the Company was pledged.

16. INVESTMENT PROPERTIES

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period				
Cost	3,219	3,219	3,219	3,219
Accumulated depreciation	(1,185)	(1,262)	(1,339)	(1,416)
Net carrying amount	2,034	1,957	1,880	1,803
At the beginning of the year/period, net of accumulated depreciation	2,034	1,957	1,880	1,803
Depreciation provided during the year/period	(77)	(77)	(77)	(65)
At the end of the year/period, net of accumulated depreciation	1,957	1,880	1,803	1,738
At the end of the year/period				
Cost	3,219	3,219	3,219	3,219
Accumulated depreciation	(1,262)	(1,339)	(1,416)	(1,481)
Net carrying amount	1,957	1,880	1,803	1,738

The Group's investment properties consist of a residential property in the Chinese mainland. The directors of the Company have determined that the investment properties are commercial based on the nature, characteristics and risks of the properties. As at December 31, 2022, 2023 and 2024 and October 31, 2025, the fair values of the investment properties of the Group are not materially different from their original cost.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 17 to the Historical Financial Information.

17. LEASES

The Group as a lessee

During the Relevant Periods, the Group entered into certain long-term lease contracts for buildings which generally have lease terms between two and ten years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Land use rights	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2022	412,050	129,659	541,709
Additions	65,311	42,178	107,489
Termination	—	(6,571)	(6,571)
Depreciation provided during the year	(9,673)	(42,234)	(51,907)
As at December 31, 2022 and January 1, 2023	467,688	123,032	590,720
Additions	1,959	8,077	10,036
Acquisition of a subsidiary *(note 39)*	—	174	174
Termination	—	(15,810)	(15,810)
Depreciation provided during the year	(9,751)	(40,821)	(50,572)
As at December 31, 2023 and January 1, 2024	459,896	74,652	534,548
Additions	—	4,923	4,923
Termination	—	(1,654)	(1,654)
Depreciation provided during the year	(9,712)	(34,527)	(44,239)
As at December 31, 2024 and January 1, 2025	450,184	43,394	493,578
Additions	208	17,763	17,971
Termination	—	(835)	(835)
Depreciation provided during the period	(7,614)	(28,110)	(35,724)
As at October 31, 2025	442,778	32,212	474,990

The Company

	Buildings
	RMB'000
As at January 1, 2022	97,547
Additions	37,007
Termination	(6,571)
Depreciation provided during the year	(33,391)
As at December 31, 2022 and January 1, 2023	94,592
Termination	(11,528)
Depreciation provided during the year	(31,420)
As at December 31, 2023 and January 1, 2024	51,644
Additions	3,037
Termination	(1,486)
Depreciation provided during the year	(24,689)
As at December 31, 2024 and January 1, 2025	28,506
Additions	5,510
Depreciation provided during the period	(18,791)
As at October 31, 2025	15,225

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	132,634	128,470	80,508	47,514
New leases	42,178	8,077	4,923	17,763
Accretion of interest recognised during the year/period	6,410	4,789	3,041	1,533
Payments	(45,259)	(44,707)	(39,244)	(31,675)
Acquisition of a subsidiary *(note 39)*	—	177	—	—
Termination	(7,493)	(16,298)	(1,714)	(874)
Carrying amount at the end of the year/period	128,470	80,508	47,514	34,261
Analysed into:				
Current portion	45,063	35,497	34,716	22,120
Non-current portion	83,407	45,011	12,798	12,141

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	100,239	98,699	55,419	31,397
New leases	37,007	—	3,037	5,510
Accretion of interest recognised during the year/period	4,850	3,563	2,107	919
Payments	(35,904)	(35,004)	(27,618)	(21,376)
Termination	(7,493)	(11,839)	(1,548)	—
Carrying amount at the end of the year/period	98,699	55,419	31,397	16,450
Analysed into:				
Current portion	35,922	24,486	23,833	13,162
Non-current portion	62,777	30,933	7,564	3,288

The maturity analysis of lease liabilities is disclosed in note 47 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	As at December 31,			As at October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	6,410	4,789	3,041	2,506	1,533
Depreciation charge of right-of-use assets	51,907	50,572	44,239	36,425	35,724
Expense relating to short-term leases and low-value assets*	20,517	15,585	18,075	15,724	23,428
Total amount recognised in profit or loss	78,834	70,946	65,355	54,655	60,685

* Included in "Administrative expenses" and "Selling and marketing expenses" in the consolidated statements of profit or loss.

(d) The total cash outflow for leases is set out in note 40 to the Historical Financial Information.

The Group as a lessor

The Group leases its machinery and investment properties (note 16) consisting of a residential property in the Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2024 and 2025 was RMB20,278,000, RMB11,142,000, RMB15,719,000, RMB13,775,000 (unaudited) and RMB11,690,000, respectively, details of which are included in note 5 to the Historical Financial Information.

At December 31, 2022, 2023 and 2024 and October 31, 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	499	125	469	488
After one year but within two years	125	—	492	492
After two year but within three years	—	—	492	82
Total	624	125	1,453	1,062

18. GOODWILL

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period:				
Cost	22,302	22,302	163,341	163,341
Accumulated impairment	(9,378)	(9,378)	(9,378)	(89,018)
Carrying amount at the beginning of the year/period	12,924	12,924	153,963	74,323
Cost at the beginning of year/period, net of impairment	12,924	12,924	153,963	74,323
Acquisition of a subsidiary *(note 39)*	—	141,039	—	—
Impairment during the year/period	—	—	(79,640)	(61,399)
Carrying amount at the end of the year/period	12,924	153,963	74,323	12,924
At end of year/period:				
Cost	22,302	163,341	163,341	163,341
Accumulated impairment	(9,378)	(9,378)	(89,018)	(150,417)
Net carrying amount	12,924	153,963	74,323	12,924

Impairment testing of goodwill

A CGU to which goodwill has been allocated is tested for impairment by the management annually, and whenever there is an indication that the unit may be impaired.

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Shenzhen Mason Electronics Co., Ltd. cash-generating unit;
- Advanced Intelligent Machine Co., Ltd. cash-generating unit; and
- Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. cash-generating unit.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Mason CGU	12,924	12,924	12,924	12,924
Advanced Intelligent CGU	—	—	—	—
Rayleigh CGU	—	141,039	61,399	—
	12,924	153,963	74,323	12,924

For the purpose of impairment review, the recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use. Assumptions were used in the calculation of recoverable amounts of the Mason CGU and Rayleigh CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Discount rates — The discount rates used are before tax for the recoverable amount calculated based on value in use and after tax for the recoverable amount calculated based on fair value less costs of disposal, respectively, and reflect specific risks relating to the relevant units.

Growth rates — The growth rates are determined based on historical experience and forecast of market development in which the cash-generating unit operate in.

Shenzhen Mason Electronics Co., Ltd. cash-generating unit (the "Mason CGU")

Impairment reviews on the goodwill of Mason CGU have been conducted by the management as at December 31, 2022, 2023 and 2024 according to IAS 36 "Impairment of assets." As at October 31,2025, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the ten months ended October 31, 2025. Therefore the management did not make a formal estimate of the recoverable amounts of Mason CGU as at October 31, 2025.

For the purposes of impairment review, the recoverable amount of the Mason CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management. Based on the results of the impairment assessments for goodwill of Mason CGU, headroom measured by the excess of the recoverable amount over the carrying amount of Mason CGU as at December 31, 2022, 2023 and 2024 were RMB25,052,000, RMB24,845,000 and RMB42,118,000, respectively. As at December

31, 2022, 2023 and 2024, the pre-tax discount rate applied to the cash flow projections is 18.79%, 18.51% and 15.94%, respectively. The growth rate used to extrapolate the cash flows of the Mason CGU beyond the five-year period is 2.00%, 2.00% and 2.00%, respectively.

For the sensitivity analysis conducted during the impairment review on the goodwill of Mason CGU, had there been reasonably possible changes with an increase in pre-tax discount rate by 1%, or with reduction of the growth rate used to extrapolate the cash flows of the Mason CGU beyond the five-year period by 0.5%, it would cause the reduction of the recoverable amount of Mason CGU as follows, if one of the key assumptions was to change while other variable held constant: As at December 31, 2022, the recoverable amount would decrease by RMB14,100,000 and RMB1,300,000. As at December 31, 2023, the recoverable amount would decrease by RMB16,300,000 and RMB1,500,000. As at December 31, 2024, the recoverable amount would decrease by RMB18,500,000 and RMB1,500,000.

Advanced Intelligent Machine Co., Ltd. cash-generating unit (the "Advanced Intelligent CGU")

The carrying amount of the Advanced Intelligent CGU was fully impaired prior to the beginning of the Relevant Periods.

Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. cash-generating unit (the "Rayleigh CGU")

According to IAS 36 "Impairment of assets", impairment reviews on the goodwill of Rayleigh CGU have been conducted by management annually as at December 31, 2023 and 2024. And due to the intense market competition during the second half of 2025, the business growth of Rayleign CGU was well below expectations thus there was an impairment indicator for the goodwill of Rayleign CGU and impairment review has been conducted by management as at October 31, 2025. As at December 31, 2023 and 2024, the recoverable amount of the Rayleigh CGU has been determined based on the value in use which was the higher of fair value less costs of disposal and value in use. The value in use calculation was determined using cash flow projections based on financial budgets covering a five-year period approved by the senior management. As at December 31, 2023 and 2024, the pre-tax discount rate applied to the cash flow projections is 23.25% and 17.89%, respectively. As at October 31, 2025, the recoverable amount of Rayleigh CGU has been determined based on the fair value less costs of disposal as it was higher than the amount of value in use. The fair value less costs of disposal calculation was determined using discounted cash flow projections of which the accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The post-tax discount rate applied to the cash flow projections is 17.44%. The growth rate used to extrapolate the cash flows of the Rayleigh CGU beyond the five-year period is 2.00%, 2.00% and 2.00%, respectively.

Based on the results of the impairment assessments, the recoverable amounts of the Rayleigh CGU was RMB340,000,000, RMB99,820,000 and RMB5,228,000 as at December 31, 2023 and 2024 and October 31, 2025, respectively. Accordingly, the Group recognised an impairment provision of approximately RMB79,640,000 for the year ended December 31, 2024 and RMB61,399,000 for the ten months ended October 31, 2025 against the carrying amount of goodwill relating to Rayleign CGU. The impairment for the year ended December 31, 2024 and the ten months ended October 31, 2025 were attributable to the overall decline in forecasted revenue generated by Rayleigh CGU in the cash flow projection prepared by the directors of the Group with reference to the market activities of Rayleigh Taide.

Based on management's assessment on the recoverable amounts, the headroom measured by the excess of the recoverable amount over the carrying amount of Rayleigh CGU as at December 31, 2023 was RMB128,653,000. For the sensitivity analysis of Rayleigh conducted during the impairment review, had there been reasonably possible changes with an increase in pre-tax discount rate by 0.50%, or with reduction of the growth rate used to extrapolate the cash flows of the Rayleigh CGU beyond the five-year period by 0.5%, it would cause the reduction of the recoverable amount of Rayleigh CGU as follows, if one of the key assumptions was to change while other variable held constant: As at December 31, 2023, the recoverable amount would decrease by RMB8,000,000 and RMB3,000,000. As at December 31, 2024, the recoverable amount would decrease by RMB4,386,000 and RMB1,211,000.

In the opinion of the directors of the Group, any reasonably possible change in the key assumptions of the cash flow forecast would not cause its carrying amount of Rayleigh CGU exceed its recoverable amount for the year ended December 31, 2023.

19. OTHER INTANGIBLE ASSETS

The Group

	Software	**Patent**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
December 31, 2022			
Cost at January 1, 2022, net of accumulated amortisation	8,170	—	8,170
Additions	2,029	—	2,029
Amortisation during the year	(2,083)	—	(2,083)
At December 31, 2022	8,116	—	8,116

	Software	Patent	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2022:			
Cost	14,913	—	14,913
Accumulated amortisation	(6,797)	—	(6,797)
Net carrying amount	8,116	—	8,116
December 31, 2023			
Cost at January 1, 2023, net of accumulated amortisation	8,116	—	8,116
Additions	1,066	65	1,131
Amortisation during the year	(2,404)	(3)	(2,407)
At December 31, 2023	6,778	62	6,840
At December 31, 2023:			
Cost	12,615	65	12,680
Accumulated amortisation	(5,837)	(3)	(5,840)
Net carrying amount	6,778	62	6,840
December 31, 2024			
Cost at January 1, 2024, net of accumulated amortisation	6,778	62	6,840
Additions	957	—	957
Amortisation during the year	(2,599)	(13)	(2,612)
At December 31, 2024	5,136	49	5,185
At December 31, 2024:			
Cost	13,332	65	13,397
Accumulated amortisation	(8,196)	(16)	(8,212)
Net carrying amount	5,136	49	5,185
October 31, 2025			
Cost at January 1, 2025, net of accumulated amortisation	5,136	49	5,185
Additions	1,092	472	1,564
Amortisation during the period	(2,209)	(19)	(2,228)
At October 31, 2025	4,019	502	4,521
At October 31, 2025:			
Cost	14,424	537	14,961
Accumulated amortisation	(10,405)	(35)	(10,440)
Net carrying amount	4,019	502	4,521

The Company

	Software
	RMB'000
December 31, 2022	
Cost at January 1, 2022, net of accumulated amortisation	6,702
Additions	906
Amortisation during the year	(1,562)
At December 31, 2022	6,046
At December 31, 2022:	
Cost	10,539
Accumulated amortisation	(4,493)
Net carrying amount	6,046
December 31, 2023	
Cost at January 1, 2023, net of accumulated amortisation	6,046
Additions	993
Amortisation during the year	(1,736)
At December 31, 2023	5,303
At December 31, 2023:	
Cost	9,354
Accumulated amortisation	(4,051)
Net carrying amount	5,303
December 31, 2024	
Cost at January 1, 2024, net of accumulated amortisation	5,303
Additions	775
Amortisation during the year	(1,907)
At December 31, 2024	4,171
At December 31, 2024:	
Cost	9,935
Accumulated amortisation	(5,764)
Net carrying amount	4,171

	Software
	RMB'000
October 31, 2025	
Cost at January 1, 2025, net of accumulated amortisation	4,171
Additions	1,472
Amortisation during the period	(1,800)
At October 31, 2025	3,843
At October 31, 2025:	
Cost	11,407
Accumulated amortisation	(7,564)
Net carrying amount	3,843

20. INVESTMENTS IN ASSOCIATES

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	95,660	98,076	107,078	110,061
Less: Impairment	(55,768)	(55,768)	(55,768)	(55,768)
	39,892	42,308	51,310	54,293

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	2,705	—	—	—
Less: Impairment	—	—	—	—
	2,705	—	—	—

As at December 31, 2022, based on the recoverable amount of RMB37,187,000, under the fair value less cost of disposal calculation, the impairment loss amounting to RMB55,768,000 was recognised on the investment in Shenzhen Mingxin Test Equipment Co., Ltd. ("**Shenzhen Mingxin**"). The fair value was measured using asset-base method with key assumptions of replacement cost.

In the opinion of the directors, no investments in associate are material to the Group and the Company.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' (loss)/profit for the year/period	(5,825)	5,685	13,166	5,573
Share of the associates' other comprehensive income/(loss) for the year/period	28	(14)	60	(40)
Share of the associates' total comprehensive (loss)/income for the year/period	(5,797)	5,671	13,226	5,533
Changes of reserve due to passive dilution of investment in an associate	—	—	(4,224)	—
Dividends received from an associate	—	—	—	(2,550)

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aggregate carrying amount of the Group's investments in the associates	39,892	42,308	51,310	54,293

21. INVENTORIES

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	360,195	272,782	226,303	494,169
Work in progress	256,188	279,650	247,439	625,137
Semi-finished goods	66,599	47,094	58,254	104,171
Materials consigned for processing	19,993	18,959	20,495	33,199
Finished goods	50,967	45,759	36,581	52,371
Goods in transit	182,734	365,487	352,143	465,815
	936,676	1,029,731	941,215	1,774,862
Write-down of inventories to net realisable value	(32,757)	(57,614)	(43,030)	(57,983)
Total	903,919	972,117	898,185	1,716,879

The inventories are net of a write-down of approximately RMB32,757,000, RMB57,614,000, RMB43,030,000 and RMB57,983,000 in the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and October 31, 2025, respectively.

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	333,308	215,275	171,592	340,176
Work in progress	201,662	189,784	165,828	368,129
Semi-finished goods	41,246	23,580	25,173	51,877
Materials consigned for processing	15,469	14,841	13,558	19,794
Finished goods	42,188	13,563	16,015	28,837
Goods in transit	145,427	244,763	216,957	253,403
	779,300	701,806	609,123	1,062,216
Write-down of inventories to net realisable value	(24,232)	(42,202)	(28,687)	(35,819)
Total	755,068	659,604	580,436	1,026,397

22. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables at amortised cost				
Trade receivables	1,783,804	1,592,881	2,586,503	4,362,538
Bills receivable	527,640	227,137	307,833	434,090
Less: Allowance for credit losses	(98,864)	(115,504)	(137,604)	(161,335)
Total	2,212,580	1,704,514	2,756,732	4,635,293
Less: Trade receivables due after one year	(118,624)	(60,913)	(170,002)	(513,566)
Trade and bills receivable — current	2,093,956	1,643,601	2,586,730	4,121,727
Bills receivables at fair value through other comprehensive income				
Bills receivables — current	55,119	51,188	89,416	51,896
Total	2,149,075	1,694,789	2,676,146	4,173,623

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables at amortised cost				
Trade receivables	1,458,914	942,234	1,621,927	3,163,539
Bills receivable	484,287	139,786	173,084	258,575
Due from subsidiaries	92,379	395,629	558,974	639,524
Less: Allowance for credit losses	(79,721)	(66,310)	(77,495)	(97,519)
Total	1,955,859	1,411,339	2,276,490	3,964,119
Less: Trade receivables due after one year	(117,130)	(39,738)	(91,782)	(398,257)
Trade and bills receivable — current	1,838,729	1,371,601	2,184,708	3,565,862
Bills receivable at fair value through other comprehensive income				
Bills receivable — current	50,407	32,102	66,572	41,403
Total	1,889,136	1,403,703	2,251,280	3,607,265

The Group's trading terms with its customers are mainly on credit. The credit period is generally three to eighteen months, extending up to 24 months for certain major customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Credit risk is managed on a customer-by-customer basis. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

Transfers of financial assets

Financial assets that are derecognised in their entirety

Bills endorsed or discounted

At December 31, 2022, 2023 and 2024 and October 31, 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland to certain suppliers, and discounted certain bills receivables to banks in Chinese mainland ("Derecognised Bills"), with a carrying amount in aggregate of RMB217,148,000, RMB133,030,000, RMB243,527,000 and RMB244,245,000. The Derecognised Bills had a maturity of one to ten months at the end of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

Financial assets that are not derecognised in their entirety

Bills endorsed or discounted

As part of its normal business, the Group discounted and endorsed certain bills receivable accepted by banks or commercial entities in Chinese mainland (the "**Discounted and Endorsed Bills**") with a carrying amount of RMB117,720,000, RMB83,612,000, RMB101,443,000 and RMB207,855,000 to certain banks and certain of its suppliers as at December 31, 2022, 2023 and 2024 and October 31, 2025. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted and Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted and Endorsed Bills and recognised the associated borrowings or other payables. Subsequent to the discounting and endorsing, the Group did not retain any rights on the use of the Discounted and Endorsed Bills, including the sale, transfer or pledge of the Discounted and Endorsed Bills to any other third parties. The aggregate carrying amount of the borrowings recognised as at December 31, 2022, 2023 and 2024 and October 31, 2025 were RMB17,174,000, RMB744,000, RMB535,000 and RMB600,000 (note 32). The aggregate carrying amount of the other payables recognised as at December 31, 2022, 2023 and 2024 and October 31, 2025 were RMB100,546,000, RMB82,868,000, RMB100,908,000 and RMB210,110,000 (note 31).

An aging analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of allowance for expected credit losses, is as follows:

Trade receivable

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,548,655	1,128,898	2,280,109	3,859,254
1 year to 2 years	143,563	348,532	159,933	327,375
2 years to 3 years	19,091	14,460	28,979	29,809
3 years to 5 years	192	936	610	385
Over 5 years	29	32	245	—
Total	1,711,530	1,492,858	2,469,876	4,216,823

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,375,119	1,013,260	2,026,675	3,523,978
1 year to 2 years	111,552	255,930	65,390	181,485
2 years to 3 years	8,769	9,915	22,564	7,638
3 years to 4 years	14	5	26	210
4 years to 5 years	—	4	5	1
Total	1,495,454	1,279,114	2,114,660	3,713,312

Bills receivable

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	348,131	162,699	280,651	372,796
1 year to 2 years	207,381	88,124	67,705	35,204
2 years to 3 years	657	12,021	27,916	62,179
3 years to 4 years	—	—	—	187
Total	556,169	262,844	376,272	470,366

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	324,045	106,985	193,190	247,414
1 year to 2 years	186,767	54,461	15,160	12,280
2 years to 3 years	—	2,881	20,052	32,516
Total	510,812	164,327	228,402	292,210

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	77,168	98,864	115,504	137,604
Impairment losses, net of reversal	22,634	16,282	22,243	23,755
Amount written off as uncollectible	(943)	(135)	(148)	(24)
Others	5	493	5	—
Total	98,864	115,504	137,604	161,335

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	66,109	79,721	66,310	77,495
Impairment losses, net of reversal	13,648	(13,345)	11,269	20,037
Amount written off as uncollectible	(36)	(66)	(84)	(13)
Total	79,721	66,310	77,495	97,519

For trade and bills receivables at amortised cost, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at an amount equal to lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on the ageing of the trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

For certain customers with different credit risk characteristics, the Group has made individual loss allowance.

The following table details the risk profile of trade receivables:

The Group

	As at December 31, 2022		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	*RMB'000*
Within 1 year	1,596,553	3%	47,897
1 year to 2 years	159,514	10%	15,951
2 years to 3 years	27,273	30%	8,182
3 years to 4 years	384	50%	192
4 years to 5 years	57	50%	29
Over 5 years	23	100%	23
Total	1,783,804	4%	72,274

	As at December 31, 2023		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	1,159,763	3%	34,781
1 year to 2 years	386,893	10%	38,701
2 years to 3 years	12,982	30%	3,895
3 years to 4 years	21	50%	10
4 years to 5 years	63	50%	32
Over 5 years	—	0%	—
Subtotal	1,559,722	5%	77,419
Trade receivable balance with different credit risk characteristics and being assessed individually	33,159	68%	22,604
Total	1,592,881	6%	100,023

	As at December 31, 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	2,350,411	3%	70,512
1 year to 2 years	177,167	10%	17,717
2 years to 3 years	41,081	30%	12,324
3 years to 4 years	182	50%	91
4 years to 5 years	9	50%	5
Over 5 years	8	100%	8
Subtotal	2,568,858	4%	100,657
Trade receivable balance with different credit risk characteristics and being assessed individually	17,645	91%	15,970
Total	2,586,503	5%	116,627

	As at October 31, 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	3,948,693	2%	90,253
1 year to 2 years	357,894	9%	30,818
2 years to 3 years	37,663	22%	8,234
3 years to 4 years	262	43%	113
4 years to 5 years	128	80%	102
Over 5 years	18	100%	18
Subtotal	4,344,658	3%	129,538
Trade receivable balance with different credit risk characteristics and being assessed individually	17,880	90%	16,177
Total	4,362,538	3%	145,715

The Company

	As at December 31, 2022		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	1,322,412	3%	39,672
1 year to 2 years	123,947	10%	12,395
2 years to 3 years	12,527	30%	3,758
3 years to 4 years	28	50%	14
Subtotal	1,458,914	4%	55,839
Due from subsidiaries	92,379	0%	—
Total	1,551,293	4%	55,839

	As at December 31, 2023		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	636,603	3%	19,098
1 year to 2 years	284,152	10%	28,415
2 years to 3 years	7,198	30%	2,159
3 years to 4 years	9	50%	5
4 years to 5 years	8	50%	4
Subtotal	927,970	5%	49,681
Trade receivable balance with different credit risk characteristics and being assessed individually	14,264	64%	9,068
Due from subsidiaries	395,629	0%	—
Total	1,337,863	4%	58,749

	As at December 31, 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	1,513,094	3%	45,393
1 year to 2 years	72,514	10%	7,251
2 years to 3 years	31,957	30%	9,587
3 years to 4 years	5	50%	3
4 years to 5 years	9	50%	5
Over 5 years	8	100%	8
Subtotal	1,617,587	4%	62,247
Trade receivable balance with different credit risk characteristics and being assessed individually	4,340	92%	3,996
Due from subsidiaries	558,974	0%	—
Total	2,180,901	3%	66,243

	As at October 31, 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Within 1 year	2,955,287	2%	66,345
1 year to 2 years	193,773	9%	16,780
2 years to 3 years	10,107	26%	2,607
3 years to 4 years	12	42%	5
4 years to 5 years	5	80%	4
Over 5 years	18	100%	18
Subtotal	3,159,202	3%	85,759
Trade receivable balance with different credit risk characteristics and being assessed individually	4,337	92%	3,992
Due from subsidiaries	639,524	—	—
Total	3,803,063	2%	89,751

The expected credit risk rate of bills receivables at amortised cost ranged from 0% to 30% during the Relevant Periods. Bills receivable at fair value through other comprehensive income is subject to impairment under the general approach and the impairment is considered to be minimal.

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current portion				
Prepayments	7,633	8,017	31,831	37,546
Deposits	6,201	10,386	6,694	6,915
Prepaid income taxes	334	2,105	—	—
Value added tax recoverable	436	19,160	17,077	48,438
Deferred listing expenses	—	—	—	12,883
Other receivables	2,335	2,167	2,606	11,810
Subtotal	16,939	41,835	58,208	117,592
Less: Impairment losses	(1,040)	(2,429)	(3,388)	(5,507)
Total current portion	15,899	39,406	54,820	112,085
Non-current portion				
Prepayments for acquisition of non-current assets	28,008	2,739	203	3,439
Long-term prepaid expenses	35,485	28,515	17,585	8,815
Long-term deposits	5,620	837	5,698	7,225
Other receivables	—	—	7,453	—
Value added tax recoverable	4,388	19,417	38,091	19,894
Subtotal	73,501	51,508	69,030	39,373
Less: Impairment losses	—	—	—	—
Total non-current portion	73,501	51,508	69,030	39,373
Total	89,400	90,914	123,850	151,458

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current portion				
Prepayments	6,507	7,235	10,609	18,604
Deposits	4,360	8,083	4,502	5,941
Prepaid income taxes	—	1,766	—	—
Value added tax recoverable	48	1,684	3,814	7,878
Deferred listing expenses	—	—	—	12,883
Other receivables	2,011	1,325	1,430	6,841
Amounts due from subsidiaries	125,030	345,312	656,316	748,973
Dividend receivables	150,000	300,000	300,000	300,000
Subtotal	287,956	665,405	976,671	1,101,120
Less: Impairment losses	(828)	(1,875)	(2,485)	(3,071)
Total current portion	287,128	663,530	974,186	1,098,049
Non-current portion				
Prepayments for acquisition of non-current assets	208	2,617	202	1,647
Long-term prepaid expenses	35,486	28,515	17,586	8,815
Long-term deposits	5,506	448	5,319	5,335
Other receivables	—	—	7,453	—
Subtotal	41,200	31,580	30,560	15,797
Less: Impairment losses	—	—	—	—
Total non-current portion	41,200	31,580	30,560	15,797
Total	328,328	695,110	1,004,746	1,113,846

The balances of other receivables are interest-free and are not secured with collateral.

Deposits mainly represent rental deposits and deposits with suppliers. At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	417	1,040	2,429	3,388
Impairment losses, net of reversal	623	1,378	959	2,119
Others	—	11	—	—
Total	1,040	2,429	3,388	5,507

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	317	828	1,875	2,485
Impairment losses, net of reversal	511	1,047	610	586
Total	828	1,875	2,485	3,071

Set out below is the information about the credit risk exposure on the financial assets included in the prepayments, other receivables and other assets using a provision matrix:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	7%	18%	15%	21%
Gross carrying amount	14,156	13,390	22,451	25,950
Expected credit losses	1,040	2,429	3,388	5,507

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	0.29%	0.29%	0.25%	0.29%
Gross carrying amount	286,907	655,168	975,020	1,074,968
Expected credit losses	828	1,875	2,485	3,071

24. CONTRACT ASSETS

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Retention receivables	20,114	20,282	25,705	47,048
Less: impairment	(935)	(672)	(825)	(1,160)
Net carrying amount	19,179	19,610	24,880	45,888

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Retention receivables	15,413	15,450	18,779	35,746
Less: impairment	(655)	(479)	(563)	(783)
Net carrying amount	14,758	14,971	18,216	34,963

Contract assets are initially recognised for revenue earned from the sale of industrial products as the receipt of consideration is conditional on successful assurance during the warranty periods. When passing the warranty periods, the amounts recognised as contract assets are reclassified to trade receivables.

The expected timing of recovery or settlement for contract assets as at December 31 and October 31, is as follows:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	18,275	18,844	24,600	41,148
After one year	904	766	280	4,740
Total	19,179	19,610	24,880	45,888

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	13,854	14,971	17,936	32,494
After one year	904	—	280	2,469
Total	14,758	14,971	18,216	34,963

The movements in the loss allowance for impairment of contract assets are as follows:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	1,412	935	672	825
(Reversal of impairment)/impairment losses, net	(477)	(263)	153	335
At the end of the year/period	935	672	825	1,160

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	1,054	655	479	563
(Reversal of impairment)/impairment losses, net	(399)	(176)	84	220
At the end of the year/period	655	479	563	783

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on historical data adjusted by forward-looking information. The calculation are adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Set out below is the information about the credit risk exposure on contract assets using a provision matrix:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	4.65%	3.31%	3.21%	2.47%
Gross carrying amount	20,114	20,282	25,705	47,048
Expected credit losses	935	672	825	1,160

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	4.25%	3.10%	3.00%	2.19%
Gross carrying amount	15,413	15,450	18,779	35,746
Expected credit losses	655	479	563	783

25. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries — costs	573,250	885,978	931,588	979,902
Less: provision for impairment	(2,232)	(2,232)	(2,232)	(132,627)
Investments in subsidiaries	571,018	883,746	929,356	847,275

Impairment reviews on the investments in subsidiaries have been conducted by management annually as at December 31, 2023 and 2024. And due to the performance of Rayleigh Taide was well below expectations thus there was an impairment indicator for the investment in Rayleigh Taide and impairment review has been conducted by management as at October 31, 2025. Based on the result of the impairment assessment, the recoverable amount of the investment in subsidiary of Rayleigh Taide was RMB18,487,000 as at October 31, 2025. Accordingly, the Group recognised an impairment provision of approximately RMB130,395,000 for the ten months ended October 31, 2025 against the carrying amount of investment in subsidiary of Rayleigh Taide. Please refer to note 18 to the Historical Financial Information for the details.

26. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	2,986,535	1,918,781	1,939,464	1,564,000
Less: restricted cash	—	(1,816)	(333)	(542)
Less: time deposits	—	—	(400,000)	(417,114)
Total cash and cash equivalents	2,986,535	1,916,965	1,539,131	1,146,344
Denominated in:				
United States Dollar ("**USD**")	7,669	15,088	17,338	51,772
Hong Kong Dollar ("**HKD**")	19,074	22,722	12,261	9,124
Renminbi ("**RMB**")	2,959,792	1,879,155	1,509,532	1,084,930
Singapore Dollar ("**SGD**")	—	—	—	518
Total	2,986,535	1,916,965	1,539,131	1,146,344

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	2,893,102	1,813,981	1,690,030	1,467,760
Less: restricted cash	—	(1,816)	(330)	(542)
Less: time deposits	—	—	(400,000)	(417,114)
Total cash and cash equivalents	2,893,102	1,812,165	1,289,700	1,050,104
Denominated in:				
USD	285	11,284	7,850	34,406
RMB	2,892,817	1,800,881	1,281,850	1,015,698
Total	2,893,102	1,812,165	1,289,700	1,050,104

As at December 31, 2023 and 2024 and October 31, 2025 included in restricted cash of RMB1,816,000, RMB330,000 and RMB542,000, respectively, was frozen by judicial authority for certain lawsuit cases.

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. As at December 31, 2022 and 2023 and 2024 and October 31, 2025, the Group and the Company have assessed the credit risk of cash and cash equivalents, time deposits and restricted cash to be minimal as they were placed in reputable financial institutions.

The carrying amounts of the cash and cash equivalents approximated to their fair values due to its short-term maturity.

27. TRADE AND BILLS PAYABLES

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	398,582	545,395	664,080	1,368,006
Bills payables	272,894	46,623	611,557	876,893
Total	671,476	592,018	1,275,637	2,244,899

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	324,079	416,446	411,610	963,057
Bills payables	272,894	49,623	611,557	854,153
Total	596,973	466,069	1,023,167	1,817,210

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	391,293	529,811	652,541	1,354,535
1 to 2 years	6,270	8,713	2,046	1,816
2 to 3 years	807	6,126	3,361	3,676
over 3 years	212	745	6,132	7,979
Total	398,582	545,395	664,080	1,368,006

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	317,270	401,709	401,539	951,776
1 to 2 years	6,158	8,120	1,235	715
2 to 3 years	562	6,031	2,878	3,180
over 3 years	89	586	5,958	7,386
Total	324,079	416,446	411,610	963,057

Trade and bills payables are non-interest-bearing and are normally settled within three months. As at the end of each of the Relevant Periods, the carrying amounts of trade and bills payables approximated to their fair values.

28. CONTRACT LIABILITIES

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sale of goods	25,955	65,754	54,895	61,423

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sale of goods	14,876	31,532	30,247	42,601

The contract liabilities represent the advances received from customers.

29. DEFERRED INCOME

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants*	3,453	2,282	1,769	1,173

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants*	2,713	1,662	1,105	641

* The Group's deferred income represented government grants received for projects and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. There are no unfulfilled conditions or contingencies relating to these grants.

30. PROVISION

The Group

	Warranty	Contingencies	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	35,560	—	35,560
Provision for the year	26,998	613	27,611
Amounts utilised during the year	(33,081)	—	(33,081)
At December 31, 2022 and January 1, 2023	29,477	613	30,090
Provision for the year	13,082	478	13,560
Amounts utilised during the year	(28,691)	(613)	(29,304)
At December 31, 2023 and January 1, 2024	13,868	478	14,346
Provision for the year	33,553	358	33,911
Amounts utilised during the year	(25,686)	(160)	(25,846)
At December 31, 2024 and January 1, 2025	21,735	676	22,411
Provision for the period	31,401	(300)	31,101
Amounts utilised during the period	(13,468)	(136)	(13,604)
At October 31, 2025	39,668	240	39,908

The Company

	Warranty	Contingencies	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	35,286	—	35,286
Provision for the year	26,852	507	27,359
Amounts utilised during the year	(32,780)	—	(32,780)
At December 31, 2022 and January 1, 2023	29,358	507	29,865
Provision for the year	12,539	478	13,017
Amounts utilised during the year	(28,334)	(507)	(28,841)
At December 31, 2023 and January 1, 2024	13,563	478	14,041
Provision for the year	32,718	358	33,076
Amounts utilised during the year	(25,305)	(160)	(25,465)
At December 31, 2024 and January 1, 2025	20,976	676	21,652
Provision for the period	30,786	(300)	30,486
Amounts utilised during the period	(13,306)	(136)	(13,442)
At October 31, 2025	38,456	240	38,696

The Group generally provides warranties from 12 months to 24 months to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

31. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payables	304,272	204,448	179,436	250,732
Endorsed bills receivable that have not been derecognised and not yet due	100,546	82,868	100,908	210,110
Payable for acquisition of non-current assets	51,033	56,301	100,318	105,087
Other tax payables	37,066	19,615	15,836	15,052
Accruals	9,439	14,768	14,336	9,131
Deposits	971	877	691	864
Others	—	1,583	56	—
Total	503,327	380,460	411,581	590,976

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payables	262,544	168,012	133,597	200,418
Endorsed bills receivable that have not been derecognised and not yet due	71,947	54,954	59,742	105,242
Payable for acquisition of non-current assets	10,412	2,629	4,790	7,620
Other tax payables	27,670	11,816	8,728	9,058
Accruals	7,090	7,670	9,008	7,340
Deposits	848	779	602	753
Other payables to subsidiaries	—	686	2,251	—
Total	380,511	246,546	218,718	330,431

32. INTEREST-BEARING BORROWINGS

The Group and the Company

	As at December 31, 2022		
	Effective interest rates (%)	*Maturity*	*RMB'000*
Current			
Discounted unmatured bills	1.60%	2023	17,174

	As at December 31, 2023		
	Effective interest rates (%)	*Maturity*	*RMB'000*
Current			
Bank loans — unsecured	2.75%-2.8%	2024	75,000
Discounted unmatured bills	1.27%	2024	744
Total			75,744

	As at December 31, 2024		
	Effective interest rates (%)	*Maturity*	*RMB'000*
Current			
Current portion of long-term bank loans — unsecured	2.40%-2.63%	2025	1,891
Discounted unmatured bills	0.85%	2025	535
Total — current			2,426
Non-current			
Bank loans — unsecured	2.40%-2.63%	2026-2027	211,050
Total			213,476

The Group

	As at October 31, 2025		
	Effective interest rates (%)	*Maturity*	*RMB'000*
Current			
Bank loans — unsecured *(note)*	2.08%–3.00%	2025–2026	614,215
Current portion of long-term bank loans — unsecured	2.28%–2.4%	2025–2026	31,080
Discounted unmatured bills	1.02%	2025	600
Total — current			645,895
Non-current			
Bank loans — unsecured	2.40%	2027	179,960
Total			825,855

The Company

	As at October 31, 2025		
	Effective interest rates (%)	*Maturity*	*RMB'000*
Current			
Bank loans — unsecured *(note)*	2.08%–3.00%	2025–2026	614,215
Current portion of long-term bank loans — unsecured	2.28%–2.4%	2025–2026	31,080
Total — current			645,295
Non-current			
Bank loans — unsecured	2.40%	2027	179,960
Total			825,255

Note: The financial liabilities that are part of the Group's supplier finance arrangements included in interest-bearing borrowings are normally settled on 90-day terms.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, the Group pays a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the finance provider.

All financial liabilities that are part of the supplier finance arrangements are included in interest-bearing borrowings in the statement of financial position.

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings of which suppliers have received payments	—	—	—	27,727

An analysis of the maturity of borrowings is as follows:

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loan and other borrowings repayable:				
Within one year or on demand	17,174	75,744	2,426	645,895
In the second year	—	—	31,100	20
In the third year	—	—	179,950	179,940
Total	17,174	75,744	213,476	825,855

The Group's bank loans are all denominated in RMB.

33. LIABILITIES FROM CONTINGENT CONSIDERATION

Pursuant to the acquisition agreement entered into between the Company and the then shareholder of the 60% equity interest in Rayleigh Taide on May 30, 2023, the total consideration shall be adjusted with reference to the net profit of Rayleigh Taide for the years ended December 31, 2023, 2024 and 2025 (the "**Contingent Consideration**"). The Contingent Consideration is measured at fair value through profit or loss and the fair value was assessed by an independent professional valuer.

The Group and the Company

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payable for acquisition of Rayleigh Taide	—	68,683	8,523	—

Significant unobservable valuation inputs for the fair value measurement of the contingent consideration are as follows:

Discount rate	1.05% to 2.34%

A significant increase/(decrease) in the discount rate would result in a significant decrease/(increase) in the fair value of the contingent consideration liability.

34. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

The Group

	Impairment of inventories	Impairment losses on financial assets	Share-based payment	Warranty	Accrued expenses	Deferred income	Depreciation and amortisation allowance in excess of related depreciation	Tax losses	Unsettled payroll payables	Temporary difference on unrealised profit from intra-group transactions	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	2,884	11,646	3,750	5,334	195	670	162	1,217	24,472	94	418	50,842
Deferred tax credited/(charged) to profit or loss	2,187	3,345	(3,750)	(912)	1,498	(152)	102	416	4,188	(33)	297	7,186
Deferred tax charged to equity	–	–	–	–	–	–	–	–	–	84	–	84
Gross deferred tax assets at December 31, 2022 and January 1, 2023	5,071	14,991	–	4,422	1,693	518	264	1,633	28,660	145	715	58,112
Deferred tax credited/(charged) to profit or loss	2,125	(1,567)	1,892	(2,270)	(283)	(176)	93	21,701	(13,679)	1,590	11,381	20,807
Deferred tax charged to equity	–	281	–	–	–	–	–	–	–	–	–	281
Gross deferred tax assets at December 31, 2023 and January 1, 2024	7,196	13,705	1,892	2,152	1,410	342	357	23,334	14,981	1,735	12,096	79,200
Deferred tax credited/(charged) to profit or loss	(2,396)	4,436	20,200	1,210	106	(76)	164	(21,279)	(8,488)	(864)	(5,361)	(12,348)
Deferred tax charged to equity	–	4	–	–	–	–	–	–	–	–	–	4
Gross deferred tax assets at December 31, 2024 and January 1, 2025	4,800	18,145	22,092	3,362	1,516	266	521	2,055	6,493	871	6,735	66,856
Deferred tax credited/(charged) to profit or loss	3,368	5,649	(5,783)	2,813	2,361	(90)	81	(177)	23,605	136	(1,324)	30,639
Deferred tax charged to equity	–	(4)	–	–	–	–	–	–	–	–	–	(4)
Gross deferred tax assets at October 31, 2025	8,168	23,790	16,309	6,175	3,877	176	602	1,878	30,098	1,007	5,411	97,491

The Company

	Impairment of inventories	Impairment losses on financial assets	Share-based payment	Warranty	Accrued expenses	Deferred income	Depreciation and amortisation allowance in excess of related depreciation	Tax losses	Unsettled payroll payables	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	1,639	10,122	3,100	5,293	195	541	137	—	23,094	15,036	59,157
Deferred tax credited/(charged) to profit or loss	1,996	2,059	(3,100)	(813)	1,406	(134)	104	—	5,056	(231)	6,343
Gross deferred tax assets at December 31, 2022 and January 1, 2023	3,635	12,181	—	4,480	1,601	407	241	—	28,150	14,805	65,500
Deferred tax credited/(charged) to profit or loss	2,695	(1,881)	1,652	(2,374)	(543)	(158)	116	18,267	(13,169)	(6,492)	(1,887)
Gross deferred tax assets at December 31, 2023 and January 1, 2024	6,330	10,300	1,652	2,106	1,058	249	357	18,267	14,981	8,313	63,613
Deferred tax credited/(charged) to profit or loss	(2,027)	1,782	17,732	1,142	290	(84)	127	(18,267)	(8,523)	(3,603)	(11,431)
Gross deferred tax assets at December 31, 2024 and January 1, 2025	4,303	12,082	19,384	3,248	1,348	165	484	—	6,458	4,710	52,182
Deferred tax credited/(charged) to profit or loss	1,260	3,083	(3,072)	2,555	1,987	(69)	118	—	23,605	(2,243)	27,224
Gross deferred tax assets at October 31, 2025	5,563	15,165	16,312	5,803	3,335	96	602	—	30,063	2,467	79,406

Deferred tax liabilities

The Group

	Right-of-use assets	Depreciation difference between the useful lives of long-term assets	Fair value adjustment from business combination	Fair value adjustments of Liabilities from contingent consideration	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	—	—	—	—	11,115	11,115
Deferred tax charged/(credited) to profit or loss	—	1,044	—	—	(8,365)	(7,321)
Gross deferred tax liabilities at December 31, 2022 and January 1, 2023	—	1,044	—	—	2,750	3,794
Deferred tax charged/(credited) to profit or loss	11,437	(357)	2,304	—	—	13,384
Gross deferred tax liabilities at December 31, 2023 and January 1, 2024	11,437	687	2,304	—	2,750	17,178
Deferred tax charged/(credited) to profit or loss	(5,208)	(159)	—	9,024	1,118	4,775
Gross deferred tax liabilities at December 31, 2024 and January 1, 2025	6,229	528	2,304	9,024	3,868	21,953
Deferred tax charged/(credited) to profit or loss	(1,025)	(131)	—	(9,024)	1,649	(8,531)
Gross deferred tax liabilities at October 31, 2025	5,204	397	2,304	—	5,517	13,422

The Company

	Right-of-use assets	Fair value adjustments of Liabilities from contingent consideration	Depreciation difference between the useful lives of long-term assets	Other	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	14,632	—	—	—	14,632
Deferred tax charged/(credited) to profit or loss	(443)	—	783	—	340
Gross deferred tax liabilities at December 31, 2022 and January 1, 2023	14,189	—	783	—	14,972
Deferred tax credited to profit or loss	(6,442)	—	(265)	—	(6,707)
Gross deferred tax liabilities at December 31, 2023 and January 1, 2024	7,747	—	518	—	8,265
Deferred tax charged/(credited) to profit or loss	(3,471)	9,024	(124)	1,118	6,547
Gross deferred tax liabilities at December 31, 2024 and January 1, 2025	4,276	9,024	394	1,118	14,812
Deferred tax charged/(credited) to profit or loss	(1,992)	(9,024)	(103)	1,449	(9,670)
Gross deferred tax liabilities at October 31, 2025	2,284	—	291	2,567	5,142

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	58,112	67,085	49,967	89,338
Net deferred tax liabilities recognised in the consolidated statement of financial position	3,794	5,063	5,064	5,269

The Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statement of financial position	51,311	55,348	37,370	74,264

As at December 31, 2022, 2023, and 2024 and October 31, 2025, the Group had unutilised tax losses of approximately RMB29,309,000, RMB60,522,000, RMB87,673,000 and RMB129,297,000, which will expire in one to ten years for offsetting against future taxable profits. As at December 31, 2023, and 2024 and October 31, 2025, the Group did not recognise deferred tax assets in respect of the deductible temporary differences of RMB38,734,000, RMB35,534,000, and RMB14,322,000. Due to the unpredictability of future profit streams, no deferred tax assets had been recognised for the above unused tax losses and deductible temporary differences.

35. SHARE CAPITAL

The Group and the Company

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Issued and fully paid:				
Ordinary shares of RMB1.00 each	420,000	420,000	420,000	425,509

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
	'000	*RMB'000*
At January 1, 2022	378,000	378,000
Issue of shares *(note a)*	42,000	42,000
At December 31, 2022, January 1, 2023, December 31, 2023, January 1, 2024 and December 31, 2024 and January 1, 2025	420,000	420,000
Issue of shares *(note b)*	5,509	5,509
At October 31, 2025	425,509	425,509

Notes:

(a) On February 16, 2022, the Company issued 42,000,000 shares under the initial public offering on the Shenzhen Stock Exchange at a price of RMB76.56 per shares for net cash proceeds of RMB3,081,779,000. The amount of RMB42,000,000 and RMB3,039,779,000 were credited to the Company's share capital and share premium, respectively.

(b) On May 28, 2025, the Company issued 5,509,152 shares upon the exercise of the vested share options granted under the 2023 Restricted Share Incentive Scheme.

36. SHARE-BASED PAYMENT

Equity-Settled shared-based payment arrangement

(a) 2019 Share Incentive Scheme

Han's Laser, the immediate holding company of the Group, approved the establishment of the restricted shares incentive scheme for 2019 at the second extraordinary annual shareholders' meeting (the "**2019 Share Incentive Scheme**") on September 11, 2019, with the purpose of incentivizing the management members and core employees of Han's Laser and the Group to further promote the development and in recognition of their contributions. Under the 2019 Share Incentive Scheme, 181 employees, officers and directors of the Group was granted with 6,597,188 shares of type II restricted shares of Han's Laser. The grant date was September 11, 2019, and the exercise price of RMB30.57 per share. The vesting periods for restricted shares granted are 1 year, 2 years and 3 years from 8 months after the grant date. According to the Company's performance appraisal and individual performance appraisal, 33%, 33% and 34% of restricted shares of Han's Laser will be vested respectively.

(b) 2023 Share Incentive Scheme

The Company approved the establishment of the restricted shares incentive scheme for 2023 at the second extraordinary annual shareholders' meeting (the "**2023 Share Incentive Scheme**") on December 8, 2023 with the purpose of incentivizing the management members and core employees of the Group to further promote the development and in recognition of their contributions. Under the 2023 Share Incentive Scheme, the Company granted 16,800,000 shares of type II restricted shares of the Company to 388 employees, officers and directors on December 8, 2023, with an exercise price of RMB19.38 per share. The vesting periods for restricted shares granted are 1 year, 2 years and 3 years from 4 months after the grant date. According to the Company's performance appraisal and individual performance appraisal, 33%, 33% and 34% of restricted shares plan will be vested respectively.

(c) A summary of activities of the 2019 Share Incentive Scheme during the year ended December 31, 2022 is presented as follows:

	Year ended December 31, 2022	
	Weighted average exercise price per share	Number of options
	RMB per share	
At January 1	29.77*	2,271,356
Granted during the year	—	—
Forfeited during the year	29.77	(2,184,692)
Exercised during the year	29.77	(86,664)
At December 31	—	—

* The exercise price of the share options of RMB29.77 has been adjusted for i) the distribution of cash dividend of RMB2 per 10 shares in July 2020, ii) the distribution of cash dividend of RMB2 per 10 shares in May 2021, and iii) the distribution of cash dividend of RMB4 per 10 shares in April 2022.

A summary of activities of the 2023 Share Incentive Scheme is presented as follows:

	Year ended December 31, 2023		Year ended December 31, 2024	
	Weighted average exercise price per share	Number of options	Weighted average exercise price per share	Number of options
	RMB per share		*RMB per share*	
At January 1	—	—	19.38	16,800,000
Granted during the year	19.38	16,800,000	—	—
Forfeited during the year	—	—	19.38	(77,100)
Exercised during the year	—	—	—	—
At December 31	19.38	16,800,000	19.38	16,722,900

	Ten months ended October 31, 2025	
	Weighted average exercise price per share	Number of options
	RMB per share	
At January 1	19.38	16,722,900
Granted during the period	—	—
Forfeited during the period	18.98	(79,487)
Exercised during the period	18.98[&]	(5,509,152)
At October 31,	18.98	11,134,261

[&] The exercise price of the share options of RMB18.98 has been adjusted for the distribution of cash dividend of RMB4 per 10 shares in May 2025.

The weighted average share price at the date of exercise for share options exercised during the Relevant Periods were RMB31.99, nil, nil and RMB38.32 per share, respectively.

The exercise prices and exercise periods of the share-based payments outstanding as at December 31, 2023 and 2024 and October 31, 2025 are as follows:

December 31, 2023

Number of options	Exercise price*	Exercise period
	RMB per share	
5,544,000	19.38	April 2025–April 2026
5,544,000	19.38	April 2026–April 2027
5,712,000	19.38	April 2027–April 2028
16,800,000		

December 31, 2024

Number of options	Exercise price*	Exercise period
	RMB per share	
5,518,557	19.38	April 2025–April 2026
5,518,557	19.38	April 2026–April 2027
5,685,786	19.38	April 2027–April 2028
16,722,900		

October 31, 2025

Number of options	Exercise price*	Exercise period
	RMB per share	
5,484,039	18.98	April 2026–April 2027
5,650,222	18.98	April 2027–April 2028
11,134,261		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus share issues, or other similar changes in the Company's share capital.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2023 Share Incentive Scheme
Exercise price per share	RMB19.38
Expiry date	Respective annual due dates
Share price at grant date per share	RMB37.05
Expected volatility of the Company's shares	18.36%–23.03%
Expected dividend yield	0%
Risk-free interest rate	1.50%–2.75%

The fair value of the share options granted during the year ended December 31, 2023 was RMB315,020,000.

Share-based payment expenses

Share-based payment expenses during the Relevant Periods are as follows:

	Year ended December 31,			Ten months ended October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity-settled share-based payments	(10,260)	12,736	152,071	82,092

37. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share options as set out in note 36 to the Historical Financial Information.

(c) Other reserve

During the year ended December 31, 2023, the Group acquired additional equity interests in a subsidiary from non-controlling shareholder at the consideration of RMB3,553,000. The difference of RMB1,877,000 between the carrying value of the non-controlling interest and the consideration paid was recorded as other reserve.

The other reserve arising on the decrease of share of net asset of an associate of the Group due to the withdrawal of certain shareholders of the associate at a price higher than the share of net assets as stipulated in the relevant investment agreements entered into between the associate and the investors.

(d) Translation reserve

The Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies of which the functional currencies are not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.3 to the Historical Financial Information.

(e) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of its registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Other reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000* *(note 36)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	1,015,103	20,664	190	100,111	750,995	1,887,063
Total comprehensive income for the year	—	—	—	—	457,454	457,454
Dividends declared	—	—	—	—	(168,000)	(168,000)
Issue of shares	3,039,779	—	—	—	—	3,039,779
Transfer of share option reserve upon the forfeiture or expiry of share option	12,220	(12,220)	—	—	—	—
Share-based payment compensation	—	(8,444)	—	—	—	(8,444)
Transfer from retained profits	—	—	—	45,745	(45,745)	—
At December 31, 2022	4,067,102	—	190	145,856	994,704	5,207,852
At January 1, 2023	4,067,102	—	190	145,856	994,704	5,207,852
Total comprehensive income for the year	—	—	—	—	284,442	284,442
Dividends declared	—	—	—	—	(1,197,000)	(1,197,000)
Share-based payment compensation	—	12,736	—	—	—	12,736
Transfer from retained profits	—	—	—	28,444	(28,444)	—
At December 31, 2023	4,067,102	12,736	190	174,300	53,702	4,308,030
At January 1, 2024	4,067,102	12,736	190	174,300	53,702	4,308,030
Total comprehensive income for the year	—	—	—	—	294,524	294,524
Share-based payment compensation	—	152,071	—	—	—	152,071
Transfer from retained profits	—	—	—	29,452	(29,452)	—
At December 31, 2024	4,067,102	164,807	190	203,752	318,774	4,754,625
At January 1, 2025	4,067,102	164,807	190	203,752	318,774	4,754,625
Total comprehensive income for the period	—	—	—	—	357,380	357,380
Dividends declared	—	—	—	—	(168,000)	(168,000)
Exercise of share options	198,490	(99,440)	—	—	—	99,050
Share-based payment compensation	—	82,092	—	—	—	82,092
At October 31, 2025	4,265,592	147,459	190	203,752	508,154	5,125,147

38. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests is set out below:

	As at December 31,		As at October 31,
	2023	2024	2025
Percentage of equity interest held by non-controlling interests:			
Rayleigh Taide	30%	30%	30%

	As at December 31,		As at October 31,
	2023	2024	2025
Profit/(loss) for the year/period allocated to non-controlling interests:			
Rayleigh Taide	1,291	(1,598)	(436)
Accumulated balances of non-controlling interests at the reporting date:			
Rayleigh Taide	11,052	9,454	9,018

The following table illustrates the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

Rayleigh Taide

	As at December 31,		As at October 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	31,483	36,538	37,353
Total expenses	26,091	41,866	38,806
Profit/(loss) for the year/period	5,392	(5,328)	(1,453)
Total comprehensive income/(loss) for the year/period	5,392	(5,328)	(1,453)
Current assets	44,170	39,150	44,377
Non-current assets	10,225	7,295	5,281
Current liabilities	13,334	11,962	18,080
Non-current liabilities	3,097	1,437	—
Net cash flows from/(used in) operating activities	3,862	2,545	(6,107)
Net cash flows used in investing activities	(295)	(31)	(190)
Net cash flows used in financing activities	(957)	(1,845)	(1,537)
Effect of foreign exchange rate changes, net	37	98	—
Net increase/(decrease) in cash and cash equivalents	2,647	767	(7,834)

39. BUSINESS COMBINATION

On May 30, 2023, the Group acquired a 60% interest in Rayleigh Taide from an independent third party at a cash consideration of RMB145,200,000. Rayleigh Taide is engaged in research, manufacturing and trading of coating tools. The acquisition was made as part of the Group's strategy to expand its market share of industrial products. Upon completion of the acquisitions, Rayleigh Taide became a subsidiary of the Group. Prior to the acquisition, the Group had 10% interest in Rayleigh Taide accounted for as an interest in an associate using equity method. The Group accordingly remeasured the fair value of its pre-existing interest in Rayleigh Taide at the acquisition date and recognised the resulting gains of RMB15,360,000 in profit or loss.

Details of the carrying value and fair value of the Group's pre-existing interest in Rayleigh Taide at the acquisition date are summarised as follows:

	2023
	RMB'000
Fair value of pre-existing interest	18,615
Less: carrying amounts of the Group's share of net assets	(3,255)
Gain on remeasurement of pre-existing interest in Rayleigh Taide	15,360

The fair values of the identifiable assets and liabilities of Rayleigh Taide as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition
		RMB'000
Cash and cash equivalent		7,431
Trade and bills receivables		23,457
Prepayments, other receivables and other assets		333
Inventories		4,035
Property, plant and equipment	*15*	5,569
Right-of-use assets	*17(a)*	174
Deferred tax assets	*34*	281
Trade payables		(2,831)
Other payables and accruals		(4,307)
Income tax payable		(1,428)
Lease liabilities	*17(b)*	(177)
Total identifiable net assets at fair value		32,537
Non-controlling interests		(9,761)
Goodwill on acquisition	*18*	141,039
		163,815
Satisfied by:		
Cash		76,517
Liabilities from contingent consideration		68,683
Fair value of remeasurement of pre-existing interest in Rayleigh Taide classified as interest in an associate at the date of acquisition		18,615
		163,815

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB23,457,000 and RMB333,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB23,946,000 and RMB343,000, respectively, of which trade and bills receivables of RMB489,000 and other receivables of RMB10,000 are expected to be uncollectible.

As part of the purchase agreement, contingent consideration is payable, which is dependent on the amount of profit before tax of Rayleigh Taide during the 2-year period subsequent to the acquisition. The initial amount recognised was RMB68,683,000 which was determined using the discounted cash flow model and is within Level 3 fair value measurement. The consideration is due for final measurement and payment to the former shareholders on December 31, 2025.

An analysis of the cash flows in respect of the acquisition of a subsidiary during the year ended December 31, 2023 is as follows:

	RMB'000
Cash consideration	76,517
Cash and bank balances acquired	(7,431)
Net outflow of cash and cash equivalents included in cash flows from investing activities	69,086

Since the acquisition, Rayleigh Taide contributed revenue of RMB30,695,000 and the profit of RMB5,537,000 to the Group for the period from the acquisition date to December 31, 2023.

Had the combination taken place at the beginning of the year ended December 31, 2023, the revenue and the profit of the Group for the year would have been RMB1,657,140,000 and RMB141,164,000, respectively.

40. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and ten months ended October 31, 2024, the Group had non-cash additions to right-of-use assets of RMB42,178,000, RMB8,077,000, RMB4,923,000, RMB17,763,000 and RMB4,923,000 (unaudited) and non-cash additions to lease liabilities of RMB42,178,000, RMB8,077,000, RMB4,923,000, RMB17,763,000 and RMB4,923,000 (unaudited), respectively, in respect of lease arrangements for buildings.

During the Relevant Periods and ten months ended October 31, 2024, the Group had non-cash reduction to trade and bills receivables of RMB32,228,000, RMB18,636,000, RMB3,830,000, RMB4,500,000, and RMB3,593,000 (unaudited) and non-cash reduction to interest-bearing borrowings of RMB32,228,000, RMB18,636,000, RMB3,830,000, RMB4,500,000, and RMB3,593,000 (unaudited), respectively, in respect of bills receivables discounted that are not derecognised in their entirety.

During the Relevant Periods and ten months ended October 31, 2024, the Group had non-cash reduction to trade and bills receivables of RMB303,233,000, RMB380,377,000, RMB695,221,000, RMB905,836,000 and RMB469,671,000 (unaudited) and non-cash reduction to other payables of RMB303,233,000, RMB380,377,000, RMB695,221,000, RMB905,836,000 and RMB469,671,000 (unaudited), respectively, in respect of bills receivables endorsed that are not derecognised in their entirety.

During the ten months ended October 31, 2025, the Group reclassified trade payables of RMB27,727,000 to interest-bearing borrowings in respect of the supplier finance arrangements (note 32).

(b) Changes in liabilities arising from financing activities

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	641,370	132,634	774,004
Changes from financing cash flows	(602,534)	(45,259)	(647,793)
Derecognition of discounted bills receivables upon their maturity	(32,228)	—	(32,228)
New lease addition	—	42,178	42,178
Accretion of interest	10,566	6,410	16,976
Lease termination	—	(7,493)	(7,493)
At December 31, 2022 and January 1, 2023	17,174	128,470	145,644
Changes from financing cash flows	75,357	(44,707)	30,650
Derecognition of discounted bills receivables upon their maturity	(18,636)	—	(18,636)
New lease addition	—	8,077	8,077
Increase arising from acquisition of a subsidiary *(note 39)*	—	177	177
Accretion of interest	1,849	4,789	6,638
Lease termination	—	(16,298)	(16,298)
At December 31, 2023 and January 1, 2024	75,744	80,508	156,252
Changes from financing cash flows	134,542	(39,244)	95,298
Derecognition of discounted bills receivables upon their maturity	(3,830)	—	(3,830)
New lease addition	—	4,923	4,923
Accretion of interest	7,020	3,041	10,061
Lease termination	—	(1,714)	(1,714)
At December 31, 2024 and January 1, 2025	213,476	47,514	260,990
Changes from financing cash flows	577,215	(31,675)	545,540
Derecognition of discounted bills receivables upon their maturity	(4,500)	—	(4,500)
New lease addition	—	17,763	17,763
Accretion of interest	11,937	1,533	13,470
Increase arising from supplier finance arrangements	27,727	—	27,727
Lease termination	—	(874)	(874)
At October 31, 2025	825,855	34,261	860,116

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2023 and January 1, 2024	75,744	80,508	156,252
Changes from financing cash flows (unaudited)	(28,081)	(33,437)	(61,518)
Derecognition of discounted bills receivables upon their maturity (unaudited)	(3,593)	—	(3,593)
New lease addition (unaudited)	—	4,923	4,923
Accretion of interest (unaudited)	6,582	2,506	9,088
Lease termination (unaudited)	—	(774)	(774)
At October 31, 2024 (unaudited)	50,652	53,726	104,378

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	As at December 31,			As at October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within operating activities	20,517	15,585	18,075	15,724	23,428
Within financing activities	50,864	49,650	40,756	34,949	37,584
	71,381	65,235	58,831	50,673	61,012

41. CONTINGENT LIABILITIES

Outstanding letters of guarantee

The Group had the following outstanding letters of guarantee issued by banks at the end of each of the Relevant Periods:

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Outstanding letters of guarantee	25,507	25,507	35,507	45,507

42. PLEDGE OF ASSETS

As at December 31, 2022, 2023 and 2024 and October 31, 2025, the Group had no pledge of assets.

43. COMMITMENTS

The Group had the following contractual commitments at the end of the Relevant Periods:

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Acquisition of property, plant and equipment and other non-current assets.	57,990	244,689	139,668	118,431

44. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of related parties	Relationship with the Group
Han's Laser Technology Industry Group Co., Ltd. *(note (i))* 大族激光科技產業集團股份有限公司	The immediate holding company
Mr. Gao Yunfeng 高雲峰	The ultimate controlling person
Mr. Yang Chaohui 楊朝輝	Director and General Manager of the Company
Shenzhen Han's Motor Technology Co., Ltd. *(note (i))* 深圳市大族電機科技有限公司	Controlled by the immediate holding company
Han's Tiancheng Semiconductor Co., Ltd. *(note (i))* 北京大族天成半導體技術有限公司	An associate of the immediate holding company
GYX Optoelectronics Co., Ltd. *(note (i))* 深圳國冶星光電科技股份有限公司	Controlled by the immediate holding company
Han's Laser Intelligent Equipment Group Co., Ltd. *(note (i))* 大族激光智慧裝備集團有限公司	Controlled by the immediate holding company
Shenzhen Han's Super Energy Laser Technology Co., Ltd. *(note (i))* 深圳市大族超能激光科技有限公司	Controlled by the immediate holding company
Guangdong Yueming Intelligent Equipment Co., Ltd. *(note (i))* 廣東粵銘智能裝備股份有限公司	Controlled by the immediate holding company
Shenzhen Han's Smart Tech Co., Ltd. *(note (i))* 深圳市思特光學科技有限公司 (曾用名：深圳市大族思特科技有限公司)*	Controlled by the immediate holding company

* Pursuant to relevant regulatory requirement governing disclosure of related party transactions, Shenzhen Han's Smart Tech Co., Ltd. was still regarded as a related party of the Group in the following twelve months up to February 2025 after its cessation as an subsidiary of Han's Laser in February 2024. Therefore, the amount of related party transactions with Shenzhen Han's Smart Tech Co., Ltd. during the Relevant Period covered from February 2024 to February 2025, and the balance of transactions as at October 31, 2025 will no longer be presented.

Name of related parties	Relationship with the Group
Shenzhen Han's Property Management Co., Ltd. *(note (i))* 深圳市大族物業管理有限公司	Controlled by the ultimate controlling person
Dazu Holdings Group Co., Ltd.*(note (i))* 大族控股集團有限公司	The parent company of the immediate holding company
HAN'S LASER TECHNOLOGY CO., LIMITED. *(note (i))* 大族激光科技股份有限公司	Controlled by the immediate holding company
Shenzhen Han's Cloud Technology Co., Ltd. *(note (i))* 深圳市大族雲成科技有限公司	Controlled by the immediate holding company
Shenzhen Han's Vision Technology Co., Ltd. *(note (i))* 深圳市大族視覺技術有限公司	Controlled by the immediate holding company
Shenzhen Hansheng Refrigeration Technology Co., Ltd. *(note (i))* 深圳市漢盛製冷科技有限公司	Controlled by the immediate holding company
Guangdong Huayan Robot Co., Ltd. (Former Name: Shenzhen Han's Robot Co., Ltd.) *(note (i))* 廣東華沿機器人有限公司(曾用名：深圳市大族機器人有限公司)	An associate of the parent company
Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd. *(note (i))* 浙江國冶星智造技術有限公司	Controlled by the immediate holding company
Shenzhen Han's HGC Laser Technology Co., Ltd. *(note (i))* 深圳市大族和光科技有限公司	Controlled by the immediate holding company
Dongguan Han Chuan Technology Co., Ltd. Shenzhen Branch *(note (i))* 東莞市漢傳科技有限公司深圳分公司	Controlled by the immediate holding company
Shenzhen Han's Intelligent Control Technology Co., Ltd. *(note (i))* 深圳市大族智能控制科技有限公司	Controlled by the immediate holding company
Tianjin Tiancheng Optoelectronic Technology Co., Ltd. *(note (i))* 天津大族天成光電技術有限公司	An associate of the parent company
Han's Laser E-Commerce Trade (Shenzhen) Co., Ltd. *(note (i))* 大族激光電子商務貿易(深圳)有限公司	Controlled by the immediate holding company

Name of related parties	Relationship with the Group
Shenzhen Han's Machine Tool Technology Co., Ltd. *(note (i))* 深圳市大族機床科技有限公司	Controlled by the immediate holding company
Shenzhen Han's Semiconductor Equipment Technology Co., Ltd. *(note (i))* 深圳市大族半導體裝備科技有限公司	Controlled by the immediate holding company
Yancheng Han's Machine Tool Technology Co., Ltd. *(note (i))* 鹽城市大族機床科技有限公司	Controlled by the immediate holding company
Shenzhen Mingxin *(note (i))* 深圳明信	An associate
HANS HIGH-TECH SINGAPORE PTE. LTD	Controlled by the immediate holding company
Shenzhen Yue'an Elevator Engineering Co., Ltd *(note (i))* 深圳市悅安電梯工程有限公司	Controlled by the ultimate controlling person

Note:

(i) The names of the companies represent management's best efforts at translating the Chinese names of these companies, as no English names have been registered or available.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following material related party transactions during the Relevant Periods and the ten months ended October 31, 2024:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from goods and services					
Han's Laser Technology Industry Group Co., Ltd.	7,329	2,255	884	872	1,216
Shenzhen Mingxin	11	249	14	14	27
Guangdong Huayan Robot Co., Ltd.	60	—	38	38	—
Shenzhen Han's Smart Tech Co., Ltd.	—	30	—	—	—
Shenzhen Hansheng Refrigeration Technology Co., Ltd.	—	27	—	—	—
Shenzhen Han's Machine Tool Technology Co., Ltd.	—	11	33	11	88
Shenzhen Han's Semiconductor Equipment Technology Co., Ltd.	—	91	—	—	—
Yancheng Han's Machine Tool Technology Co., Ltd.	—	—	13	11	—
HANS HIGH-TECH SINGAPORE PTE. LTD.	—	—	—	—	4,038
Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd.	—	—	—	—	1
Total	7,400	2,663	982	946	5,370

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Purchase of goods and services					
Han's Laser Technology Industry Group Co., Ltd.	12,841	13,586	15,253	12,867	15,340
Han's Motor Technology Co., Ltd.	37,226	20,689	14,445	12,683	23,469
Han's Tiancheng Semiconductor Co., Ltd.	30,981	2,177	1,850	1,801	—
GYX Optoelectronics Co., Ltd.	1,056	1,278	841	816	13
Shenzhen Han's Super Energy Laser Technology Co., Ltd.	555	—	239	239	—
Shenzhen Han's Smart Tech Co., Ltd.	626	747	795	795	312
Guangdong Yueming Intelligent Equipment Co., Ltd.	—	—*	—	—	—
Han's Laser Intelligent Equipment Group Co., Ltd.	49	—	2	2	—
Shenzhen Han's Property Management Co., Ltd.	9,299	9,210	8,515	7,098	7,355
Shenzhen Han's Cloud Technology Co., Ltd.	30	56	24	24	1
Shenzhen Han's Vision Technology Co., Ltd.	127	112	49	49	—*
Shenzhen Hansheng Refrigeration Technology Co., Ltd.	8,532	6,292	8,194	6,953	8,508
Guangdong Huayan Robot Co., Ltd.	53	187	200	76	1,244
Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd.	107	155	338	178	1,032
Shenzhen Han's HGC Laser Technology Co., Ltd.	—*	—	—	—	—
Dongguan Han Chuan Technology Co., Ltd. Shenzhen Branch	138	189	74	73	29
Shenzhen Han's Intelligent Control Technology Co., Ltd.	28	—	—	—	—
Tianjin Tiancheng Optoelectronic Technology Co., Ltd.	—	3,000	18,255	15,604	26,941

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Han's Laser E-Commerce Trade (Shenzhen) Co., Ltd..	—	3	28	28	12
Shenzhen Yue'an Elevator Engineering Co., Ltd	—	—	—	—	31
Total	101,648	57,681	69,102	59,286	84,287

* Amount less than RMB1,000.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Expense relating to short-term lease and low-value assets					
Han's Laser Technology Industry Group Co., Ltd.	3,607	1,813	1,817	1,585	2,506
Han's Laser Technology Co., Ltd. . .	49	52	53	44	44
Total	3,656	1,865	1,870	1,629	2,550

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Addition of right-of-use assets					
Han's Laser Technology Industry Group Co., Ltd.	30,736	—	—	—	—

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities					
Han's Laser Technology Industry Group Co., Ltd.	5,189	4,467	2,559	2,234	1,083

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Purchase of property, plant and equipment					
Shenzhen Han's Cloud Technology Co., Ltd.	125	—	—	—	—
Shenzhen Han's Motor Technology Co., Ltd.	—	—	—	—	88
Total	125	—	—	—	88

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Purchase of engineering management services					
Dazu Holdings Group Co., Ltd.	2,901	8,429	274	274	—

Notes:

(i) The directors of the Company are of the opinion that the above sales to related parties and purchase from related parties were conducted in the ordinary course of business and on arms-length commercial terms.

(ii) During the Relevant Periods and the ten months ended October 31, 2024, the Company used the trademark of Han's Laser Technology Industry Group Co., Ltd. free of charge.

(c) Outstanding balances with related parties:

The Group had the following outstanding balances with related parties:

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Trade and bills receivables				
Han's Laser Technology Industry Group Co., Ltd.	538	906	826	743
Shenzhen Mingxin	4	39	—	—
Shenzhen Han's Machine Tool Technology Co., Ltd.	—	—	24	61
Yancheng Han's Machine Tool Technology Co., Ltd.	—	—	2	—
Total	542	945	852	804

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Contract assets				
Han's Laser Technology Industry Group Co., Ltd.	—	167	—	—

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Other receivables				
Han's Laser Technology Industry Group Co., Ltd.	5,456	4,510	3,326	1,849
Shenzhen Mingxin	—	125	119	119
Total	5,456	4,635	3,445	1,968

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Trade and bills payables				
Shenzhen Han's Motor Technology Co., Ltd.	64,967	31,468	19,974	23,413
Han's Laser Technology Industry Group Co., Ltd.	2,906	3,223	6,361	5,010
Han's Tiancheng Semiconductor Technology Co., Ltd.	24,959	441	128	—
GYX Optoelectronics Co., Ltd.	699	991	218	—
Shenzhen Han's Vision Technology Co., Ltd.	127	77	—	—
Shenzhen Han's Smart Tech Co., Ltd.	398	600	299	198
Han's Laser Intelligent Equipment Group Co., Ltd.	34	—	—	—
Shenzhen Han's Super Energy Laser Technology Co., Ltd.	627	—	270	—
Shenzhen Han's Cloud Technology Co., Ltd.	91	63	—	—
Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd.	109	3	266	162
Shenzhen Hansheng Refrigeration Technology Co., Ltd.	5,709	5,129	6,629	7,222
Shenzhen Han's HGC Laser Technology Co., Ltd.	—	—*	—	—
Dongguan Han Chuan Technology Co., Ltd. Shenzhen Branch	138	146	70	7
Shenzhen Han's Intelligent Control Technology Co., Ltd.	31	—	—	—
Guangdong Huayan Robot Co., Ltd.	—	197	311	924
Tianjin Tiancheng Optoelectronic Technology Co., Ltd	—	1,317	18,934	28,011
Dazu Holdings Group Co., Ltd.	—	8,429	—	—
Total	100,795	52,084	53,460	64,947

* Amount less than RMB1,000.

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Other payables				
Han's Laser Technology Industry Group Co., Ltd.	—	12	—	519
Shenzhen Han's Property Management Co., Ltd.	—	1	—	—
Shenzhen Mingxin	—	—*	—	—
Shenzhen Han's Motor Technology Co., Ltd.	—	—	1,528	448
GYX Optoelectronics Co., Ltd.	—	—	257	—
Shenzhen Hansheng Refrigeration Technology Co., Ltd.	—	—	921	779
Shenzhen Han's Smart Tech Co., Ltd.	—	—	370	—
Total	—	13	3,076	1,746

* Amount less than RMB1,000.

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Lease liabilities				
Han's Laser Technology Industry Group Co., Ltd.	109,410	69,991	39,420	14,830

(d) Compensation of key management personnel of the Group:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind.	12,889	11,645	14,577	6,836	7,209
Pension scheme contributions.	610	657	663	552	585
Share-based payment compensation	(4,245)	4,981	59,768	49,807	32,685
Total compensation paid to key management personnel	9,254	17,283	75,008	57,195	40,479

Further details of directors' and the supervisors' emoluments are included in note 10 to the Historical Financial Information.

45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at December 31,			As at October 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through other comprehensive income:				
Trade and bills receivables	55,119	51,188	89,416	51,896
Financial assets at amortised cost:				
Trade and bills receivables — current	2,093,956	1,643,601	2,586,730	4,121,727
Trade and bills receivables — non-current	118,624	60,913	170,002	513,566
Financial assets included in prepayments, other receivables and other assets	13,116	10,961	19,063	20,443
Restricted cash	—	1,816	333	542
Cash and cash equivalents	2,986,535	1,916,965	1,539,131	1,146,344
Time deposits	—	—	400,000	417,114
	5,212,231	3,634,256	4,715,259	6,219,736
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Liabilities from contingent consideration	—	68,683	8,523	—
Financial liabilities at amortised cost:				
Trade and bills payables	671,476	592,018	1,275,637	2,244,899
Financial liabilities included in other payables and accruals	161,989	156,397	216,309	325,192
Interest-bearing borrowing	17,174	75,744	213,476	825,855
	850,639	824,159	1,705,422	3,395,946

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

As at December 31, 2022

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	55,119	55,119
Financial liabilities		
Interest-bearing borrowing	17,174	17,174

As at December 31, 2023

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	51,188	51,188
Financial liabilities		
Liabilities from contingent consideration	68,683	68,683
Interest-bearing borrowing	75,744	75,744
	144,427	144,427

As at December 31, 2024

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	89,416	89,416
Financial liabilities		
Liabilities from contingent consideration	8,523	8,523
Interest-bearing borrowing	213,476	208,913
	221,999	217,436

As at October 31, 2025

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	51,896	51,896
Financial liabilities		
Interest-bearing borrowing	825,855	819,969

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, trade and bills receivables at amortised cost, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments. For deposits, Management has assessed that their fair value is equal to their book value, mainly because these deposits are collateral for bills and the fair value fluctuates less and the maturity is short.

The carrying amounts of the Group's financial instruments including time deposits were not materially different from their fair values as at December 31, 2022, 2023 and 2024 and October 31, 2025.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and bond payable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at the end of each of the Relevant Periods were assessed to be insignificant.

The financial instruments in bills receivables are the bank acceptance bills registered by the acceptance bank with high credit, and the Group's management model aims at both collecting the contractual cash flow and selling the financial assets. There is no significant unobservable inputs to the valuation of financial instruments as at December 31, 2022, 2023 and 2024 and October 31, 2025.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial instruments measured at fair value:

As at December 31, 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income.	—	55,119	—	55,119

As at December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income	—	51,188	—	51,188
Financial liabilities				
Liabilities from contingent consideration	—	—	68,683	68,683

As at December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income	—	89,416	—	89,416
Financial liabilities				
Liabilities from contingent consideration	—	—	8,523	8,523

As at October 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income	—	51,896	—	51,896

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

The following table demonstrates a sensitivity analysis of discount rate, reflecting the impact on the fair value of the payable for acquisition of Rayleigh Taide of a reasonable and probable change in discount rate, assuming other variables are constant. There were no significant inter-relationships between unobservable inputs that materially affect fair value as at December 31, 2023 and 2024.

	Increase/(decrease) in basis points of discount rate	(Decrease) /increase the fair value payable for acquisition of Rayleigh Taide by
		RMB'000
Year ended December 31, 2023		
RMB	50	(654)
RMB	(50)	531
Year ended December 31, 2024		
RMB	50	(14)
RMB	(50)	14

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, time deposits, financial liabilities included in other payables and accruals, interest-bearing borrowings and lease liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bill payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current interest-bearing bank borrowings.

The following table demonstrates a sensitivity analysis of interest rate risk, reflecting the impact on net profit or loss (through the impact on floating rate borrowings) of a reasonable and probable change in interest rates, assuming other variables are constant.

	Increase/(decrease) in basis points	(Decrease) /increase in net profit
		RMB'000
Year ended December 31, 2024		
RMB	50	(134)
RMB	(50)	134
Ten months ended October 31, 2025		
RMB	50	(132)
RMB	(50)	132

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the translated value of monetary assets and liabilities).

	Increase/ (decrease) in exchange rates of foreign currency	Increase/ (decrease) in profit before tax
	%	*RMB'000*
Year ended December 31, 2022		
If RMB strengthens against USD	50	10
If RMB weakens against USD	(50)	(10)
If RMB strengthens against HKD	50	27
If RMB weakens against HKD	(50)	(27)
If RMB strengthens against Euro ("**EUR**")	50	(83)
If RMB weakens against EUR	(50)	83

	Increase/ (decrease) in exchange rates of foreign currency	Increase/ (decrease) in profit before tax
	%	*RMB'000*
Year ended December 31, 2023		
If RMB strengthens against USD	50	30
If RMB weakens against USD	(50)	(30)
If RMB strengthens against HKD	50	70
If RMB weakens against HKD	(50)	(70)
If RMB strengthens against EUR	50	(12)
If RMB weakens against EUR	(50)	12
Year ended December 31, 2024		
If RMB strengthens against USD	50	100
If RMB weakens against USD	(50)	(100)
If RMB strengthens against HKD	50	41
If RMB weakens against HKD	(50)	(41)
If RMB strengthens against EUR	50	(18)
If RMB weakens against EUR	(50)	18
Ten months ended October 31, 2025		
If RMB strengthens against USD	50	271
If RMB weakens against USD	(50)	(271)
If RMB strengthens against HKD	50	(22)
If RMB weakens against HKD	(50)	22
If RMB strengthens against EUR	50	(108)
If RMB weakens against EUR	(50)	108

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging as at December 31, 2022, 2023 and 2024 and October 31, 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at December 31, 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill receivables*	55,119	—	—	2,311,444	2,366,563
Contract asset*	—	—	—	20,114	20,114
Financial assets included in prepayments, other receivables and other assets					
— Normal**	14,156	—	—	—	14,156
Cash and cash equivalents	2,986,535	—	—	—	2,986,535
	3,055,810	—	—	2,331,558	5,387,368

As at December 31, 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill receivables*	51,188	—	—	1,820,018	1,871,206
Contract asset*	—	—	—	20,282	20,282
Financial assets included in prepayments, other receivables and other assets					
— Normal**	13,390	—	—	—	13,390
Restricted cash	1,816	—	—	—	1,816
Cash and cash equivalents	1,916,965	—	—	—	1,916,965
	1,983,359	—	—	1,840,300	3,823,659

As at December 31, 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill receivables*	89,416	—	—	2,894,336	2,983,752
Contract asset*	—	—	—	25,705	25,705
Financial assets included in prepayments, other receivables and other assets					
— Normal**	22,451	—	—	—	22,451
Restricted cash	333	—	—	—	333
Cash and cash equivalents	1,539,131	—	—	—	1,539,131
Time deposits	400,000	—	—	—	400,000
	2,051,331	—	—	2,920,041	4,971,372

As at October 31, 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill receivables*	51,896	—	—	4,796,628	4,848,524
Contract asset*	—	—	—	47,048	47,048
Financial assets included in prepayments, other receivables and other assets					
— Normal**	25,950	—	—	—	25,950
Restricted cash	542	—	—	—	542
Cash and cash equivalents	1,146,344	—	—	—	1,146,344
Time deposits	417,114	—	—	—	417,114
	1,641,846	—	—	4,843,676	6,485,522

* For contract assets and trade and bills receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 22 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and contract assets are disclosed in notes 22 and 24 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. As at December 31, 2022, 2023 and 2024 and October 31, 2025, the Group had certain concentrations of credit risk as 9.4%, 10.7%, 6.1% and 10.9% of the Group's trade and bills receivables and contract assets were due from the Group's largest customer. 34.4%, 30.7%, 19.4% and 24.9% of the Group's trade and bills receivables and contract assets were due from five largest customers, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain continuity of funding. The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at December 31, 2022				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	671,476	—	—	—	671,476
Financial liabilities included in other payables and accruals	161,989	—	—	—	161,989
Interest-bearing bank borrowings	17,223	—	—	—	17,223
Lease liabilities	49,664	39,834	48,171	—	137,669
	900,352	39,834	48,171	—	988,357

	As at December 31, 2023				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	592,018	—	—	—	592,018
Financial liabilities included in other payables and accruals	156,397	—	—	—	156,397
Liabilities from contingent consideration	68,683	—	—	—	68,683
Interest-bearing bank borrowings	77,409	—	—	—	77,409
Lease liabilities	36,316	34,282	12,137	—	82,735
	930,823	34,282	12,137	—	977,242

	As at December 31, 2024				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	1,275,637	—	—	—	1,275,637
Financial liabilities included in other payables and accruals	216,309	—	—	—	216,309
Liabilities from contingent consideration	8,523	—	—	—	8,523
Interest-bearing bank borrowings	7,580	35,592	184,197	—	227,369
Lease liabilities	35,878	12,011	1,086	—	48,975
	1,543,927	47,603	185,283	—	1,776,813

	As at October 31, 2025				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	2,244,899	—	—	—	2,244,899
Financial liabilities included in other payables and accruals	325,192	—	—	—	325,192
Interest-bearing bank borrowings	648,580	4,400	184,092	—	837,072
Lease liabilities	23,058	5,092	8,136	—	36,286
	3,241,729	9,492	192,228	—	3,443,449

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The gearing ratios as at the end of each of the Relevant Periods are as follows:

	As at December 31,			As at October 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total liabilities	1,421,096	1,290,582	2,050,120	3,884,394
Total assets	7,151,808	5,979,127	7,186,497	9,568,686
Gearing ratio	20%	22%	29%	41%

Note: Gearing ratio is calculated by dividing total liabilities by total assets and multiplying the product by 100%.

48. EVENTS AFTER THE RELEVANT PERIODS

No other significant events have occurred to the Company, the Group or any of the companies now comprising the Group in respective of any period subsequent to October 31, 2025.

49. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to October 31, 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this Prospectus, and is included herein for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the Accountants' Report set out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets prepared in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as of 31 October 2025 as if the Global Offering had taken place on 31 October 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the parent had the Global Offering been completed as at 31 October 2025 or as at any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the parent as at 31 October 2025	**Estimated net Proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets as at 31 October 2025**	**Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 October 2025**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Notes 2, 4)*		*(Note 3)*	*(Note 4)*
Based on the maximum Offer Price of HK$95.80 per Share . .	5,651,043	4,158,500	9,809,543	20.61	22.96

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the parent as at 31 October 2025 is arrived at after deducting goodwill and other intangible assets of RMB17,432,000 as at 31 October 2025 from the audited consolidated net assets attributable to owners of the parent of RMB5,668,475,000 as at 31 October 2025 set out in the Accountants' Report in Appendix I to this Prospectus.

2. The estimated net proceeds from the Global Offering are based on the Offer Price of HK$95.80 per Share, being the maximum offer price, after the deduction of underwriting fees and commissions and other related expenses payable by the Company and do not take into account (i) any Shares which may be sold and offered upon exercise of the Over-allotment Option or (ii) any Shares which may be issued or repurchased by the Company pursuant to the Company's general mandates.

3. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 475,960,952 Shares were in issue assuming the Global Offering had been completed on 31 October 2025 and do not take into account (i) any Shares which may be sold and offered upon exercise of the Over-allotment Option or (ii) any Shares which may be issued or repurchased by the Company pursuant to the Company's general mandates.

4. For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances and amounts stated in RMB are converted into HK$ at the rate of HK$1.00 to RMB0.8978, which was the exchange rate prevailing on 21 January 2026. No representation is made that the RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate.

5. No other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible asset of the Group to reflect any trading result or other transactions entered into subsequent to 31 October 2025.

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, for the purpose of incorporation in this prospectus.

EY 安永

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B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Shenzhen Han's CNC Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Shenzhen Han's CNC Technology Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 October 2025 and related notes as set out on pages II-1 to II-2 of the prospectus dated 29 January 2026 (the "**Prospectus**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 October 2025 as if the transaction had taken place at 31 October 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 October 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants
Hong Kong
29 January 2026

(A) PROFIT ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2025

I. Bases

Our Directors have prepared the estimate of the consolidated profit attributable to equity holders of the Company for the year ended 31 December 2025 (the "Profit Estimate") based on the audited consolidated results of our Group for the ten months ended 31 October 2025 and the unaudited consolidated results based on the management accounts of our Group for the remaining two months ended 31 December 2025. The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material aspects with those currently adopted by our Group as set out in the Accountants' Report, the text of which is set out in Appendix I to this Prospectus.

II. Profit estimate for the year ended 31 December 2025

On the basis set out in Appendix IIA to this Prospectus, and in the absence of unforeseen circumstances, we estimate that our consolidated profit attributable to equity holders of the Company for the year ended 31 December 2025 are as follows:

Estimated consolidated profit attributable to equity holders of the Company for the year ended 31 December 2025	Not less than RMB785 million (equivalent to approximately HK$871 million)

The following is the text of a report received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus.

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(B) LETTER FROM THE REPORTING ACCOUNTANTS

29 January 2026

The Board of Directors

Shenzhen Han's CNC Technology Co., Ltd. ("the Company")

China International Capital Corporation Hong Kong Securities Limited

Dear Sirs,

Shenzhen Han's CNC Technology Co., Ltd. ("the Company")

Profit estimate for year ended 31 December 2025

We refer to the estimate of the consolidated profit attributable to equity holders of the Company for the year ended 31 December 2025 ("the Profit Estimate") set forth in the section headed "Financial Information" in the prospectus of the Company dated 29 January 2026 ("the Prospectus").

Directors' responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as "the Group") for the ten months ended 31 October 2025, the unaudited consolidated results based on the management accounts of the Group for the remaining two months ended 31 December 2025.

The Company's directors are solely responsible for the Profit Estimate.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix IIA of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 29 January 2026, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

Certified Public Accountants
Hong Kong

(C) LETTER FROM THE SOLE SPONSOR

The following is the text of a letter prepared for inclusion in the Prospectus (as defined below) by the Sole Sponsor, in connection with the estimate of the consolidated profit attributable to equity holders of the Company (as defined below) for the year ended December 31, 2025.

January 29, 2026

The Directors
Shenzhen Han's CNC Technology Co., Ltd.

Dear Sirs,

We refer to the estimate of the consolidated profit attributable to equity holders of Shenzhen Han's CNC Technology Co., Ltd. (the "**Company**") for the year ended December 31, 2025 (the "**Profit Estimate**") set forth in the section headed "Financial Information — Profit Estimate for the Year Ended December 31, 2025" in the prospectus of the Company dated January 29, 2026 (the "**Prospectus**").

The Profit Estimate, for which you as the Directors of the Company (the "**Directors**") are solely responsible, has been prepared based on the audited consolidated results of the Group for the ten months ended October 31, 2025 and the unaudited consolidated results based on the management accounts of the Group for the two months ended December 31, 2025.

We have discussed with you the bases made by the Directors as set out in the Part A of Appendix IIA to the Prospectus upon which the Profit Estimate has been made. We have also considered the letter dated January 29, 2026 addressed to you and us from Ernst & Young regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by Ernst & Young, we are of the opinion that the Profit Estimate, for which you as Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
China International Capital Corporation Hong Kong Securities Limited
WANG Meng
Director

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax for holders of H Shares are provided for under the laws and practices of the PRC and the jurisdictions in which the holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant tax provisions is based on current laws and practices and does not take into account anticipated changes or modifications in relevant laws or policies and does not constitute any opinion or recommendation. The discussion does not address all of the possible tax implications relating to the H Shares, nor does it consider the specific circumstances of any particular investors, some of which may be subject to special rules. Accordingly, you should consult your tax advisers as to the tax implications of the H Shares. This discussion is based on the laws and relevant interpretations in force as at the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not cover any aspects of PRC taxes other than income tax, capital gains tax and profits tax, business tax, value-added tax, stamp duty and estate tax. Prospective investors should consult their financial advisers regarding the PRC and other tax implications of owning and disposing of the H shares.

Taxation in Chinese Mainland

Tax on Dividends

Individual Investors

Pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-Chinese mainland resident individual holders of H Shares are generally subject to the individual income tax of Chinese mainland at a withholding tax rate of 10%. Under the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by Chinese companies to Hong Kong residents (including natural and legal persons), but the amount of the imposing tax shall not exceed 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity of the PRC company, and the Hong Kong resident is the beneficial owner of the dividends and satisfies other conditions, the relevant tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol of the SAT to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》, promulgated by the SAT and came into effect on December 6, 2019, provides that such provisions shall not apply to any arrangement or transaction whose main purpose is to obtain such tax incentives.

Enterprise Investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), revised by the SCNPC and became effective on December 29, 2018, and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), revised by the State Council and became effective on January 20, 2025, the enterprise income tax rate shall be 25%. Non-resident enterprises that have not established institutions or premises in the PRC, or those that have established institutions or premises but whose income from sources in the PRC has no actual connection with such institutions or premises, shall pay a 10% enterprise income tax on income from sources in the PRC (including dividends paid by resident enterprises of the PRC whose shares are issued and listed in Hong Kong). The foregoing income tax payable by non-resident enterprises is subject to withholding at source, in which the payer of the income is required to withhold it from the payment or due payment every time it is paid or due. Such withholding tax may be reduced or exempted under applicable treaties to avoid double taxation.

According to the Notice on Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Overseas Non-Resident H-share Enterprise Shareholders (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), issued by SAT and became effective on November 6, 2008, Chinese resident enterprises shall uniformly withhold and pay corporate income tax at a rate of 10% when paying dividends to non-resident H-share enterprise shareholders of the PRC in 2008 and subsequent years. The above tax rate may be further adjusted according to tax treaties or agreements concluded between China and relevant countries or regions (if applicable).

According to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), but the tax amount shall not exceed 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds at least 25% of the shares of a Chinese company, and such Hong Kong resident is the beneficial owner of the dividend and meets other conditions, the tax amount levied shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol stipulates that these provisions do not apply to arrangements or transactions made primarily for the purpose of obtaining such tax benefits.

Tax Related to Share Transfer Income

Individual Investors

According to the IIT Law and its implementing regulations, gains from the sale of equity in Chinese resident enterprises shall be subject to a 20% individual income tax. According to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by MOF and SAT and became effective on March 30, 1998, starting from January 1, 1997, gains from the transfer of listed company stocks by individuals will continue to be temporarily exempt from individual income tax. According to the Circular on the Issues Relating to the Collection of Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) jointly promulgated by the MOF, the SAT and the CSRC on December 31, 2009, which came into effect on the same date, individuals shall continue to be exempted from the individual income tax on the income from the transfer of listed shares acquired from the public offering of listed companies and the transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, with the exception of the relevant restricted shares as defined in the above Circular and the Supplementary Circular on the Issues Relating to the Collection of Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》), which was jointly promulgated and enforced by the MOF, the SAT and the CSRC on November 10, 2010. As of the Latest Practicable Date, the above provisions did not expressly provide for imposition of the individual income tax on the transfer of shares of Chinese resident enterprises listed on overseas stock exchanges by non-Chinese resident individuals.

Enterprise Investors

According to the EIT Law and its implementing regulations, if a non-resident enterprise does not have an institution or premise in the PRC, or has an institution or premise in the PRC but its income derived from the PRC has no actual connection with such an institution or premise, the non-resident enterprise generally shall pay corporate income tax at a rate of 10% on its income derived from China (including gains from the sale of equity in a Chinese resident enterprise). The aforesaid income tax payable by a non-resident enterprise of the PRC shall be withheld at source, where the payer of the income shall be the withholding agent. The withholding agent shall withhold income tax on each payment or due payment. The tax may be reduced or exempted under tax treaties or agreements for the avoidance of double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy and Shenzhen-Hong Kong Stock Connect Taxation Policy

On October 31, 2014 and November 5, 2016, the MOF, the SAT and the CSRC jointly issued the Circular on the Relevant Taxation Policy regarding the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) and the Circular on the Relevant Taxation Policy regarding the Pilot Inter-connected Mechanism for Trading on the Shenzhen Stock Market and the Hong Kong Stock Market (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), pursuant to which, the income from transfer differences and dividend and bonus income derived by PRC enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax in accordance with the law. In particular, the dividend and bonus income derived by PRC resident enterprises which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to law. The H-share companies do not need to withhold tax on the income from dividends and bonus obtained by PRC enterprise investors. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonuses received by PRC individual investors investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, H-share companies shall submit an application to China Securities Depository and Clearing Corporation Limited (the "**CSDC**"), which shall provide H-share companies with a register of PRC individual investors. H-share companies shall withhold individual income tax at a rate of 20%. Individual investors who have paid withholding tax outside the PRC may apply for tax credits at the competent tax authorities of the CSDC with valid tax deduction certificates. Individual income tax is levied on dividend and bonus income derived by PRC security investment funds from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in accordance with the above provisions.

Stamp Duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) promulgated on June 10, 2021 and became effective on July 1, 2022, non-Chinese mainland investors shall not be subject to the provisions of the Stamp Tax Law of the PRC when disposing of H shares overseas.

Estate Duty

According to the PRC law, no estate duty has been imposed on the Company in the PRC.

MAJOR TAXATION OF OUR COMPANY IN CHINA

EIT

According to the EIT Law of the PRC, enterprises and other organizations that obtain income (hereinafter collectively referred to as "**enterprises**") are taxpayers for enterprise income tax and shall pay such tax in accordance with this law. The enterprise income tax rate is 25%. High-tech enterprises that PRC government needs to support with priority shall be subject to a reduced enterprise income tax rate of 15%.

Enterprises are categorized into resident enterprises and non-resident enterprises. Non-resident enterprises that have not established institutions or premises in the PRC, or have established such institutions or premises but whose income from within the PRC has no actual connection with these institutions or premises, must pay corporate income tax on income derived from within the PRC. This is implemented through withholding at source, where the payer is the withholding agent, and the tax is withheld by the payer from each payment or when the payment is due. Additionally, any gains realized by such investors from the transfer of shares must be subject to corporate income tax. If such gains are deemed to be from property transfers within China, they should also be subject to withholding at source.

VAT

In accordance with the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993 and implemented on January 1, 1994, and then amended on November 19, 2017 and implemented on the same day, and the Detailed Rules for the Implementation of the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF on December 25, 1993 and implemented on the same day, last amended on October 28, 2011 and implemented on November 1, 2011, the companies and individuals engaging in sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovable properties and importation of goods in PRC are VAT payers and shall pay VAT in accordance with the law. Unless otherwise specified, the VAT rate for the sale of goods, services, tangible movable properties leasing services or imported goods by taxpayers shall be 17%; taxpayers who sell transportation, postal services, basic telecommunications, construction, real estate leasing services, sell immovable properties, transfer land use rights, and sell or import specific goods shall be subject to a VAT rate of 11%; unless otherwise specified, the VAT rate for the sale of services and intangible assets by taxpayers is 6%.

Pursuant to the Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》) (Caishui [2018] No.32), promulgated by the MOF and the SAT on April 4, 2018, and became effective on May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》(Announcement of MOF, SAT and General Administration of Customs, [2019] No. 39)), promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

FOREIGN EXCHANGE ADMINISTRATION

The legal currency in China is the RMB. The State Administration of Foreign Exchange is authorized by the People's Bank of China to manage all matters related to foreign exchange, including the implementation of foreign exchange regulations.

According to the Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》), revised by the State Council and became effective on August 5, 2008, all international payments and transfers are categorized into current account and capital account. The current account shall be subject to the reasonable examination of the authenticity of transaction documents and their consistency with foreign exchange receipts and payments by the financial institutions engaging in the business of foreign exchange settlement and sales, and shall be subject to the supervision and inspection by the foreign exchange administrative authorities. With regard to the capital account, foreign organizations and individuals making direct investments in China shall, upon approval by the competent authorities concerned, register with the foreign exchange administrative authorities. The foreign exchange income obtained from abroad may be repatriated or deposited abroad. Foreign exchange funds and foreign exchange settlement funds under the capital account shall be used for the purposes approved by the relevant competent authorities and the foreign exchange administrative authorities. When there is or may be a serious imbalance in the international balance of payments, or when there is or may be a serious crisis in the national economy, the State may take measures necessary to guarantee and control the international balance of payments.

The Regulations on the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and became effective from July 1, 1996, have abrogated other restrictions on foreign exchange under the current account, but imposed existing restrictions on foreign exchange transactions under the capital account.

According to relevant laws and regulations of China, Chinese enterprises (including foreign-invested enterprises) that require foreign exchange for their current account transactions can pay from their foreign exchange accounts at designated foreign exchange banks with valid receipts and transaction vouchers, without the need for approval from the SAFE. Foreign-invested enterprises that need to distribute profits to shareholders using foreign exchange, and Chinese enterprises that are required to pay fixed dividends in foreign exchange according to regulations, may legally pay from their foreign exchange accounts or redeem at designated foreign exchange banks with a board resolution on profit distribution.

According to the Decision of the State Council on Cancellation and Adjustment of a Batch of Items Requiring Government Review and Approval (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by The State Council and became effective on October 23, 2014, it is decided to cancel the examination and approval requirements of the SAFE and its branches for the remittance and settlement of proceeds raised from the overseas listing of overseas shares into domestic accounts in RMB.

According to the Circular of SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and became effective on December 26, 2014, the relevant provisions on foreign exchange management for domestic joint stock companies listed overseas ("**domestic companies**") are as follows:

(i) The SAFE and its branches, foreign exchange administration departments (hereinafter referred to as foreign exchange bureaus) shall supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, capital exchange and other activities involved in the overseas listing of domestic companies.

(ii) The domestic company shall, within 15 working days after the end of the initial share issue for overseas listing, go to the foreign exchange bureau at its place of registration with relevant materials to register for overseas listing.

(iii) After the overseas listing of a domestic company, if its domestic shareholders intend to increase or reduce their overseas shares according to relevant regulations, they shall, within 20 working days prior to the proposed increase or reduction of their shares, hold relevant materials to the local foreign exchange bureau where the domestic shareholders are located to register their overseas holdings.

(iv) Domestic companies (except banking financial institutions) shall, with the registration certificate for overseas listing business, open a "domestic company's special foreign exchange account for overseas listing" at domestic banks for their initial public offering (or additional issuance) and repurchase business, and handle the capital exchange and transfer of relevant business.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), issued on February 13, 2015, and became effective from June 1, 2015, the SAFE has abolished the approval of foreign exchange registration for domestic direct investment and overseas direct investment. Instead, banks will directly review and process the foreign exchange registration for domestic direct investment and overseas direct investment according to this notice and the attached Guidelines for Direct Investment Foreign Exchange Business Operations (《直接投資外匯業務操作指引》). The SAFE and its branches will indirectly supervise the foreign exchange registration for direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued and implemented by the SAFE on June 9, 2016, capital account foreign exchange receipts (including funds repatriated from overseas listings, etc.) intended for exchange can be processed at banks based on the actual operational needs of domestic institutions. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust this ratio as appropriate in light of international balance of payments conditions.

This Appendix outlines certain aspects of the laws and regulations of the PRC relating to the operation and business of the Company. The primary purpose of this summary is to highlight to potential investors the principal laws and regulatory provisions applicable to the Company. This summary is not intended to encompass all material information that may be relevant to potential investors. For a discussion of the laws and regulations relating to the Company's business, please refer to the "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

The PRC legal system is founded upon the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and comprises written laws, administrative regulations, local regulations, separate regulations, departmental rules of the State Council, local government rules, autonomous regulations, specific regulations of autonomous regions, laws of the Special Administrative Regions, and international treaties signed by the government of the PRC, as well as other regulatory documents. Court verdicts do not constitute binding precedents but may be utilized for judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), as revised by the NPC on March 13, 2023, and effective on March 15, 2023, the NPC and its Standing Committee of the NPC are vested with the power to exercise national legislative authority. The NPC is empowered to enact and amend fundamental laws governing criminal, civil, state institutions and other matters. The SCNPC is authorized to formulate and amend laws other than those that should be enacted by the NPC. During the NPC's recess, the SCNPC may partially supplement and amend laws enacted by the NPC, provided that such amendments do not contravene the fundamental principles of these laws.

The State Council, as the highest administrative body of the state, formulates administrative regulations in accordance with the Constitution and laws. The people's congresses and their standing committees at the provincial level, autonomous regions, and municipalities directly under the Central Government may enact local regulations based on the specific circumstances and practical needs of their respective administrative regions, provided that these local regulations do not contravene any provisions of the Constitution, laws, or administrative regulations. The people's congresses and their standing committees of cities divided into districts may formulate local regulations on urban and rural construction and management, environmental protection, and historical and cultural preservation, in accordance with the specific conditions and practical needs of their respective cities, but these regulations must not conflict with any provisions of the Constitution, laws, administrative regulations, and local regulations of provinces and autonomous regions. Where laws provide otherwise for the formulation of local regulations by cities divided into districts, such provisions shall prevail. Local regulations of cities in autonomous regions shall be implemented after being submitted for approval.

The standing committees of the people's congresses of provinces and autonomous regions shall conduct legality reviews of local regulations submitted for approval. Those that do not contravene the Constitution, laws, administrative regulations, and local regulations of the province or autonomous region shall be approved within 4 months. The people's congresses of ethnic autonomous areas have the right to formulate autonomous regulations and specific regulations based on the political, economic, and cultural characteristics of the various ethnic groups in the area. The ministries and commissions of the State Council, the People's Bank of China, National Audit Office of the PRC, and institutions directly under the State Council with administrative management functions may formulate rules within their respective jurisdictions based on laws, administrative regulations, decisions, and rulings of the State Council.

The Constitution holds the supreme legal authority, and all laws, administrative regulations, local regulations, autonomous regulations, and specific regulations or rules must not contravene the Constitution. Laws take precedence over administrative regulations, local regulations, and rules. Administrative regulations take precedence over local regulations and rules. Regulations formulated by the people's governments of provinces and autonomous regions take precedence over the regulations formulated by the people's governments of cities with districts within their respective administrative regions.

The NPC possesses the authority to amend or nullify inappropriate laws enacted by the SCNPC, and is empowered to revoke autonomous regulations and specific regulations approved by the SCNPC that contravene the Constitution and the Legislation Law. The SCNPC is authorized to annul administrative regulations that violate the Constitution and laws, and is empowered to revoke local regulations that contravene the Constitution, laws, and administrative regulations, as well as autonomous regulations and specific regulations approved by the standing committees of the people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government that violate the Constitution and the Legislation Law. The State Council is vested with the power to amend or nullify inappropriate departmental rules and local government regulations. The people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government have the authority to amend or nullify inappropriate local regulations formulated or approved by their respective standing committees. The standing committees of local people's congresses are empowered to revoke inappropriate regulations formulated by the people's governments at the same level. The people's governments of provinces and autonomous regions are authorized to amend or nullify any inappropriate regulations formulated by the people's governments at lower levels.

Pursuant to the Constitution and the Legislation Law, the power of legal interpretation is vested in the SCNPC. According to the Resolution of SCNPC on Strengthening the Work of Legal Interpretation (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》), adopted by the SCNPC and effective on June 10, 1981, the Supreme People's Court is authorized to interpret specific issuesconcerning the application of laws and decrees in judicial trials. The Supreme People's Procuratorate shall interpret all issues that are related to the specific application of laws and decrees in procuratorial work. The State Council and relevant competent departments are responsible for interpreting how to specifically apply other laws and decrees that do not fall under the purview of judicial and procuratorial work.

Where the scope of local regulations requires further definition or supplementary provisions, the standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government that formulated the regulations shall interpret or stipulate. Interpretations of specific application issues of local regulations shall be the responsibility of the competent departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

PRC JUDICIAL SYSTEM

Pursuant to the Constitution and the Organic Law of the People's Courts of the PRC (《中華人民共和國人民法院組織法》), as revised by the SCNPC on October 26, 2018, and effective from January 1, 2019, the People's Courts of the PRC comprise the Supreme People's Court, local people's courts at various levels, and other specialized people's courts. Local people's courts are categorized into three levels: primary people's courts, intermediate people's courts, and higher people's courts. Primary people's courts may establish several people's tribunals based on regional, population, and case circumstances. The Supreme People's Court serves as the highest adjudicatory organ of the state. The Supreme People's Court supervises the exercise of judicial power by local people's courts at all levels and specialized people's courts. The people's courts at higher levels supervise the adjudication work of the people's courts at lower levels.

According to the Constitution and the Organic Law of the People's Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》), as revised by the SCNPC on October 26, 2018, and effective from January 1, 2019, the people's procuratorates serve as the state's legal supervision bodies. The Supreme People's Procuratorate functions as the highest procuratorial organ. The Supreme People's Procuratorate directs the work of local people's procuratorates at all levels and specialized people's procuratorates, with higher-level people's procuratorates overseeing the work of lower-level procuratorates.

The People's Court implements a system of two instances with final adjudication. The second-instance judgments or rulings of the People's Court constitute the final judgments or rulings. Parties dissatisfied with the first-instance judgments or rulings of a local People's Court may file an appeal. The People's Procuratorate may, in accordance with the procedures prescribed by law, lodge a protest with the People's Court at the next higher level. If a party does not appeal and the People's Procuratorate does not protest within the prescribed time limit, the judgments or rulings of the People's Court become the final judgments or rulings. The second-instance judgments or rulings of the Intermediate People's Courts, Higher People's Courts, and the Supreme People's Court, as well as the first-instance judgments or rulings of the Supreme People's Court, are the final judgments or rulings. However, if the Supreme People's Court or a People's Court at a higher level discovers that a final judgment or ruling of a lower-level People's Court that has already taken legal effect is indeed erroneous, or if the presiding judge of any level of People's Court discovers that a final judgment or ruling of the People's Court at the same level that has already taken legal effect is indeed erroneous, a retrial may be conducted in accordance with the judicial supervision procedures.

The Civil Procedure Law of PRC (《中華人民共和國民事訴訟法》), adopted by the SCNPC on September 1, 2023, and effective on January 1, 2024, outlines the requirements for initiating civil litigation, the jurisdiction of the People's Courts, the procedures to be followed in civil proceedings, and the enforcement of civil judgments or orders. All parties involved in civil litigation within the territory of the PRC must adhere to the Civil Procedure Law of PRC. Civil cases are generally adjudicated by the court in the defendant's domicile. The jurisdictional court for civil litigation can be explicitly agreed upon by the parties, provided the court is located in a place with a substantial connection to the dispute, such as the domicile of the plaintiff or defendant, the place of contract performance or contract signing, or the location of the subject matter of the litigation. However, the choice of court must not, under any circumstances, contravene the provisions regarding level jurisdictions and exclusive jurisdictions.

Foreign individuals, stateless persons, foreign-invested enterprises, or foreign organizations that initiate litigation or defense in the People's Court shall have the same procedural rights and obligations as Chinese citizens, legal persons, or other organizations. If a foreign court restricts the procedural rights of Chinese citizens and enterprises, the Chinese court may apply the same restrictions to the foreign citizens and enterprises. When foreign individuals, stateless persons, foreign-invested enterprises, or foreign organizations initiate litigation or defense in the People's Court, they must retain a Chinese lawyer. According to international treaties signed or acceded to by the PRC or the principle of reciprocity, the People's Court and foreign courts may request each other to serve documents, conduct investigations, and take other actions. The People's Court shall reject requests from foreign courts that may infringe upon the sovereignty, security, or public interest of the PRC.

The parties involved must fulfill civil judgments and rulings that have legal effect. If a party in a civil lawsuit refuses to comply with a judgment or ruling made by the People's Court of the PRC or an arbitral tribunal's award, the other party may apply to the People's Court for enforcement within 2 years. The suspension or interruption of the application period for enforcement shall comply with the provisions of applicable laws concerning the suspension or interruption of the statute of limitations.

Judgments and rulings rendered by the People's Courts, where the judgment debtor or their assets are not within the territory of the PRC, may be subject to direct application for recognition and enforcement by the interested party to a foreign court with jurisdiction. Judgments and rulings rendered by foreign courts may be recognized and enforced by the People's Courts, following examination in accordance with the provisions of international treaties concluded or acceded to by the PRC with the relevant country, or based on the principle of reciprocity. Such recognition and enforcement are contingent upon the determination that the foreign judgment or ruling does not contravene the fundamental principles of Chinese law, nor does it infringe upon national sovereignty, security, or the public interest of society.

THE PRC COMPANY LAW, OVERSEAS LISTING MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

For a joint stock limited company incorporated in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited, the primary regulatory framework is governed by the following PRC laws and regulations.

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**") was adopted on December 29, 1993, by the Fifth Session of the Standing Committee of the Eighth National People's Congress, and came into effect on July 1, 1994. It has been amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023, respectively. The most recent revision of the Company Law takes effect on July 1, 2024.

The Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Measures**"), along with its five interpretative guidelines, promulgated by the China Securities Regulatory Commission (the **"CSRC"**) on February 17, 2023, became effective on March 31, 2023. These regulations govern both direct and indirect overseas subscription and listings of shares by domestic companies.

Pursuant to the Overseas Listings Measures and its interpretive guidelines, domestic companies directly issuing and listing shares overseas shall formulate their articles of association in accordance with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), superseding the Mandatory Provisions for Articles of Association of Companies Listed Overseas (《到境外上市公司章程必備條款》), which ceased to be applicable from March 31, 2023. The Guidelines for Articles of Association were promulgated by the CSRC on December 16, 1997, and were most recently amended on March 28, 2025.

The following is a summary of the principal provisions of the Company Law, the Overseas Listings Measures, and the Guidelines for Articles of Association applicable to our Company.

General Provisions

A joint stock limited company is a corporate legal person established in accordance with the Company Law. Its registered capital is comprised of shares with an equal par value. Shareholders bear liability limited to the extent of their subscribed shares, while the company itself is liable for its debts with all of its assets.

A company, in the conduct of its business operations, must adhere to the laws and regulations, social ethics, and commercial morality. A company may invest in other companies with limited liability. The liability of the investing company for the obligations of the invested company is limited to the amount of its investment. Unless otherwise stipulated by law, a company shall not become an investor jointly and severally liable for the debts of the invested company.

Incorporation

A joint stock limited company may be incorporated through either the method of promotion or the method of offering shares for subscription. A joint stock limited company can be incorporated by a minimum of 1 promoter and a maximum of 200 promoters, with more than half of the promoters required to have a domicile within the territory of the PRC.

The promoters shall convene the inaugural meeting of the company within 30 days following the full payment of the share capital. Notice of the meeting date must be provided to all subscribers or publicly announced in this regard no less than 15 days prior to the meeting. The inaugural meeting can only be held if the promoters and subscribers holding more than 50% of the total shares are present. The powers exercised at the inaugural meeting shall include, but not be limited to, the adoption of the articles of association, and the election of the members of the board of directors and board of supervisors. Resolutions on these matters shall be passed by a majority vote of more than 50% of the votes cast by the attending subscribers.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for the incorporation of a joint stock limited company. After the relevant registration authority issues a business license, the company is officially established and has the status of a legal person.

Registered Shares

According to the Company Law, shareholders may contribute in cash or in kind, intellectual property rights, land use rights and other non-monetary property that may be valued in currency and may be transferred in accordance with the law.

The Overseas Listing Measures stipulate that domestic enterprises listed abroad may raise funds and distribute dividends in foreign currency or RMB.

Under the Company Law, a joint stock limited company shall prepare and maintain a shareholder register at the company. The shareholder register shall record the following particulars:

(i) The name and domicile of each shareholder;

(ii) The class and number of shares subscribed by each shareholder;

(iii) In the case of shares in paper form, the serial number of the shares; and

(iv) The date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All shares in a joint stock limited company shall be issued in accordance with the principles of equality and fairness. The same class of shares must have equal rights. The same shares must be issued on the same terms and at the same price. A joint stock limited company may issue shares at face value or premium, but not below face value.

If a domestic enterprise issues a listing abroad, it shall file a filing with the CSRC in accordance with the Overseas Listing Measures, submit a filing report, legal opinion and other relevant materials, and give a true, accurate and complete description of the shareholder information. Where a domestic enterprise is issued directly and listed abroad, the issuer shall file with the CSRC. Where a domestic enterprise is listed indirectly outside China, the issuer shall designate the main business entity in China as the responsible person in China and file the case with the CSRC.

Increase in Share Capital

According to the Company Law, where a joint stock limited company issues new shares, the Shareholders' meeting shall decide on the type and number of new shares, the price of the issue of new shares, the commencement and end dates for the issue of new shares and the type and number of newshares to be issued to the original shareholders. If no denominated shares are issued, the funds raised by the issue of new shares shall be included in the registered capital. The company shall be registered with the securities regulatory agency under the State Council for the public offering of shares, and shall announce the prospectus. The prospectus shall be accompanied by the articles of association and set forth the following:

(i) The total number of shares issued;

(ii) The par value and issue price of par value shares or the issue price of no par value shares;

(iii) The purpose of the fund raised;

(iv) Rights and obligations of the shareholder;

(v) The type of shares and their rights and obligations;

(vi) When the Initial Public Offering is due and the IPO is overdue, the subscriber may withdraw the offer. Where a company issues shares at the time of establishment, it shall also state the number of shares subscribed by the promoter.

Reduction of Share Capital

The company may reduce its registered capital in accordance with the following procedures under the Company Law:

(i) Prepare balance sheets and property lists;

(ii) The company makes a resolution at the Shareholders' meeting to reduce its registered capital;

(iii) The company shall notify creditors within 10 days of approval of the resolution on reduction of registered capital and issue announcements in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(iv) The creditor has the right to require the company to pay the debt or provide the corresponding security within 30 days of receipt of the notice, and if the creditor does not receive the notice, to require the company to pay the debt or provide the corresponding security within 45 days of the announcement;

(v) When the company reduces its registered capital, it shall register the changes with the company registration authority in accordance with the law.

Where a company reduces its registered capital, it shall reduce its capital contribution or shares in accordance with the proportion of its Shareholders' capital contributions or holdings, except as otherwise stipulated by law, otherwise agreed by all shareholders of a limited liability company or otherwise stipulated by the articles of association of a joint stock limited company.

Share Buy-Back

According to the Company Law, a company may not purchase its own shares. Except in the following cases:

(i) Reduction of registered capital;

(ii) Merging with other companies holding shares in the company;

(iii) The use of shares in employee ownership schemes or equity incentives;

(iv) A shareholder who votes against the merger or separation resolution of the company passed by the Shareholders' meeting shall have the right to require the company to acquire the shares it holds;

(v) The shares are used to convert convertible corporate bonds issued by the listed company;

(vi) Necessary to safeguard the corporate value and shareholder rights of listed companies.

The purchase of shares in the company for the reasons (i) to (ii) above shall be subject to a resolution of the Shareholders' meeting; For the reasons of (iii), (v) and (vi) above, the purchase of shares in the company may, in accordance with the articles of association or the authorization of the Shareholders' meeting, be determined by the meeting of the board of directors attended by more than two thirds of the directors.

If the company repurchases the shares of the company in accordance with the above provisions, in the case of item (i) above, it shall be cancelled within 10 days from the date of repurchase; In the case of items (ii) and (iv) above, it shall be transferred or cancelled within six months; In the case of items (iii), (v) and (vi) above, the total number of shares held by the company shall not exceed 10% of the total number of shares issued by the company and shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the law. Pursuant to the Company Law, the transfer of shares by shareholders shall be effected on a legally established securities exchange or in other ways as prescribed by the State Council. The transfer of shares shall be effected by the shareholders by means of endorsement or other means as prescribed by laws and administrative regulations. After the transfer, the company shall enter the name and domicile of the transferee in the register of shareholders. No change in the register of shareholders as provided for in the preceding paragraph may be registered within 20 days prior to the date of the Shareholders' meeting or within 5 days prior to the date on which the company decides to distribute dividends. If any law, administrative regulation or the securities regulatory authority of the State Council has other provisions on the registration of changes in the register of shareholders of a listed company, such provisions shall apply.

According to the Company Law, shares issued prior to the public offering of shares of the company shall not be transferred for 1 year from the date on which the shares of the company are listed and traded on the stock exchange. The directors, supervisors and senior management of the company shall declare to the company their holdings and changes therein. During the term of office determined at the time of his/her appointment, the shares transferred each year shall not exceed 25% of the total number of shares held by the company. The shares held by the directors, supervisors and senior management of the company shall not be transferred for 1 year from the date of listing and trading on the stock exchange. No share in the company held by the aforementioned person shall be transferred within 6 months after his/her separation from office.

Where the shares are pledged within the time limit of a restrictive transfer prescribed by law or administrative regulations, the applicant shall not exercise the right of pledge within that time limit.

Shareholders

According to the Company Law and the Guidelines for Articles of Association, the rights of shareholders of a company include:

(i) Dividends and other forms of distribution of benefits in proportion to shareholding;

(ii) To request, convene, preside over, participate in or appoint a shareholder's representative to the Shareholders' meeting in accordance with the law, and to exercise the corresponding voting rights;

(iii) Supervise the business operations of the company, make suggestions or raise questions;

(iv) Transfer, grant or pledge shares in the company in accordance with laws, administrative regulations and articles of association;

(v) To access and copy the articles of association, the register of shareholders, the minutes of the Shareholders' meeting, the resolution of the meeting of the board of directors, the resolution of the meeting of the board of supervisors and the financial and accounting report;

(vi) Shareholders who hold more than 3% of the company's shares individually or collectively for more than 180 consecutive days may, in accordance with the law, consult the company's accounting books and accounting certificates;

(vii) Participation in the distribution of the remaining property of the company in the event of the company's suspension or liquidation;

(viii) Shareholders who object to the merger or separation resolution of the company made by the Shareholders' meeting and require the company to acquire its shares;

(ix) Laws, administrative regulations, departmental regulations, rules governing the place of listing of shares of the company or other rights under the articles of association.

The obligations of the company's shareholders include:

(i) Compliance with laws, administrative regulations and the articles of association;

(ii) To pay contributions in accordance with the shares subscribed and the method of admission;

(iii) Not to abuse Shareholders' rights to the detriment of the interests of the company or other shareholders; and not to abuse the company's status as an independent legal entity and Shareholders' limited liability to the detriment of the interests of the company's creditors;

(iv) Other obligations as stipulated by laws, administrative regulations and the articles of association.

Shareholders' meetings

According to the Company Law, the Shareholders' meeting of a joint stock limited company is composed of all shareholders. The Shareholders' meeting is the authority of the company and exercises the following powers and functions:

(i) Electing and removing directors and supervisors, and deciding on matters relating to the remuneration of directors and supervisors;

(ii) Review and approve the report of the board of directors;

(iii) To review and approve the report of the board of supervisors;

(iv) Reviewing and approving the company's profit distribution plan and loss recovery plan;

(v) To resolve on the increase or decrease of the registered capital of the company;

(vi) To resolve on the issuance of bonds of the company;

(vii) To resolve on the merger, demerger, dissolution, liquidation or change of corporate form of the company;

(viii) To amend the articles of association;

(ix) Other powers and functions as provided for in the articles of association.

Pursuant to the Company Law, an annual general meeting must be convened once a year. An extraordinary shareholders' meeting must be convened within 2 months if any of the following circumstances occurs:

(i) The number of directors is less than the number required by the company Law or less than two-thirds of the number required by the articles of association;

(ii) The company's uncompensated losses have reached one-third of the total amount of its paid-up share capital;

(iii) At the request of shareholders who individually or collectively hold 10% or more of the company's shares;

(iv) When deemed necessary by the board of directors;

(v) The board of supervisor proposes to convene a meeting;

(vi) Other circumstances as stipulated in the articles of association.

Meetings of the Shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors; if the chairman of the board of directors is unable to perform his duties or refuses to perform his duties, the vice-chairman of the board of directors shall preside over the meeting; if the vice-chairman of the board of directors is unable to perform his duties or refuses to perform his duties, the board of directors shall preside over the meeting by a director elected jointly by a majority of the directors.

If the board of directors is unable to perform or fails to perform its duty to convene a Shareholders' meeting, the board of supervisor shall convene and preside over the meeting in a timely manner; in the event that the board of supervisor fails to convene and preside over the meeting, the shareholders who have held more than 10% of the company's shares, individually or in aggregate, for a period of more than 90 consecutive days, may do so on their own.

If shareholders who individually or collectively hold more than 10% of the shares of the company request to convene an extraordinary Shareholders' meeting, the board of directors or the board of supervisor shall decide whether to convene an extraordinary Shareholders' meeting and reply to the shareholders in writing within 10 days after receipt of the request.

Shareholders shall be notified of the time and place of a Shareholders' meeting and the matters to be considered 20 days prior to the meeting, and shareholders shall be notified of an extraordinary Shareholders' meeting 15 days prior to the meeting.

Shareholders who individually or collectively hold more than 1% of the shares of the company may propose an interim proposal and submit it in writing to the board of directors 10 days prior to the date of the Shareholders' meeting. An interim proposal shall have a clear topic and specific resolutions. The board of directors shall notify other shareholders of the proposal within 2 days of receipt of the proposal and submit the provisional proposal to the Shareholders' meeting for deliberation; unless the provisional proposal violates the laws, administrative regulations or the Articles of Association, or falls outside the terms of reference of the Shareholders' meeting. The company shall not increase the shareholding ratio of the shareholders submitting the interim proposal. In the case of a public offering of shares, the company shall give notice of the foregoing provisions by means of a public announcement. The Shareholders' meeting shall not resolve on matters not specified in the notice.

Pursuant to the Company Law, shareholders may appoint agents to attend the Shareholders' meeting. Agents must submit a power of attorney to the company and exercise voting rights within the authorized scope. The Company Law does not specify the number of shareholders required to form a quorum for a Shareholders' meeting.

Pursuant to the Companies Law, shareholders have one vote for each share held at a Shareholders' meeting, except for class shareholders. However, shares held by the company do not carry voting rights.

In the election of directors and supervisors by the Shareholders' meeting, the cumulative voting system may be adopted in accordance with the provisions of the articles of association or the resolutions of the Shareholders' meeting. Under the cumulative voting system, each share shall have voting rights equal in number to the number of directors or supervisors to be elected, and the shareholders may concentrate their voting rights.

In accordance with the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires the affirmative vote of more than half of the voting rights represented by the shareholders present at the Shareholders' meeting. Matters relating to the merger, demerger or dissolution of a company, the increase or reduction of registered capital, the change of corporate form or the amendment of the articles of association must be passed by more than two-thirds of the votes held by the shareholders present at the meeting.

Board of directors

According to the Company Law, the joint stock limited company shall have a board of directors consisting of more than 3 members. The term of office of directors shall be prescribed by the articles of association, but each term shall not exceed 3 years. Directors may be re-elected for a second term.

Board of director's meetings shall be held at least twice a year. All directors and supervisors shall be notified 10 days in advance of each meeting. The board of directors shall exercise the following powers and duties:

(i) To convene Shareholders' meetings and report on its work to the Shareholders' meetings;

(ii) To execute the resolutions of the Shareholders' meetings;

(iii) To decide on the company's business plan and investment plan;

(iv) To formulate the annual financial budget and final accounts of the company;

(v) To formulate the company's profit distribution plan and loss recovery plan;

(vi) To formulate proposals for the increase or reduction of the registered capital of the company and the issuance of corporate bonds;

(vii) To formulate proposals for the merger, demerger, dissolution or change of corporate form of the company;

(viii) To decide on the establishment of the internal management organization of the company;

(ix) To decide on the appointment or dismissal of the manager of the company and his remuneration, and to decide on the appointment or dismissal of the deputy manager and financial controller of the company and their remuneration based on the nomination of the manager;

(x) To formulate the basic management system of the company;

(xi) Other powers and duties as provided for in the articles of association or approved by the Shareholders' meeting.

The board meeting shall be held only when more than half of the directors are present. If a director is unable to attend due to certain reasons, they may authorize another director in writing to attend on their behalf, and the authorization letter should specify the scope of authority. If a resolution of the board violates laws, administrative regulations, or the articles of association, or resolutions of the Shareholders' meeting, causing serious losses to the company, the directors who participated in the resolution shall bear compensation liability to the company. However, if it can be proven that the director expressed dissent at the time of voting and this was recorded in the minutes, the director may be exempt from liability.

According to the Company Law, the following persons are not allowed to be directors of the company:

(i) Incapacity or limitation of capacity for civil conduct;

(ii) Having been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economic order, or having been deprived of political rights due to a crime, and less than five years have elapsed since the completion of the sentence, or in case of a probation, less than two years have elapsed since the expiration of the probation period;

(iii) If he or she is a director, factory director or manager of a company or enterprise in bankruptcy or liquidation, and is personally responsible for the bankruptcy of the company or enterprise, not more than 3 years have elapsed since the date of completion of the bankruptcy or liquidation of the company or enterprise;

(iv) If he/she is the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to violation of the law and he/she is personally liable for the bankruptcy of the company or enterprise, not more than 3 years have elapsed since the date on which the business license of the company or enterprise has been revoked; and

(v) The individual is classified by the People's Court as a "Default Enforcer" for having a debt of a relatively large amount that has not been settled by the due date.

According to the Company Law and the Guidelines for the Articles of Association, the board of directors shall have a chairman, who shall be elected by more than half of the directors. The chairman of the board shall exercise the following powers and duties (including but not limited to):

(i) Presiding over the Shareholders' meetings and convening and chairing the board of directors' meetings;

(ii) Supervise and inspect the implementation of the resolutions of the board of directors;

(iii) Exercising other powers granted by the board.

Managers and Senior Management

According to the Company Law, a company shall have a manager who shall be appointed or dismissed by the board of directors. The manager shall be responsible to the board of directors and exercise his functions and powers in accordance with the provisions of the articles of association or authorized by the board of directors. The manager shall attend the board of directors meeting as a non-voting member.

According to the Guidelines for Articles of Association, the manager is accountable to the board of directors and exercises the following powers and functions:

(i) To preside over the production and operation management of the company, organize the implementation of the resolutions of the board of directors, and report to the board of directors;

(ii) To organize and implement the company's annual business plan and investment plan;

(iii) To formulate the plan for the establishment of internal management bodies of the company;

(iv) To formulate the basic management system of the company;

(v) To formulate specific regulations of the company;

(vi) To request the board of directors to appoint or dismiss the deputy manager and the financial controller of the company;

(vii) To decide to appoint or dismiss management personnel other than those who shall be appointed or dismissed by decision of the board of directors;

(viii) Other powers and functions conferred by these articles of association or the board of directors. The manager attends the meetings of the board of directors.

According to the Company Law, senior management refers to the manager, deputy manager, financial controller, secretary of the board of directors of the company and other officers as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

The Company Law requires that directors, supervisors and senior management of a company shall comply with relevant laws, regulations and the articles of association, and shall assume the obligations of loyalty and diligence towards the company. Directors, supervisors and senior management shall not take advantage of their duties to accept bribes or other illegal incomes, and shall not misappropriate the company's property.

Directors, supervisors and senior management shall not engage in the following acts:

(i) Misappropriating the company's property or misappropriating the company's funds;

(ii) Opening accounts and depositing company funds in their personal name or in the name of other individuals;

(iii) Using his official position to bribe or accept other illegal income;

(iv) Accepting commissions from third parties for transactions with the company and keeping them for himself/herself;

(v) Unauthorized disclosure of confidential business information of the company; or

(vi) Breaching the duty of loyalty to the company.

Matters relating to the conclusion of contracts or transactions shall be reported to the board of directors or the Shareholders' meeting and resolved by the board of directors or the Shareholders' meeting in accordance with the provisions of the articles of association.

The provisions of the preceding paragraph shall apply to any close family member of a director, supervisor or senior management, any enterprise directly or indirectly controlled by a director, supervisor or senior management or their close family members, and any connected person who has any other relationship with a director, supervisor or senior management, who enters into a contract or transaction with the company.

Directors, supervisors or senior management shall not make use of the convenience of their duties to obtain for themselves or others any business opportunities belonging to the company. However, except under one of the following circumstances:

(i) Reported to the board of directors or the Shareholders' meeting and approved by a resolution of the board of directors or the Shareholders' meeting in accordance with the provisions of the articles of association; or

(ii) The business opportunity cannot be exploited by the company in accordance with laws, administrative regulations or the articles of association.

A director, supervisor or senior management may not engage in the same type of business as the company in which he/she works on his/her own account or for others without reporting to the board of directors or Shareholders' meeting and obtaining a resolution from the board of directors or Shareholders' meeting in accordance with the provisions of the articles of association.

Directors, supervisors or senior management who violate laws, administrative regulations or the articles of association in the performance of their duties with the company and cause losses to the company shall be liable for compensation.

Finance and Accounting

Pursuant to the Company Law, the company shall establish its own financial and accounting system in accordance with the laws, administrative regulations and the regulations of the Ministry of Finance of the State Council. The company shall prepare a financial accounting report at the end of each accounting year, which shall be audited by a public accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

The financial accounting report of the joint stock limited company shall be filed with the company for Shareholders' inspection 20 days prior to the annual general meeting; the joint stock limited company that makes a public offering of shares must announce its financial and accounting reports.

When the company distributes after-tax profits in the current year, 10% of the profits shall be drawn into the company's statutory provident fund. Where the accumulated amount of the company's statutory provident fund is more than 50% of the company's registered capital, it may no longer be withdrawn. Where the statutory provident fund of the company is not sufficient to compensate for the previous annual losses, the company shall make up the losses with the current annual profits before withdrawing the statutory provident fund in accordance with the provisions of the preceding paragraph. After the company draws the statutory provident fund from the after-tax profit, it may withdraw any provident fund from the after-tax profit through the Shareholders' meeting or the resolution of Shareholders' meeting.

A joint stock limited company shall distribute profits in accordance with the proportion of shares held by shareholders, except as provided in the articles of association of a joint stock limited company.

The premium amount earned by a joint stock limited company by issuing shares in excess of the denomination of the stock ticket, the amount of share income not included in the registered capital in the issue of non-denominated shares and other income included in the capital provident fund as prescribed by the financial department of the State Council shall be listed as the capital provident fund of the company.

The company's provident fund is used to cover the company's losses, expand the company's production and operation, or increase the company's capital. If the provident fund makes up the losses of the company, it shall first use any provident fund and the statutory provident fund; If it is still irreparable, the capital provident fund may be used in accordance with the relevant provisions. The statutory provident fund shall not retain less than 25% of the registered capital of the company prior to the conversion of the statutory provident fund to increase the registered capital.

The company shall not establish separate accounting books except those prescribed by law.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment or dismissal of the accounting firm responsible for the company's audit shall be determined by the Shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the articles of association. When a shareholder's meeting, board of directors or board of supervisors votes on the dismissal of an accounting firm, the firm shall be allowed to present its opinion. The company shall provide true and complete accounting credentials, accounting books, financial and accounting reports and other accounting information to the accounting firm it employs, and shall not refuse, conceal or falsely report the information.

The Guidelines for Articles of Association stipulates that the company shall guarantee the provision of true and complete accounting certificates, accounting books, financial and accounting reports and other accounting information to the accounting firm engaged in the company, and shall not refuse, conceal or falsely report. The auditing expenses of the accounting firm shall be determined by the Shareholders' meeting.

Profit Distribution

The Guidelines for Articles of Association stipulates that where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits allocated in violation of the provisions to the company, and the shareholders and the directors, supervisors and senior management responsible for the losses caused by the company shall be liable for compensation.

Dissolution and Liquidation

Under the Company Law, companies are dissolved for the following reasons:

(i) The expiration of the term of business specified in the articles of association or other reasons for dissolution as stipulated in the articles of association;

(ii) Dissolution by a resolution of the Shareholders' meeting;

(iii) Dissolution due to merger or separation of the company;

(iv) The business license has been revoked or ordered to close or revoked in accordance with the law;

(v) Where serious difficulties occur in the operation and management of the company and the continued existence of the company causes significant losses to the interests of the shareholders, which cannot be resolved by other means, shareholders holding more than 10% of the voting rights of all the shareholders of the company may request the people's court to dissolve the company.

The company shall, within 10 days after the occurrence of any matter specified in the preceding paragraph, publicize the matter through the National Enterprise Credit Information Publicity System.

If the company is dissolved in accordance with subparagraph (i) above, it may survive by amending its articles of association or by resolution of the Shareholders' meeting, and the amendments to the articles of association shall be adopted by more than two thirds of the voting rights held by the shareholders present at the Shareholders' meeting. If the company is dissolved as required by subparagraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors shall be the obligors for the company's liquidation and must form a liquidation group for liquidation within 15 days from the date of the emergence of the cause of dissolution. The liquidation group shall be composed of directors, unless otherwise stipulated in the articles of association or otherwise decided by the Shareholders' meeting. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes loss to the company or creditor, it shall be liable for compensation.

The liquidation group fails to be formed for liquidation within the time limit or fails to carry out the liquidation after its formation, any interested party may apply to the people's court to appoint the person concerned to form a liquidation group for liquidation. The people's court shall accept the application and organize the liquidation team to carry out the liquidation in a timely manner.

The liquidation group exercises the following functions during liquidation:

(i) To clean up the property of the company and prepare the balance sheet and property list respectively;

(ii) To notify creditors and issue public announcements;

(iii) To deal with the outstanding business of the company in connection with the liquidation;

(iv) To pay the tax owed and the tax arising from the liquidation process;

(v) To clear up the claims and debts;

(vi) To dispose of the remaining property of the company after it has discharged its debts;

(vii) To represent the company in civil proceedings.

The liquidation group shall notify the creditors of the company within 10 days from the date of its establishment, and within 60 days in the newspaper or the National Enterprise Credit Information Publicity System. The creditor shall, within 30 days from the date of receipt of the notice, declare its claims to the liquidation group within 45 days from the date of the announcement. When a creditor files a claim, it shall state the relevant matters of the claim and provide supporting materials. The liquidation group shall register the claims. The liquidation group shall not liquidate creditors during the period of filing of claims.

The company's property shall be distributed according to the proportion of shares held by shareholders after paying the liquidation expenses, wages of employees, social insurance expenses and statutory compensation respectively, paying the taxes owed, and liquidating the remaining property after paying off the company's debts.

During the liquidation period, the company continues, but cannot carry out business activities unrelated to the liquidation. The company's property will not be allocated to shareholders until it has been liquidated as stipulated in the preceding paragraph.

After the liquidation group has cleared up the company's assets and prepared a balance sheet and an inventory of assets, if it finds that the company's assets are insufficient to pay off its debts, it shall apply to the people's court for declaring bankruptcy according to law. After the company is declared bankrupt by the people's court, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the liquidation of a company is completed, the liquidation group shall prepare a liquidation report, which shall be confirmed by the Shareholders' meeting or the people's court and submitted to the company registration authority for application for cancellation of the company registration.

If a company has its business license revoked, ordered to close, or dissolved, and fails to apply for deregistration with the company registration authority within 3 years, the company registration authority may announce this through the National Enterprise Credit Information Publicity System, with the announcement period lasting no less than 60 days. After the announcement period expires and there are no objections, the company registration authority can cancel the company registration. In cases where the company registration is canceled according to regulations, the responsibilities of the original shareholders and liquidation obligors remain unaffected.

Members of the liquidation group shall be loyal to their duties and perform liquidation obligations according to law. Members of the liquidation group shall not use their authority to accept bribes or other illegal income, nor shall they embezzle company's property. Members of the liquidation group who cause losses to the company or creditors due to intentional or gross negligence shall be liable for compensation.

Overseas Listing

According to the Overseas Listing Measures, if an issuer makes its initial public offering or listing overseas, it must file with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas. If the issuer issues securities in the same overseas market after its initial public offering or listing, it must file with the CSRC within 3 working days after the completion of the issuance. If the issuer lists in other overseas markets after its initial public offering or listing, it must file as required. In addition, if the filing materials are complete and comply with regulations, the CSRC will complete the filing process within 20 working days from the date of receipt and publish the filing information on its website. If the filing materials are incomplete or do not comply with regulations, the CSRC will inform the issuer of the additional materials needed within 5 working days after receiving the filing materials. The issuer must supplement the materials within 30 working days.

Loss of Share Certificates

If the registered share certificates are stolen, lost or damaged, the shareholders may, in accordance with the public notice procedure prescribed in the Civil Procedure Law of the PRC, request the people's court to declare such share certificates invalid. After the people's court declares such share certificates invalid, the shareholders may apply to the company for reissuance of the share certificates.

Suspension and Termination of Listing

The Company Law has deleted provisions concerning the suspension and termination of listing. The Securities Law of the PRC (2019 Revision) (《中華人民共和國證券法(2019年修訂》) (the "**Securities Law**") has also deleted provisions concerning the suspension of listing. If listed securities fall under delisting circumstances as defined by the stock exchange, the stock exchange shall terminate their listing and trading in accordance with its business rules.

According to the Overseas Listing Measures, if the issuer voluntarily terminates listing or forcibly terminates listing, it shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Regulatory Commission and the CSRC. The Securities Regulatory Commission was responsible for coordinating the drafting of securities regulations, formulating policies related to securities, planning the development of the securities market, guiding, coordinating, and supervising all securities-related institutions in China, and managing the CSRC. The CSRC is the regulatory body of the Securities RegulatoryCommission, tasked with drafting regulatory provisions for the securities market, overseeing securities firms, supervising Chinese companies' public offerings of securities both domestically and internationally, standardizing securities trading, compiling statistical data related to securities, and conducting relevant research and analysis. In April 1998, the State Council merged these two departments and reorganized them into the CSRC.

The Interim Regulations on the Administration of Stock Issue and Trading (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 stipulate the application and approval procedures for public stock issue, the trading of stocks, the acquisition of listed companies, the custody, liquidation and transfer of listed stocks, the information disclosure, investigation and punishment of listed companies and the arbitration of disputes.

The Regulations of the State Council Concerning Listed Foreign Capital Shares in the Territory of a Joint Stock Limited Company (《國務院關於股份有限公司境內上市外資股的規定》), promulgated by the State Council and effective on December 25, 1995, mainly provide for the issuance, subscription, trading, dividend payment of domestic listed foreign capital shares, as well as the disclosure of information of joint stock limited companies with domestic listed foreign capital shares.

The Securities Law, revised by the SCNPC on December 28, 2019, and effective on March 1, 2020, includes a series of regulations concerning, among other things, the issuance and trading of securities in China, the acquisition of listed companies, stock exchanges, securities firms, and the responsibilities and duties of the State Council's securities regulatory body, comprehensively overseeing activities in China's securities market. The Securities Law stipulates that domestic enterprises issuing securities directly or indirectly overseas or listing their securities for trading abroad must comply with the relevant provisions of the State Council. Currently, the issuance and trading of shares issued overseas are mainly regulated by rules and regulations issued by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

According to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**"), which was revised by the SCNPC on September 1, 2017, and came into effect on January 1, 2018, the Arbitration Law applies to foreign-related economic disputes where the parties have entered into a written agreement to submit matters for arbitration to an arbitration commission established under the Arbitration Law. Before the China Arbitration Association formulates arbitration rules, the arbitration commission may formulate provisional arbitration rules in accordance with the provisions of the Arbitration Law and the Civil Procedure Law of the PRC. If one party chooses arbitration to resolve a dispute and one party files a lawsuit with the people's court, the people's court shall not accept it.

According to the Arbitration Law, arbitration operates on a one-arbitration-final system, binding all parties involved. If one party fails to comply with the award, the other party may apply to the people's court for enforcement of the arbitration award under the Civil Procedure Law of the PRC. If the arbitration procedure is illegal (including the composition of the arbitration committee violating legal procedures, matters decided not falling within the scope of the arbitration agreement, or the arbitration committee having no authority to arbitrate), the people's court may rule not to enforce the arbitration decision made by the arbitration committee. If one party seeks to enforce an arbitral award from a foreign arbitration institution against another party, and the respondent or their property is not within the territory of the PRC, the parties shall directly apply to a competent foreign court for recognition and enforcement. Similarly, the people's court may recognize and enforce an arbitral award made by a foreign arbitration institution based on the principle of reciprocity or any international treaty signed or acceded to by China.

Pursuant to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, an award made by an arbitration institution in Chinese mainland may be executed in Hong Kong, Hong Kong arbitral awards may also be enforced in Chinese mainland.

This Appendix contains a summary of major provisions of the Articles of Association. This Appendix mainly provides potential investors with an overview on the Articles of Association. It may not contain all the information that may be important to potential investors.

ISSUANCE OF SHARES

The issuance of shares of the Company shall be subject to the principles of openness, fairness and impartiality and shall have the same rights as each share of the same class.

The same class of shares issued in the same issuance, with the same conditions and prices per share; The subscribers pay the same price per share for the shares they subscribe to.

INCREASE, DECREASE AND REPURCHASE OF SHARES

In accordance with the needs of operation and development and in accordance with the provisions of laws and regulations, the Company may increase its capital by adopting the following methods upon separate resolution by the Shareholders' meeting:

(i) Issuing shares to unspecified persons;

(ii) Issuing shares to specific persons;

(iii) Distribution of bonus shares to existing shareholders;

(iv) Increase the share capital by transferring the Company's reserve fund;

(v) Other methods prescribed by laws and administrative regulations and the securities regulatory authority in the place where the Company's shares are listed (if applicable).

The Company can reduce registered capital. The Company shall reduce its registered capital in accordance with the Company Law of the People's Republic of China (**"Company Law"**) and other relevant provisions and the procedures stipulated in the Articles of Association.

The Company may acquire shares of the Company in accordance with laws, administrative regulations, departmental regulations and the provisions of these Articles of Association:

(i) Reducing the Company's registered capital;

(ii) Merger with other companies holding shares in the Company;

(iii) Use of shares in employee ownership schemes or equity incentives;

(iv) Where a shareholder objects to a resolution of the Shareholders' meeting to merge or separate the Company and requires the Company to acquire its shares;

(v) Corporate bonds used to convert shares issued by listed companies;

(vi) The Company is necessary to safeguard the Company's value and shareholder's rights and interests.

Except in the aforementioned circumstances, the Company may not acquire shares in the Company.

The acquisition of shares in a company may be done by means of public centralized trading, or by laws and regulations and other means approved by the securities regulatory authority in the place where the Company's shares are listed.

Where the Company acquires shares in the Company as provided for in items (iii), (v) and (vi) above, the Company shall proceed through a public centralized transaction.

Where the Company acquires shares in the Company as provided for in items (i) and (ii) above, it shall be determined by the Shareholders' Meeting; For the purposes of items (iii), (v) and (vi) above, the acquisition of shares of the Company in the circumstances shall subject to the applicable rules governing securities in the place where the Company's shares are listed, be determined by the meeting of the Board of Directors attended by more than two thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the Shareholders' meeting.

Where the Company acquires the shares of the Company in accordance with the above provisions, in the case of item (i), it shall be cancelled within 10 days from the date of the acquisition; in the case of items (ii) and (iv), it shall be transferred or cancelled within 6 months; in the case of items (iii), (v) and (vi), the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within 3 years.

TRANSFER OF SHARES

The shares of the Company shall be transferred according to law. All transfers of H shares shall be in a general or ordinary form or any other written transfer document in a form accepted by the Board (including the standard transfer format or transfer form as prescribed from time to time by the HKEX); the transfer document may only be signed by hand or affixed with a valid seal of the Company (e.g. the transferor or transferee is the Company). If the transferor or transferee is an approved clearing house or its agent as defined in the relevant ordinance which shall come into force from time to time in accordance with the laws of Hong Kong, the transfer document may be signed by hand signature or machine printing. All transfer documents shall be placed at the legal address of the Company or at such address as the Board may from time to time specify.

The Company shall not accept its shares as the subject of the right of pledge.

Shares issued prior to the public offering of shares of the Company shall not be transferred for 1 year from the date on which the shares of the Company are listed and traded on the stock exchange.

Directors and senior management of the Company shall declare to the Company the shares of the Company held and the changes therein. The amount of shares transferred each year during the term of office determined at the time of taking office shall not exceed 25% of the total number of shares of the Company held; the shares of the Company held shall not be transferred within 1 year from the date of the Company's shares are listed and traded. No shares of the Company held by the aforementioned personnel shall be transferred within six months after their separation. If any change occurs in the direct holding of shares of the Company due to the distribution of rights and interests of the Company, the aforementioned provisions shall still be observed.

Where the listing rules of the place of listing of the shares of the Company provide otherwise for the transfer of the shares of the Company, the provisions thereof shall apply.

Where the Company's Directors, senior management or shareholders who hold more than 5% of the Company's shares sell the Company's shares they hold within six months of the relevant purchase, or purchase any shares they have sold within six months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Company's Board of Directors will recover its proceeds. However, where the securities company holds more than 5% of the shares as a result of underwriting the purchase of the remaining shares after sale, and in other cases as prescribed by the CSRC are excepted. Where the securities regulatory rules in the place where the Company's shares are listed is otherwise stipulated in the rules governing the transfer of shares of the Company, the provisions thereof shall apply.

The shares of the Company or other securities of an equity nature held by the Directors, senior management or natural person shareholders referred to in the preceding paragraph, including shares of the Company held by their spouses, parents and children and other securities of an equity nature held in the accounts of others.

Where the Board of Directors of the Company does not perform in accordance with the provisions of paragraph 1 of this Article, the shareholders shall have the right to require the Board of Directors to execute within 30 days. If the Board of Directors of the Company does not execute within the aforementioned time limit, the shareholders shall have the right to bring a lawsuit directly to the People's Court in their own name for the benefit of the Company.

Where the Board of Directors of the Company does not perform in accordance with the provisions of paragraph 1 of this Article, the Directors liable shall bear joint and several liabilities according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

General Provisions for Shareholders

The Company shall establish a register of shareholders on the basis of the certificates provided by the securities registration and settlement organization. The register of shareholders is sufficient evidence that the shareholders hold shares in the Company. The original register of H-share shareholders is deposited in Hong Kong for the inspection of shareholders, but the Company may suspend the registration of shareholders in accordance with the applicable laws and regulations and the securities regulatory rules in the place where the Company's shares are listed. Shareholders have rights and obligations according to the class of shares they hold; Shareholders holding the same class of shares shall have the same rights and obligations.

Shareholders of the Company have the following rights:

(i) To receive dividends and other distributions of profits in proportion to the shares held;

(ii) To legally request, convene, preside over, attend, or appoint a proxy to attend Shareholders' meetings and exercise corresponding rights to speak and vote (unless individual shareholders are required to abstain from voting on specific matters under applicable laws, administrative regulations, departmental rules, and securities regulatory rules in the place where the company's shares are listed);

(iii) To supervise the Company's operations and make suggestions or inquiries;

(iv) To transfer, donate, or pledge their shares in accordance with the provisions of laws, administrative regulations, and the Articles of Association;

(v) To consult and copy the Articles of Association, the shareholders' register, minutes of Shareholders' meetings, resolutions of the Board of Directors, and financial accounting reports in accordance with the provisions of this Articles of Association; shareholders separately or jointly holding more than 3% of the Company's shares for more than 180 consecutive days may request to consult the Company's accounting books and accounting vouchers in accordance with the law for legitimate purposes;

(vi) To participate in the distribution of the Company's remaining assets in proportion to the shares held upon termination or liquidation of the Company;

(vii) Shareholders who object to the resolution of the Shareholders' meeting on the Company's merger or division may request the Company to repurchase their shares;

(viii) Other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are listed, or this Articles of Association.

Where the content of the resolutions of the Shareholders' meeting or the Board of Directors of the Company violates laws or administrative regulations, shareholders have the right to request the People's Court to declare them invalid.

If the convening procedures or voting methods of the Shareholders' meeting or the Board of Directors violates laws, administrative regulations or these Articles of Association, or the contents of the resolution violate these Articles of Association, the shareholders shall have the right to request the People's Court to revoke them within 60 days from the date of adoption of the resolution. However, there are only minor flaws in the procedure for convening Shareholders' meetings, Board meetings or voting methods, except where there is no material impact on the resolution.

Where the relevant parties, such as the Board of Directors and shareholders, dispute the validity of the resolution of the Shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or order to cancel the resolution, the relevant parties shall implement the resolution of the shareholder' meeting. The Company, Directors and senior management shall perform their duties effectively to ensure the normal operation of the Company.

Where the People's Court makes a judgment or order on a related matter, the Company shall perform its information disclosure obligations in accordance with laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and cooperate actively with the execution of the judgment or ruling after its entry into force. Those involved in rectifying the matter in advance will promptly handle and fulfill the corresponding disclosure obligations.

If a Director or senior management, excluding members of the audit committee, breaches laws, administrative regulations, or the Articles of Association in the performance of their duties, causing losses to the Company, shareholders separately or jointly holding more than 1% of the Company's shares continuously for more than 180 days have the right to request in writing that the audit committee file a lawsuit with the People's Court; If a member of the audit committee breaches laws, administrative regulations, or the Articles of Association in the performance of their duties, causing losses to the Company, the aforementioned shareholders may request in writing that the Board of Directors file a lawsuit with the People's Court.

The Audit Committee and the Board of Directors, upon receipt of a written request from the shareholders specified in the preceding paragraph, refuse to initiate proceedings, or no action was filed within 30 days from the date of receipt of the request, or if the situation is urgent and the Company's interests will be irreparably damaged if no immediate action is brought, The shareholders provided for in the preceding paragraph have the right to bring a lawsuit directly to the People's Court in their own name for the benefit of the Company.

Where another person infringes upon the lawful rights and interests of the Company and causes loss to the Company, the shareholders specified in the first paragraph of this Article may file a lawsuit with the People's Court in accordance with the provisions of the preceding two paragraphs.

Directors, supervisors and senior management of wholly-owned subsidiaries of the Company who perform their duties in violation of laws, administrative regulations or the provisions of these Articles of Association, If it causes loss to the Company, or if another person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company causing loss to the Company, a shareholder may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing the board of supervisors and Board of Directors of a wholly-owned subsidiary to bring an action in the People's Court or directly to the People's Court in his own name.

Where a Director or senior management violates laws, administrative regulations or the provisions of these Articles of Association and damages the interests of the shareholders, the shareholder may file a lawsuit in the People's Court.

Shareholders of the Company bear the following obligations:

(i) To comply with laws, administrative regulations and the Articles of Association;

(ii) To pay for shares in accordance with the amount of shares subscribed and the method of capital contribution;

(iii) Except as otherwise stipulated by laws and regulations, not to withdraw its share capital;

(iv) Not to abuse shareholder rights to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of the Company's creditors;

Where a shareholder of the Company abuses its shareholder rights, causing losses to the Company or other shareholders, it shall be liable for compensation in accordance with the law.

Where a shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors, it shall bear joint and several liability for the Company's debts.

(v) Other obligations that shall be borne as stipulated by laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed, and the Articles of Association.

Controlling Shareholders and Actual Controllers

The Company's controlling shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the rules of the securities regulatory authority in the place where the Company's shares are listed, and shall safeguard the interests of the listed Company.

The Company's controlling shareholders and actual controllers shall comply with the following provisions:

(i) Exercise shareholder rights in accordance with the law, and shall not abuse control or use related party relationships to harm the legitimate rights and interests of the Company or other shareholders;

(ii) Strictly fulfill the public statements and various commitments made, and shall not change or waive them without authorization;

(iii) Strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of significant events that have occurred or are planned to occur;

(iv) Shall not occupy the Company's funds in any way;

(v) Shall not compel, instruct, or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Shall not use the Company's undisclosed significant information to seek benefits, shall not disclose undisclosed significant information related to the Company in any way, and shall not engage in insider trading, short-swing trading, market manipulation, and other illegal and non-compliant activities;

(vii) Shall not harm the legitimate rights and interests of the Company and other shareholders through non-fair related party transactions, profit distribution, asset restructuring, external investment, or any other means;

(viii) Ensure the integrity of the Company's assets, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company's independence in any way;

(ix) Other provisions of laws, administrative regulations, securities regulatory rules in the place where the Company's shares are listed, and these Articles of Association.

Where the controlling shareholder and the actual controller of the Company do not serve as Directors of the Company but actually perform the Company's affairs, the provisions of these Articles of Association on the fiduciary duty and duty of care of Directors shall apply.

Where the controlling shareholder and the actual controller of the Company instruct the Directors and senior management to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liability with the Directors and senior management.

General Provisions for Shareholders' Meetings

The Shareholders' meeting of the Company is composed of all shareholders. The Shareholders' meeting is the authority of the Company and shall exercise the following functions and powers in accordance with the law:

(i) To elect and replace Directors and to decide on the remuneration of Directors;

(ii) To examine and approve the report of the Board of Directors;

(iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

(iv) To make resolutions on the increase or decrease of the registered capital of the Company;

(v) To make resolutions on the issuance of corporate bonds, except for those authorized by the Shareholders' meeting to the Board of Directors;

(vi) To make resolutions on the merger, division, spin-off, dissolution, liquidation or change of the Company's form;

(vii) To amend these Articles of Association;

(viii) To make resolutions on the engagement and dismissal of the accounting firm undertaking the Company's audit business;

(ix) To examine and approve the guarantee matters that need to be examined and approved by the Shareholders' meeting as stipulated in these Articles of Association;

(x) To examine and approve the related transactions between the Company and related parties (excluding the provision of guarantees) with an amount exceeding RMB30 million and accounting for more than 5% of the absolute value of the Company's latest audited net assets;

(xi) To examine and approve the matters of the Company's purchase and sale of major assets within one year involving the total assets or transaction amount exceeding 30% of the Company's latest audited total assets;

(xii) To examine and approve the matters of changing the use of raised funds;

(xiii) To examine and approve the equity incentive plan and employee stock ownership plan;

(xiv) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are listed, or these Articles of Association.

Unless otherwise provided by laws, administrative regulations, the provisions of the CSRC or the securities regulatory rules in the place where the Company's shares are listed, the above-mentioned functions and powers of the Shareholders' meeting shall not be exercised by the Board of Directors or other institutions and individuals through authorization. The functions and powers that are not legally exercised by the Shareholders' meeting may be authorized to be exercised by the Board of Directors after being examined and approved by the Shareholders' meeting, and the content of the authorization shall be clear and specific.

The following external guarantee acts of the Company shall be submitted to the shareholders' meeting for examination and approval after being examined and approved by the Board of Directors:

(i) A guarantee with a single amount exceeding 10% of the Company's latest audited net assets;

(ii) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's latest audited net assets;

(iii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

(iv) The total amount of external guarantee of the Company in a continuous 12 months exceeds 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million;

(v) The total amount of external guarantee of the Company in a continuous 12 months exceeds 30% of the Company's latest audited total assets;

(vi) Any guarantee provided to shareholders, actual controllers, and their related parties;

(vii) Other guarantee situations that need to be approved by the Shareholders' meeting as required by laws, regulations or regulatory authorities in the place where the Company'sshares are listed.

Shareholders' meetings are categorized into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and shall be held within six months following the close of the preceding fiscal year.

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of Directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) The uncovered losses of our Company reach one-third of its total share capital;

(iii) A request from shareholders who separately or jointly holding more than 10% shares in the Company;

(iv) The Board of Directors considers it necessary;

(v) The Audit Committee proposes that such a meeting shall be held;

(vi) Other circumstances conferred by the laws, administrative regulations, departmental rules or the Articles of Association.

If the extraordinary general meeting is convened in accordance with the provisions of the Company's stock listing securities regulatory rules, the actual date of the meeting may be adjusted according to the provisions of the Company's stock listing securities regulatory rules.

Convening of Shareholders' Meetings

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of a majority of all independent Directors, independent Directors have the right to propose to the Board of Directors the convening of an extraordinary general meeting. Regarding the proposal of the independent Directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with laws, administrative regulations and the provisions of these Articles of Association, within 10 days of receipt of the proposal, either agree or disagree with the written feedback of the meeting.

Where the Board of Directors agrees to convene an extraordinary general meeting, notice of the Shareholders' meeting will be issued within 5 days of the decision of the Board of Directors; If the Board of Directors does not agree to convene an extraordinary general meeting, the reasons will be stated and announced.

The Audit Committee shall have the right to propose to the Board the convening of an extraordinary general meeting and shall submit it to the Board in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, provide written feedback within 10 days after receiving the proposal, indicating whether it agrees or disagrees to convene the extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the Board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who separately or jointly hold more than 10% of the Company's shares (excluding the treasury shares) request the Board of Directors to convene an extraordinary general meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the Board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days of receiving the request, shareholders who separately or jointly hold more than 10% of the Company's shares propose to the Audit Committee to convene an extraordinary general meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee shall not to convene and preside over the Shareholders' meeting, and shareholders separately or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and the same time in accordance with the securities regulatory rules in the place where the Company's shares are listed and the regulations of the stock exchange, complete the necessary reports, announcements or filings.

Before the announcement of the Shareholders' meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10%. The Audit Committee and convening shareholders shall submit relevant proof materials to the Stock Exchange when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution, at the same time in accordance with the securities regulatory rules in the place where the Company's shares are listed and the regulations of the stock exchange, complete the necessary reports, announcements or filings.

Proposals and Notices of Shareholders' Meetings

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders separately or jointly holding more than 1% of the Company's shares have the right to submit proposals to the Company.

Shareholders who separately or jointly hold more than 1% of the Company's shares may submit an interim proposal in writing to the convenor 10 days before the shareholders' meeting. The convenor shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, informing the content of the interim proposal and submitting it for deliberation at the Shareholders' meeting. However, this does not apply if the interim proposal violates laws, administrative regulations, or the Articles of Association, or if it is outside the scope of the Shareholders' meeting's authority. If the Shareholders' meeting needs to be postponed due to the issuance of a supplementary notice as required by the securities regulatory rules in the place where the Company's shares are listed, the Shareholders' meeting shall be postponed in accordance with these rules.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The Shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the Shareholders' meeting or that do not comply with the provisions of Article 58 of these Articles of Association.

The convener shall notify all shareholders by announcement 21 days before the annual general meeting and 15 days before the extraordinary general meeting.

The starting period of the Company's calculation shall not include the day on which the meeting is held.

The notice of a Shareholders' meeting includes the following:

(i) The time, place and duration of the meeting;

(ii) The matters and proposals to be discussed at the meeting;

(iii) In plain language: all ordinary Shareholders have the right to attend the Shareholders' meeting, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;

(iv) The equity registration date of the Shareholders entitled to attend the Shareholders' meeting;

(v) The interval between the date of equity registration and the date of meeting shall not exceed 7 working days. Once the date of equity registration is confirmed, it shall not be changed;

(vi) Name and telephone number of the permanent contact person for conference affairs;

(vii) The voting time and procedure by network or other means;

The start time of voting by Shareholders' meeting by network or other means shall not be earlier than 3:00 p.m. the day before the on-site Shareholders' meeting, and shall not be later than 9:30 a.m. on the day of the on-site Shareholders' meeting. The end time shall not be earlier than 3:00 p.m. on the day of the on-site Shareholders' meeting.

(viii) Relevant laws, regulations, rules and normative files as well as other contents stipulated in the Articles of Association.

The notice and supplementary notice of the Shareholders' meeting will fully and completely disclose all specific contents of the proposals, as well as all materials or explanations necessary for shareholders to make reasonable judgments on the matters to be discussed. If the matters to be discussed require opinions from independent Directors, sponsor institutions, or independent financial advisors, along with other securities service institutions, the relevant opinions and reasons will also be disclosed when the notice of the Shareholders' meeting. or supplementary notice is issued.

Convening of Shareholders' Meetings

If a private shareholder attends the meeting in person, he/she shall present his/her identity card or other valid certificates or proof that can show his/her identity; if he/she attends the meeting on behalf of another person, he/she shall present his/her valid identity certificate and the letter of authorization from the shareholder.

Legal shareholders should be represented by their legal representative or an agent authorized by the legal representative to attend the meeting. If the legal representative attends, they must present their ID card and valid proof of their authority as a legal representative (excluding shareholders who are recognized clearing houses defined by the relevant regulations of the law of Hong Kong as from time to time in force or the securities regulatory rules in the place where the Company's shares are listed). If an agent attends, they must present their ID card and a written authorization letter issued by the legal representative of the legal shareholders entity (excluding shareholders who are recognized clearing houses defined by the relevant regulations of the law of Hong Kong as from time to time in force or the securities regulatory rules in the place where the Company's shares are listed).

If the shareholder is a recognized clearing house (or its agent), the recognized clearing house may authorize company representative or one or more persons it deems appropriate to represent it at any Shareholders' meeting or creditors' meeting; however, if more than one person is authorized, the authorization must specify the number and type of shares each such person is authorized to represent. The authorized persons may attend meetings on behalf of the recognized clearing house (or its agent) (without presenting share certificates, with a notarized authorization and/or further evidence confirming their formal authorization), exercising rights as if they were individual shareholders of the Company (and enjoying the same statutory rights as other shareholders, including the right to speak and vote).

Each shareholder has the right to appoint one representative, who does not have to be a shareholder of the Company; if the shareholder is a legal shareholder, it may appoint one representative to attend and vote at any Shareholders' meeting of the Company. If such a legal shareholder has already appointed a representative to attend any meeting, it shall be deemed to have attended in person. The Company may authorize its duly authorized personnel to sign the form for appointing representatives.

The Shareholders' meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his duties, a Director jointly nominated by more than half of the Directors shall preside over the meeting.

The Shareholders' meeting convened by the audit committee shall be presided over by the convenor of the audit committee. If the convenor of the audit committee is unable or fails to perform his duties, a member of the audit committee jointly elected by more than half of the members of the audit committee shall preside over the meeting.

Shareholders' meeting convened by a shareholder on his own shall be presided over by the convenor or his representative.

When a Shareholders' meeting is held, if the chairperson of the meeting violates the rules of procedure and makes it impossible for the Shareholders' meeting to continue, with the consent of more than half of the shareholders present at the meeting who have voting rights, the Shareholders' meeting may elect one person to act as the chairperson of the meeting and continue the meeting.

The Company formulates the rules of procedure for the Shareholders' meeting, detailing the convening, holding, and voting procedures, including notification, registration, deliberation of proposals, voting, counting votes, announcement of the results, formation of resolutions, recording and signing of minutes, and public announcements. The rules also specify the principles for authorizing the Board of Directors, with the authorization content being clear and specific. The rules of procedure for the Shareholders' meeting should be attached to the Articles of Association, drafted by the Board of Directors, and approved by the Shareholders' meeting.

Voting and Resulting at the Shareholders' Meeting

The following matters shall be passed by the Shareholders' meeting by ordinary resolution:

(i) Work reports of the Board of Directors;

(ii) Plans of profits distribution and recovery of losses schemes drafted by the Board of Directors;

(iii) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;

(iv) Annual report of the Company;

(v) Issue corporate bonds;

(vi) Repurchase of shares of the Company (except in cases where the registered capital is reduced);

(vii) To examine and approve related transactions (except for providing guarantees) between the Company and its connected persons with an amount of more than RMB30 million and accounting for more than 5% of the absolute value of the Company's latest audited net assets (except for related transactions involving special resolutions);

(viii) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules in the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be passed by the Shareholders' meeting by special resolution:

(i) The increase or reduction of the registered capital of the Company;

(ii) The division, spin-off, merger, dissolution and liquidation (including voluntary liquidation) of the Company;

(iii) Any amendment to the Articles of Association;

(iv) The purchase and sale of material assets or amount of guarantee provided by the Company to others within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;

(v) Share incentive plan;

(vi) Changes in rights attached to class of shares;

(vii) Adjust or change the profit distribution policy;

(viii) other matters as required by the laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed or the Articles of Association, and considered by the Shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

If the Company's share capital includes different classes of shares, unless otherwise specified, any change in the rights attached to any class of shares must be approved by a special resolution of the shareholders who hold shares of the class to which such rights are attached and attend the Shareholders' meeting of that class. For the purposes of this article, the Company's A-shares and H-shares are considered to be of the same class.

Shareholders (including shareholders' agents) shall exercise their voting rights in accordance with the number of voting shares they represent. Each share shall enjoy one vote, except for holders of a class of shares (if any).

When the Shareholders' meeting deliberates on major matters affecting the interests of small and medium-sized investors, separate votes shall be counted for small and medium-sized investors. The results of separate votes shall be disclosed in a timely manner.

The Company's shares held by the Company have no voting rights, and such shares are not included in the total number of voting shares attending the Shareholders' meeting.

In accordance with applicable laws and regulations and the Hong Kong Listing Rules of the Stock Exchange of Hong Kong, if any shareholder is required to waive his or her voting rights on a resolution or to restrict any shareholder from voting only in favor (or against) a resolution, the number of votes cast by such shareholder or his or her representative in violation of the relevant provisions or restrictions shall not be counted as part of the total number of voting shares.

If a shareholder purchases voting shares of the Company in violation of Article 63, Paragraphs 1 and 2 of the Securities Law, the portion exceeding the specified ratio shall not exercise voting rights for 36 months after the purchase and shall not be counted towards the total number of voting shares present at the Shareholders' meeting. If there are other provisions in the securities regulatory rules in the place where the Company's shares are listed, those provisions shall apply.

The Board of Directors, independent Directors, and shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the China Securities Regulatory Commission, may solicit shareholder voting rights. When soliciting shareholder voting rights, they must fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholder voting rights through paid or disguisedly paid means. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio limit on the solicitation of voting rights. If there are other provisions in the securities regulatory rules in the place where the Company's shares are listed, those provisions shall apply.

When the Shareholders' meeting deliberates on related party transactions, the associated shareholders shall not participate in voting, and the number of voting shares represented by them shall not be included in the total number of valid votes; the resolution of the Shareholders' meeting shall state the voting situation of non-associated shareholders.

Resolutions on related-party transactions made by the Shareholders' meeting must be passed by more than half of the voting rights held by non-affiliated shareholders present at the meeting to be valid; for matters involving related-party transactions that require special resolution as stipulated in the Articles of Association, they must be passed by more than two-thirds of the voting rights held by non-affiliated shareholders present at the meeting to be valid.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions for Directors

Directors may include Executive Directors, Non-executive Directors, and Independent Directors (i.e. Independent Non-executive Directors). The non-executive director means the Director who does not hold a management position in the Company. Independent Directors are persons who meet the requirements of the Articles of Association. Directors of the Company shall be natural persons, and a person may not serve as a Director of the Company in case of any of the following circumstances:

(i) the person without capacity for civil acts or with limited civil conduct capacity;

(ii) the person who has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property or disruption of the socialist market economic order, or has been deprived of political rights for committing a crime and has not completed the term of execution within 5 years, or has been granted probation, 2 years have not elapsed since the expiration of the probation period;

(iii) a director or factory director or manager of a Company or enterprise undergoing bankruptcy liquidation who is personally liable for the bankruptcy of such Company or enterprise shall not exceed 3 years from the date of completion of the liquidation of such Company or enterprise;

(iv) the person who is a legal representative of a Company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license and order to shut down;

(v) the person listed as a judgment defaulter by the court of the PRC because the amount of debt he bears is relatively large and the debt is not paid off when it is due;

(vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;

(vii) having been publicly identified by the stock exchange as unfit to serve as a director or senior manager of a listed Company, and the term has not expired;

(viii) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules in the place where the shares of the Company are listed.

Where a Director is elected or appointed in violation of the provisions above, the election, appointment or hiring shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company shall remove him or her from office and stop performing his or her duties.

During the above period, the date of convening the Shareholders' meeting or the Board of Directors for the proposed appointment of Directors or senior managers shall be counted from the convening date up to the deadline.

If a director candidate falls under any of the following circumstances, he/she shall explain the specific circumstances of such matters, the reasons for selection and whether it affects the standardized operation of the Company. The Company shall disclose the above information and warn the risks. The details are as follows:

(i) Recently subjected to administrative punishment by China Securities Regulatory Commission within 3 years;

(ii) In the recent 3 years, he has been publicly condemned by the stock exchange or criticized more than 3 times;

(iii) He has been investigated by judicial organs for suspected crimes or investigated by China Securities Regulatory Commission for suspected violations of laws and regulations, but no clear conclusion has been reached;

(iv) Be listed on the public inquiry platform for illegal and untrustworthy information in the securities and futures market by China Securities Regulatory Commission or be included in the list of untrustworthy persons subjected to execution by the People's Court.

The Director shall abide by the laws, administrative regulations, securities regulatory rules in the place where the Company's shares are listed and the provisions of the Articles of Association, shall have due diligence obligations to the Company, and shall exercise due care in performing his duties for the maximum benefit of the Company as a manager should normally do.

The Directors shall have the following duties of diligence to the Company:

(i) Ensure sufficient time and energy to participate in Company affairs;

(ii) The rights granted by the Company shall be exercised prudently, seriously and diligently to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the scope of business specified in the business license;

(iii) All shareholders shall be treated fairly. Upon learning that the Company's shareholders, actual controllers and their connected persons have infringed on the Company's assets or abused their control rights or otherwise harmed the interests of the Company or other shareholders, they shall timely report to the Board of Directors and urge the Company to fulfill its obligation of information disclosure;

(iv) Keep abreast of the Company's business management status, continue to pay attention to events that may have a significant impact on the Company's production and operation, and timely report the problems existing in the Company's business activities to the Board of Directors; shall not shirk responsibility on the grounds of not directly engaging in business management or not knowing;

(v) Shall personally attend the Board meeting and prudently judge the risks and benefits that may arise from the matters under consideration; if he is unable to attend the Board meeting for any reason, he shall prudently select the trustee;

(vi) The Company shall sign written confirmation opinions on the regular reports of the Company to ensure that the information disclosed by the Company is true, accurate and complete. Actively promote the standardized operation of the Company, urge the Company to perform the information disclosure obligations fairly and timely, and promptly correct and report the illegal acts of the Company;

(vii) They shall truthfully provide the audit committee with relevant information and materials and shall not interfere the audit committee with the performance of its functions and powers;

(viii) Other duties of diligence as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are listed and the Articles of Association.

The senior management personnel of the Company shall perform their duties in accordance with the above requirements.

When the Board deliberates on guarantee matters, Directors should actively understand the basic situation of the guaranteed party, such as its business and financial status, credit standing, and tax payment records. Directors should make prudent judgments regarding the compliance and reasonableness of the guarantee, the guarantor's ability to repay debts, and whether counter-guarantee measures are effective and if the guarantee risks are controllable.

When the Board of Directors deliberates on the guarantee proposal of the holding Company and the participating Company of the listed Company, it shall focus on whether the other shareholders of the holding Company and the participating Company provide the same proportion of guarantee or counter-guarantee and other risk control measures according to the equity ratio, whether the guarantee risk is controllable and whether it would damages the interests of the listed Company.

The Company has established a Director resignation management system, clearly defining the accountability and compensation measures for unfulfilled public commitments and other unresolved matters. When a Director's resignation takes effect or their term expires, they must complete all transfer procedures with the Board of Directors. Their fiduciary duties to the Company and shareholders do not automatically terminate upon the expiration of their term; they remain valid for 2 years after the resignation takes effect or the end of their term. Their obligation to keep the Company's trade secrets confidential remains in force until such secrets become public information. The duration of any other obligations owed by the Director shall be determined according to the principle of fairness, taking into account the length of time between the occurrence of an event and the departure from office, as well as the circumstances and conditions under which the relationship with the Company ends. The responsibilities that a director bears during their term, arising from the execution of their duties, shall not be waived or terminated upon their departure.

Independent Directors

The Company shall have independent Directors. Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory authority in the place where the Company's shares are listed, and the provisions of the Articles of Association. They shall play a role in decision-making, supervision and balances, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

An independent director refers to a director who does not hold any other position in the Company except for a director, and has no direct or indirect interest relationship with the Company and its major shareholders or actual controllers, or any other relationship that may hinder his independent and objective judgment.

The term "major shareholder" as mentioned in the preceding paragraph refers to a shareholder who holds more than 5% of the Company's shares, or a shareholder who holds less than 5% of the Company's shares but has a significant impact on the Company.

Independent Directors must maintain independence. The following persons shall not serve as independent Directors:

(i) The personnel who work in the Company or its affiliated companies and their spouses, parents, children and major social relations (major social relations refer to siblings, parents of the spouse, spouses of children, spouses of siblings, siblings of the spouse, parents of children's spouses, etc.);

(ii) Directly or indirectly holding more than 1% of the Company's shares or natural person shareholders among the top ten shareholders of the Company and their spouses, parents and children;

(iii) Shareholders who directly or indirectly hold more than 5% of the Company's shares, or personnel who serve in the top five shareholders units of the Company and their spouses, parents and children;

(iv) Persons who hold positions in the affiliated enterprises of the controlling shareholders and actual controllers of the Company, as well as their spouses, parents and children (the affiliated enterprises of the controlling shareholders and actual controllers do not include the affiliated enterprises that do not constitute an affiliate relationship with the Company according to the regulatory rules of the stock listing place);

(v) Persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all members of the project team of the intermediary providing services, reviewers at all levels, persons who sign the report, partners, Directors, senior managers and principal persons in charge;

(vi) Persons who have major business contacts with the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, or persons who have served in the units with major business contacts and their controlling shareholders and actual controllers;

(vii) Persons who have had one of the six conditions listed in the last 12 months;

(viii) Other persons who do not have independence as stipulated in laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The independent Director shall conduct self-examination of his independence every year and submit the self-examination to the Board of Directors. The Board of Directors shall evaluate the independence of the independent Director in office every year and issue special opinions, which shall be disclosed at the same time as the annual report.

In addition to the powers of Directors stipulated in the Articles of Association, independent Directors shall also have the following special powers:

(i) To independently engage an intermediary to audit, consult or verify specific matters of the Company;

(ii) Propose to the Board of Directors to convene an extraordinary general meeting;

(iii) Propose to convene a board meeting;

(iv) To solicit shareholders' rights in accordance with the law publicly;

(v) To express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(vi) Other powers as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where an independent Director exercises the functions and powers listed in subparagraphs (i) to (iii) of the preceding paragraph, he/she shall obtain the consent of more than half of all the independent Directors.

Where an independent director exercises the functions and powers listed in the first paragraph, the Company shall make a timely disclosure. If the functions and powers cannot be exercised normally, the Company shall disclose the specific situation and reasons.

Board of Directors

The Company has a Board of Directors.

The Board of Directors is composed of 9 Directors, including 1 executive Director , 4 non-executive Directors and 4 independent Directors. The non-executive Directors include 1 employee representative Director, who is elected by the Company's employees through democratic election.

The Company shall have one chairman, who shall be elected by the majority of all Directors of the Board of Directors.

The Board of Directors shall exercise the following functions and powers:

(i) To convene a Shareholders' meeting and report to the Shareholders' meeting;

(ii) To implement the resolutions of the Shareholders' meeting;

(iii) Decide on the Company's business plan and investment program;

(iv) To formulate the Company's profit distribution plan and loss compensation plan;

(v) To formulate plans for increasing or reducing the registered capital of the Company, issuing bonds or other securities and listing;

(vi) To formulate plans for major acquisitions of the Company, acquisition of the Company's shares, merger, division, dissolution and change of the Company's form;

(vii) Within the scope of authorization by the Shareholders' meeting, it shall decide on matters such as the Company's external investment, acquisition and sale of assets, asset mortgage, external guarantee, entrusted financial management, related party transactions and external donation;

(viii) Decide the establishment of internal management institutions;

(ix) To appoint or dismiss the general manager, secretary of the Board of Directors and other senior managers of the Company, and decide on their remuneration and rewards and punishments; to decide on the appointment or dismissal of deputy general managers, chief financial officers and other senior managers upon the nomination of the general manager, and decide on their remuneration and rewards and punishments;

(x) To propose the remuneration, allowance standards and rewards of the Company's Directors;

(xi) Formulate the basic management system of the Company;

(xii) To formulate the amendment plan of these Articles;

(xiii) To manage the disclosure of Company information;

(xiv) To request the Shareholders' meeting to hire or replace the accounting firm auditing the Company;

(xv) Listen to the general manager's work report and check the general manager's work;

(xvi) Other powers conferred by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or by the Articles of Association.

Matters beyond the scope of authorization by the Shareholders' meeting shall be submitted to the Shareholders' meeting for deliberation.

The chairman shall exercise the following powers:

(i) To preside over the Shareholders' meeting and convene and preside over the Board of Directors meeting;

(ii) To supervise and inspect the implementation of Board resolutions;

(iii) Sign important documents of the Board of Directors or other documents that should be signed by the legal representative of the Company;

(iv) In case of force majeure such as natural disasters, exercise special disposal rights in accordance with legal provisions and the interests of the Company, and report to the Board of Directors and Shareholders' meeting after the event;

(v) Other powers stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association, as well as other power granted by the Board of Directors.

When the chairman exercises his power within the scope of his authority (including authorization), he shall make prudent decisions when encountering matters that may have a significant impact on the Company's operation, and submit them to the Board of Directors for collective decision-making if necessary.

The Board of Directors convenes at least four meetings per year, approximately once per quarter, convened and chaired by the chairman. At least 14 days before each regular Board meeting, written notice should be sent to all Directors, informing them of the time, location, and agenda of the meeting. With the unanimous consent of all Directors, the notification period for convening regular Board meetings may be shortened or waived.

Shareholders representing more than 1/10 of the voting rights, Directors or the audit committee representing more than 1/3 may propose to convene an extraordinary meeting of the Board of Directors. The chairman shall, within 10 days after receiving the proposal, convene and preside over the meeting of the Board of Directors.

The Board of Directors shall notify all the Directors in writing 5 days prior to the convening of an extraordinary meeting of the Board of Directors. With the unanimous consent of all the Directors, the time limit for notifying the convening of an extraordinary meeting of the Board of Directors may be shortened or waived.

Special Committees Under the Board of Directors

The Company's Board of Directors establishes specialized committees for auditing, strategy, nomination, compensation and evaluation. These specialized committees perform their duties in accordance with the Articles of Association and the authorization from the Board of Directors. Proposals from these specialized committees should be submitted to the Board of Directors for deliberation and decision. The Board of Directors is responsible for formulating the working procedures of the specialized committees to standardize their operations.

All members of the special committee shall be composed of Directors, among which the audit committee, nomination committee and compensation and appraisal committee shall be composed of independent Directors in the majority and serve as convenors, and the convenor of the audit committee shall be an accounting professional.

General Manager and Other Senior Management Personnel

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general manager, secretary of the Board of Directors and chief financial officer shall be senior management personnel of the Company.

The general manager shall be responsible to the Board of Directors and exercise the following powers:

(i) To preside over the production and operation management of the Company, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;

(ii) To organize and implement the Company's annual business plan and investment plan;

(iii) To formulate the plan of internal management organization;

(iv) To formulate the basic management system of the Company;

(v) To formulate specific rules and regulations of the Company;

(vi) To propose to the Board of Directors the appointment or dismissal of the deputy general manager and the chief financial officer;

(vii) Decide on the appointment or dismissal of managers other than those who should be appointed or dismissed by the Board of Directors;

(viii) Other powers conferred by the Articles of Association or the Board of Directors.

The general manager attends the Board meeting.

The Company shall have a secretary of the Board of Directors, who shall be responsible for the preparation and archiving of meetings of the Shareholders' meeting and the Board of Directors, as well as the management of shareholder information of the Company and the handling of information disclosure matters. The secretary of the Board of Directors shall abide by laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are listed, and relevant provisions of the Articles of Association.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations and provisions of relevant state departments.

The Company shall submit and disclose its annual report to the local CSRC branch and the stock exchange within 4 months after the end of each fiscal year. It shall submit and disclose its semi-annual report to the local CSRC branch and the stock exchange within 2 months after the end of the first 6 months of each fiscal year. It shall submit quarterly financial reports to the local CSRC branch and the stock exchange within 1 month after the end of the first 3 months and the first 9 months of each fiscal year.

The annual and semi-annual reports mentioned above shall be prepared in accordance with relevant laws, administrative regulations and the provisions of the securities regulatory authority in the place where the Company's shares are listed.

A Company may not establish accounting books other than those prescribed by law. The funds of a Company shall not be opened and deposited in any account under the name of any individual.

When distributing the after-tax profits of the current year, the Company shall set aside 10% of the profits into the statutory reserve fund of the Company. If the accumulated amount of the statutory reserve fund of the Company is more than 50% of the registered capital of the Company, no further extraction shall be made.

Where the statutory reserve fund of a Company is insufficient to cover the losses of previous years, it shall first use the profits of the current year to cover the losses before drawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company draws out the statutory reserve fund from its post-tax profits, it may also draw out the discretionary reserve fund from its post-tax profits upon resolution by the Shareholders' meeting.

The remaining after-tax profits of the Company after making up for losses and drawing out the reserve fund shall be distributed in proportion to the shares held by shareholders, except as otherwise provided in the Articles of Association.

If the Shareholders' meeting will distribute profits to the shareholders in violation of the Company Law, the shareholders shall return the profits allocated in violation of the provisions to the company; If losses are caused to the company, shareholders and responsible Directors and senior management shall be liable for compensation.

The Company's shares held by the Company do not participate in the distribution of profits.

The Company must appoint one or more collection agents for H-share shareholders in Hong Kong. The collection agent shall collect and hold on behalf of the relevant H-share shareholders the dividends allocated by and other payments due from the Company in respect of the H-shares, pending payment to such H-share shareholders. The collection agent appointed by the Company shall comply with the requirements of laws and regulations as well as the securities regulatory rules in the place where the Company's shares are listed.

The Company's reserve fund shall be used to make up for the Company's losses, expand the Company's production and operation or be converted into an increase in the Company's capital.

To make up for the Company's losses, the Company shall first use the discretionary reserve fund and the statutory reserve fund; if it still cannot make up for the losses, it may use the capital reserve fund in accordance with the provisions.

When the statutory reserve fund is converted into an increase in registered capital, the retained reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company implements the internal audit system, clarifying the leadership system of internal audit work, responsibilities and authority, personnel allocation, financial guarantee, application of audit results and accountability.

The internal audit system of the Company shall be implemented and disclosed to the public after being approved by the Board of Directors.

The internal audit function is accountable to the Board of Directors. The internal audit function shall be subject to the oversight and guidance of the Audit Committee during the process of supervising and inspecting the Company's business activities, risk management, internal control, and supervision and inspection of financial information. If the internal audit function identifies any significant issues or leads, it should immediately report directly to the Audit Committee.

Appointment of an Accounting Firm

The Company employs an accounting firm that complies with the provisions of the Securities Law to conduct financial and accounting report audit, net asset verification and other related consulting services. The term of employment is one year and can be renewed.

The Company's employment, dismissal or non-renewal of an accounting firm must be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall guarantee to the employed accounting firm to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials, and shall not refuse, conceal or misrepresent them.

The remuneration of the accounting firm or the method of determining the remuneration shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' meeting of the Company votes on the dismissal of the accounting firm, the accounting firm is allowed to state its opinions.

Where an accounting firm proposes resignation, it shall explain to the Shareholders' meeting whether there is any improper situation in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

A merger may be an absorption merger or a new merger.

Where one Company absorbs another Company in a merger of absorption, the absorbed Company is dissolved; where two or more companies merge to establish a new Company, the parties to the merger are dissolved.

Where the price paid by the Company in a merger does not exceed 10% of the net assets of the Company, it may be without resolution of the Shareholders' meeting, except as otherwise provided for in the Articles of Association.

Where the Company fails to reach a decision by the Shareholders' meeting in accordance with the provisions of the preceding paragraph, it shall make a decision by the Board of Directors.

When a Company is merged, the claims and debts of the parties to the merger shall be succeeded by the surviving Company or the newly established Company.

In the case of a division of the Company, its property shall be divided accordingly.

In the event of a Company division, a balance sheet and a list of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of making the resolution on division and make an announcement in the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days.

The debts of the Company before the division shall bear joint and several liability by the Company after the division. However, this shall not apply if the Company has reached a written agreement with the creditor on the repayment of debts before the division.

The Company will prepare a balance sheet and a list of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the resolution to reduce registered capital at the Shareholders' meeting, and announce it on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days. Creditors who receive the notice have 30 days from the date of receipt, or those who do not receive the notice have 45 days from the date of the announcement, to request the Company to settle debts or provide corresponding guarantees.

Where a Company reduces its registered capital, it shall reduce the amount of contribution or shares in proportion to the shares held by shareholders, except as otherwise provided for by law or these Articles of Association.

After making up the losses in accordance with paragraph 2 of Article 163 of the Articles of Association, if the Company still has losses, it may reduce its registered capital to make up the losses. If the registered capital is reduced to make up the losses, the Company shall not distribute profits to shareholders and shall not exempt shareholders from their obligations to pay their capital contributions or share payments.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of Paragraph 2 of Article 190 of the Articles of Association shall not apply, but the shareholders' resolution on the reduction of registered capital shall be announced in the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days from the date of the resolution.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits before the accumulated amount of the statutory minimum reserve fund and the discretionary reserve fund reaches 50% of the registered capital of the Company.

Where the registered capital is reduced in violation of the Company Law and other relevant provisions, the shareholders shall refund the funds received, and the reduction of the shareholders' capital contribution shall be restored to its original state; if losses are caused to the Company, the shareholders and the Directors and senior managers responsible shall bear the liability for compensation.

When the Company issues new shares to increase its registered capital, shareholders shall not have the right of first refusal to subscribe for the shares, except as otherwise provided in the Articles of Association or decided by the Shareholders' meeting that shareholders shall have the right of first refusal to subscribe for the shares.

Dissolution and Liquidation

The Company is dissolved for the following reasons:

(i) The grounds for dissolution provided for in these Articles of Association appear;

(ii) The Shareholders' meeting resolves to dissolve;

(iii) The Company needs to be dissolved due to merger or division;

(iv) Having their business licenses revoked, ordered to close down or revoked according to law;

(v) Where the Company's operation and management have serious difficulties, and its continued existence will cause major losses to the interests of shareholders, and cannot be solved through other means, the shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

Where an enterprise has a cause for dissolution as provided in the preceding paragraph, it shall publicize the cause for dissolution through the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 10 days.

Where a Company is dissolved in accordance with items (1), (2), (4) and (5) of Article 195 of the Articles of Association, liquidation shall be conducted. The Directors shall be the liquidators of the Company and shall form a liquidation group to conduct liquidation within 15 days from the date when the cause of dissolution occurs.

The liquidation group shall be composed of Directors, except as otherwise provided in the Articles of Association or as otherwise selected by the Shareholders' meeting.

If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes loss to the company or creditor, it shall be liable for compensation.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and make an announcement in the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 60 days. The creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice and within 45 days from the date of the announcement if they have not received the notice.

When a creditor declares his or her claim, he or she shall state the relevant matters of the claim and provide supporting materials. The liquidation group shall register the claim.

During the claims declaration period, the liquidation group shall not pay off the creditors.

After liquidating the Company's property, preparing a balance sheet and a list of assets and liabilities, the liquidation group shall work out a liquidation plan and submit it to the Shareholders' meeting or the People's Court for confirmation.

After the Company's assets have been paid for liquidation expenses, employees' wages, social insurance expenses and statutory compensation respectively, the overdue taxes have been paid and the Company's debts have been paid, the remaining assets shall be distributed according to the proportion of shares held by shareholders.

During the liquidation period, the Company shall continue to exist, but shall not carry out any business activities unrelated to the liquidation. The Company's property shall not be distributed to shareholders before it is paid off in accordance with the provisions of the preceding paragraph.

If, after liquidation of the Company's property and preparation of balance sheets and lists of assets and liabilities, the liquidation group finds that the Company's property is insufficient to pay off its debts, it shall apply to the People's Court for bankruptcy liquidation according to law.

After the bankruptcy application is accepted by the People's Court in accordance with the ruling, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the People's Court.

Where a Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Amendments to the Articles of Association

Under any of the following circumstances, the Company shall amend its Articles of Association:

(i) After the amendment of the Company Law or relevant laws, administrative regulations or securities regulatory rules in the place where the Company's shares are listed, the provisions of the Articles of Association conflict with the provisions of the amended laws, administrative regulations or securities regulatory rules in the place where the Company's shares are listed;

(ii) The Company's situation has changed and is inconsistent with the matters recorded in the Articles of Association;

(iii) The Shareholders' meeting decides to amend the Articles of Association.

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

Our Company, then known as Shenzhen Han's CNC Technology Limited (深圳市大族數控科技有限公司), was established as a limited liability company under the laws of the PRC on April 22, 2002, and was converted into a joint stock company with limited liability in November 2020, when we also changed our name to Shenzhen Han's CNC Technology Co., Ltd.. We completed the listing of our A Shares on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301200) in February 2022. For further details of the listing of our A Shares, see "History and Corporate Structure — Our Listing on the Shenzhen Stock Exchange and Reasons for the Listing on the Stock Exchange" in this Prospectus.

Our registered office is located at No. 101 of Building 3, 1-2/F, 4/F and 7/F of Building 3, and 1/F and 4/F of Building 4, Han's Laser Intelligence Manufacturing Center, 12 Chongqing Road, Heping Community, Fuhai Street, Bao'an District, Shenzhen, Guangdong Province, PRC. We have applied for registration as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on May 27, 2025, and our principal place of business in Hong Kong is at Room 1916, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. WONG Nga Sim has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendices IV and V to this Prospectus, respectively.

B. Changes in Share Capital of our Company

On May 21, 2025, the share capital of our Company increased from RMB420,000,000 to RMB425,509,152 as a result of the issuance of 5,509,152 A Shares upon the vesting of the Share Awards granted under the 2023 Restricted Share Incentive Scheme.

Save as disclosed above, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this Prospectus.

C. Further Information about Our Subsidiaries

Details of our subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I to this Prospectus.

On October 18, 2023, the registered share capital of Xinfeng CNC was increased from RMB10 million to RMB140 million.

On June 12, 2024, HAN'S CNC TECHNOLOGY (THAILAND) CO., LTD. was established in Thailand with its registered capital of Thai Baht 15 million.

On November 6, 2024, HANS CNC SINGAPORE PTE LTD. was established in Singapore with its registered capital of Singapore Dollar 0.1 million.

On January 23, 2025, the registered share capital of Han's Microelectronics was increased from RMB10 million to RMB50 million.

On December 16, 2025, HANS CNC TECHNOLOGY COMPANY LIMITED (VIETNAM) was established in Vietnam with a registered capital of VND 13,120 million.

Save as disclosed above, no alteration in the registered capital of our subsidiaries has taken place within the two years preceding the date of this Prospectus.

D. Resolutions Passed by Our Shareholders' General Meeting of Our Company in Relation to the Global Offering

Pursuant to the shareholders' general meeting held on May 12, 2025, the following resolutions, among others, were duly passed:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall not exceed 10% of the enlarged share capital of our Company upon completion of the Global Offering and granting the Underwriters the Over-allotment Option of no more than 15% of the above number of H Shares to be issued;

(c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on Listing Date; and

(d) authorization of the Board and its authorized person to handle relevant matters relating to, among other things, the Global Offering, the issue and listing of the H Shares.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years preceding the date of this Prospectus that are or may be material:

(a) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, Hongxing International Technology Limited (宏興國際科技有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$60,000,000;

(b) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, GIC Private Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$90,000,000;

(c) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, Schroder Investment Management (Singapore) Ltd, Schroder Investment Management (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$75,000,000;

(d) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, HHLR Advisors, Ltd. and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$25,000,000;

(e) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, Morgan Stanley & Co. International plc and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$10,000,000;

(f) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, Fullgoal Asset Management (HK) Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$3,000,000;

(g) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, Fullgoal Fund Management Co., Ltd. and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$7,000,000;

(h) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, CICC Financial Trading Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$10,000,000;

(i) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, ICBC Wealth Management Co., Ltd. and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$10,000,000;

(j) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, Wind Sabre Fund SPC acting on behalf of and for the account of Wind Sabre Opportunities Fund SP and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$10,000,000;

(k) a cornerstone investment agreement dated January 27, 2026 entered into among our Company, WILL Semiconductor Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of US$9,800,000; and

(l) the Hong Kong Underwriting Agreement.

B. Our Material Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registration Number	Registered Owner	Class	Expiry Date (dd/mm/yy)
1		PRC	74778890	The Company	9	06/07/2034
2		PRC	74778877	The Company	7	06/07/2034
3		PRC	74625326	The Company	7	06/07/2034
4		PRC	73838220	The Company	9	27/03/2034
5		PRC	73832724	The Company	7	27/03/2034
6		PRC	72354534	The Company	35	06/12/2033
7		PRC	72335826	The Company	35	13/02/2034
8		PRC	72205248	The Company	9	13/12/2033

No.	Trademark	Place of registration	Registration Number	Registered Owner	Class	Expiry Date (dd/mm/yy)
9		PRC	72204886	The Company	42	13/12/2033
10		PRC	72203665	The Company	7	13/12/2033
11		PRC	72197322	The Company	42	13/12/2033
12		PRC	72191911	The Company	7	13/12/2033
13		PRC	72187177	The Company	9	13/02/2034
14		PRC	68288447	The Company	7	20/05/2033
15		PRC	68284652	The Company	7	13/08/2033
16		PRC	68281478	The Company	7	20/05/2033
17		PRC	68281466	The Company	7	20/07/2033

No.	Trademark	Place of registration	Registration Number	Registered Owner	Class	Expiry Date (dd/mm/yy)
18		PRC	66929691	The Company	7	13/07/2033
19		PRC	66919127	The Company	9	06/07/2033
20		PRC	66147923	The Company	9	27/01/2033
21		PRC	66130411	The Company	7	13/02/2033
22	DZSHUKON	PRC	62793839	The Company	7	20/08/2032
23	DZSUCON	PRC	62788406	The Company	7	20/08/2032
24		PRC	54272778	The Company	37	13/10/2031
25		PRC	54265708	The Company	42	13/10/2031
26		PRC	54263839	The Company	7	13/10/2031
27		PRC	54259164	The Company	9	13/10/2031

No.	Trademark	Place of registration	Registration Number	Registered Owner	Class	Expiry Date (dd/mm/yy)
28		PRC	54254022	The Company	40	13/10/2031
29		PRC	54254003	The Company	36	20/12/2031
30		PRC	54242907	The Company	35	13/10/2031
31	族鑫	PRC	54049425	The Company	9	13/09/2031
32	族鑫	PRC	54049401	The Company	7	13/09/2031
33	族鑫	PRC	54048640	The Company	40	13/09/2031
34	麦逊数控	PRC	54046769	The Company	7	13/09/2031
35	麦逊数控	PRC	54042255	The Company	37	13/09/2031
36	麦逊数控	PRC	54037434	The Company	42	13/09/2031
37	族鑫	PRC	54036009	The Company	36	13/09/2031
38	族鑫	PRC	54034920	The Company	42	13/09/2031
39	麦逊数控	PRC	54033381	The Company	35	13/09/2031
40	族芯	PRC	54032959	The Company	36	13/09/2031
41	族芯	PRC	54032906	The Company	35	06/12/2031
42	族鑫	PRC	54031672	The Company	37	13/09/2031
43	族芯	PRC	54030131	The Company	42	13/09/2031

No.	Trademark	Place of registration	Registration Number	Registered Owner	Class	Expiry Date (dd/mm/yy)
44	族芯	PRC	54030110	The Company	40	13/09/2031
45	族芯	PRC	54030096	The Company	37	13/09/2031
46	麦逊数控	PRC	54027484	The Company	36	13/09/2031
47	麦逊数控	PRC	54027114	The Company	40	13/09/2031
48	族芯	PRC	54027041	The Company	9	13/12/2031
49	麦逊数控	PRC	54025359	The Company	9	13/12/2031
50	族芯	PRC	54025250	The Company	7	13/09/2031
51	麦逊	PRC	14449542	Mason Electronics	9	06/06/2035
52	Masontec	PRC	14449474	Mason Electronics	9	06/10/2035
53	MμCAM	PRC	10675938	Mason Electronics	9	06/09/2033
54	TwinTest	PRC	10057346	Mason Electronics	7	20/05/2033
55	TwinSplit	PRC	10057282	Mason Electronics	7	06/03/2033
56	TwinFix	PRC	10057159	Mason Electronics	7	20/05/2033
57	Mason	PRC	6896618	Mason Electronics	9	06/05/2031
58	SmartPoint	PRC	4522362	Mason Electronics	7	06/12/2027
59	SmartFix	PRC	4522358	Mason Electronics	7	06/12/2027
60	麦逊	PRC	3184687	Mason Electronics	9	06/07/2033
61	Masontec	PRC	3177428	Mason Electronics	9	27/06/2033

No.	Trademark	Place of registration	Registration Number	Registered Owner	Class	Expiry Date (dd/mm/yy)
62		PRC	1578755	Mason Electronics	9	27/05/2031
63	升宇智能	PRC	36328203	Advanced Intelligent Machine Co., Ltd.	7	06/11/2029
64	升宇智能	PRC	32467396	Advanced Intelligent Machine Co., Ltd.	7	06/06/2029
65	升宇智能	PRC	32467396	Advanced Intelligent Machine Co., Ltd.	42	06/06/2029
66	升宇智能	PRC	32467396	Advanced Intelligent Machine Co., Ltd.	9	06/06/2029
67	AIM-TECH	PRC	32464285	Advanced Intelligent Machine Co., Ltd.	7	20/02/2030
68	AIM-TECH	PRC	32464285	Advanced Intelligent Machine Co., Ltd.	9	20/02/2030
69		Korea	855698	Mason Electronics	9	24/05/2035
70		United States	855698	Mason Electronics	9	24/05/2035
71	Masontec	Taiwan (China)	01046818	Mason Electronics	9	15/06/2033
72	麦逊	Taiwan（China）	01046819	Mason Electronics	9	15/06/2033
73	明信	Taiwan（China）	01046820	Mason Electronics	9	30/11/2033

As of the Latest Practicable Date, we have been granted by Han's Laser the rights to use the following registered trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Place of Registration	Class
1	大族	1574557	PRC	9

No.	Trademark	Registration Number	Place of Registration	Class
2	HAN★S	1514683	PRC	7
3	HAN★S LASER	4315034	PRC	7
4	HAN★S LASER	4315030	PRC	42
5		8063822	PRC	7
6	HAN★S	27206550	PRC	40
7	大族	27197793	PRC	35
8	大族	27197784	PRC	9
9	大族	27194443	PRC	40
10	HAN★S	27187118	PRC	7
11	大族	27185604	PRC	42
12	大族	27184790	PRC	7
13	大族	34196265	PRC	42
14	大族	34282606	PRC	40
15	大族	34282596	PRC	35

No.	Trademark	Registration Number	Place of Registration	Class
16	HAN*S	34281425	PRC	7
17	大族	34281324	PRC	9
18	大族	46977839	PRC	9
19	HAN*S LASER	46958877	PRC	9
20	大族 DAZU	50729635	PRC	35
21	大族 DAZU	50760040	PRC	9
22	大族	51886651	PRC	9
23	HAN*S LASER	51867185	PRC	9
24	HAN*S CNC	53222094	PRC	42
25	HAN*S CNC	53220606	PRC	37
26	大族数控	53217890	PRC	7
27	HAN*S CNC	53216717	PRC	7
28	HAN*S CNC	53215827	PRC	40
29	大族数控	53214139	PRC	40
30	大族数控	53213736	PRC	37

No.	Trademark	Registration Number	Place of Registration	Class
31	大族数控	53206157	PRC	9
32	大族数控	53198663	PRC	42
33	HAN★S CNC	53198552	PRC	35
34	HAN★S CNC	53198490	PRC	9
35	大族數控	53389835	PRC	40
36	大族數控	53375564	PRC	42
37	大族數控	53370767	PRC	7
38	大族數控	53365718	PRC	9
39	大族數控	53475491	PRC	37
40	HAN★S	56627168	PRC	42
41	HAN★S LASER	56735001	PRC	42
42	大族	56767436	PRC	40
43	大族 DAZU	57686641	PRC	40
44	HAN★S	58609557	PRC	9
45	HAN★S	58594218	PRC	9
46	HAN★S	59216942	PRC	40
47	HAN★S	59208507	PRC	42

No.	Trademark	Registration Number	Place of Registration	Class
48	大族	59854799	PRC	7
49	HAN★S	59853758	PRC	9
50	大族	59852195	PRC	9
51	大族	62215776	PRC	7
52	HAN★S LASER	62454852	PRC	9
53	大族	63702252	PRC	7
54	大族數控	66654027	PRC	7
55	大族 DAZU	66651462	PRC	35
56	大族數控	66646282	PRC	35
57	大族數控	66696231	PRC	42
58	大族數控	66687762	PRC	40
59	大族數控	66674087	PRC	37
60	HANS LASER	67072053	PRC	7
61	大族數控	1824736	Singapore	7, 9, 35, 37, 40, 42
62	大族數控	TM2024017606	Malaysia	7, 9

As of the Latest Practicable Date, Han's Laser had applied for the registration of trademarks and, upon approval of such registrations, granted us the rights to use the following trademarks, which we consider to be or maybe material to our business:

No.	Trademark	Application Number	Place of registration	Class	Date of Application (dd/mm/yy)
1	HAN'S CNC	87874661	PRC	42	29/09/25
2	HAN'S CNC	87881163	PRC	40	29/09/25
3	HAN'S CNC	87882340	PRC	35	29/09/25
4	HAN'S CNC	87882376	PRC	37	29/09/25
5	大族数控	87882420	PRC	42	29/09/25
6	大族数控	87884851	PRC	35	29/09/25
7	大族数控	87889897	PRC	7	29/09/25
8	大族数控	87892904	PRC	37	29/09/25
9	HAN'S CNC	87894094	PRC	9	29/09/25
10	HAN'S CNC	87895399	PRC	7	29/09/25
11	大族数控	87896538	PRC	9	29/09/25

No.	Trademark	Application Number	Place of registration	Class	Date of Application (dd/mm/yy)
12	大族数控	87897111	PRC	40	29/09/25
13	HAN'S CNC	114076649	Taiwan China	7,9,35,37,40,42	17/10/25
14	大族数控	114076654	Taiwan China	7,9,35,37,40,42	17/10/25
15	大族数控	商願2025-120751	Japan	7,9,35,37,40,42	21/10/25
16	HAN'S CNC	商願2025-120752	Japan	7,9,35,37,40,42	21/10/25
17	HAN'S CNC	307067872	Hong Kong	7,9,35,37,40,42	23/10/25
18	大族数控	307067881	Hong Kong	7,9,37,40,42	23/10/25
19	大族数控	40202528318X	Singapore	7,9,35,37,40,42	03/11/25
20	HAN'S CNC	40202528319Q	Singapore	7,9,35,37,40,42	03/11/25
21	大族数控	TM2025038342	Malaysia	7,9,35,37,40,42	04/11/25
22	HAN'S CNC	TM2025038346	Malaysia	7,9,35,37,40,42	04/11/25
23	HAN'S CNC	40-2025-0204061	South Korea	7,9,35,37,40,42	04/11/25
24	大族数控	40-2025-0205006	South Korea	7,9,35,37,40,42	05/11/25

No.	Trademark	Application Number	Place of registration	Class	Date of Application (dd/mm/yy)
25	大族数控	250155639	Thailand	7,9,35,37,40,42	13/11/25
26	HAN'S CNC	250155640	Thailand	7,9,35,37,40,42	13/11/25
27	HAN'S CNC	4-2025-58550	Vietnam	7,9,35,37,40,42	13/11/25

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
1	Multi-axis drilling machine 一種多軸鑽孔機	Utility model	202321249392.6	The Company	PRC	10/10/2023
2	Multi-axis drilling machine 一種多軸鑽孔機	Utility model	202321249473.6	The Company	PRC	25/08/2023
3	Back drilling depth determination method, back drilling method, and drilling system 背鑽深度確定方法、背鑽方法及鑽孔系統	Invention	202111427228.5	The Company	PRC	11/02/2022
4	Method for calibrating inter-axis spacing 一種校準軸間距的方法	Invention	201611024289.6	The Company	PRC	10/05/2019
5	Drill bit outer diameter measurement method and system 鑽頭外徑測量方法及系統	Invention	201110144015.1	The Company	PRC	19/02/2014
6	Air clamp and air clamp adjustment method, PCB board fixing device 氣夾及氣夾調節方法、PCB板料固定裝置	Invention	202010055191.7	The Company	PRC	19/07/2022

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
7	Two pin accuracy detection method for drilling machines 鑽孔機two pin精度檢測方法	Invention	201711050199.9	The Company	PRC	04/08/2020
8	Tool changing method for CNC machine tools 數控機床換刀方法	Invention	201110100710.8	The Company	PRC	20/03/2013
9	Placement structure and pin storage device 放置結構及銷釘存放裝置	Utility model	202220236131.X	The Company	PRC	14/06/2022
10	Insertion/extraction mechanism and processing equipment 插拔機構及加工設備	Utility model	202122134149.7	The Company	PRC	22/02/2022
11	Ejection mechanism and PCB board forming machine 一種脱料機構及PCB板成型機	Invention	202010437622.6	The Company	PRC	11/10/2022
12	Printed circuit board processing method and processing equipment 印刷線路板加工方法及印刷線路板加工設備	Invention	202210322537.4	The Company	PRC	06/09/2024
13	Broken tool monitoring method and system for machining equipment 加工成型設備的斷刀監測方法和系統	Invention	200810217876.6	The Company	PRC	01/02/2012
14	Alignment exposure device 一種對位曝光裝置	Invention	201910294646.8	The Company	PRC	16/07/2021
15	Adsorption control system and control method 一種吸附控制系統及控制方法	Invention	202110125738.0	The Company	PRC	03/01/2025

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
16	Position adjustment mechanism and laser drilling apparatus 一種位置調節機構以及激光鑽孔裝置	Invention	202110431431.3	The Company	PRC	18/04/2023
17	Automatic panel flipping mechanism and PCB board conveying system 自動翻板機構及PCB板輸送系統	Utility model	202123363862.5	The Company	PRC	02/09/2022
18	Anti-adhesion mechanism and processing equipment 防粘連機構及加工設備	Utility model	202122131719.7	The Company	PRC	11/03/2022
19	A dual-laser beam drilling processing system 一種雙激光束鑽孔加工系統	Invention	201811012875.8	The Company	PRC	31/01/2023
20	Containment device and lamination machine 容納裝置及層壓機	Utility model	202420816106.8	The Company, Shanghai Han's Machinery Co., Ltd.	PRC	03/01/2025
21	Laser energy control system and method 激光能量控制系統和方法	Invention	201811642496.7	The Company	PRC	13/10/2022
22	Material positioning/ conveying device, drilling equipment, and material positioning/conveying method 板材定位輸送裝置、鑽孔設備及板材定位輸送方法	Invention	202210434663.9	The Company	PRC	09/09/2022
23	Automatic handling mechanism and processing system 自動搬運機構及加工系統	Invention	202110219101.8	The Company	PRC	18/10/2022
24	Automatic tool changer and drilling machine 一種自動換刀裝置及鑽孔機	Invention	202011607725.9	The Company	PRC	19/08/2022

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
25	Tool assembly replacement device and replacement method 刀具組件更換裝置以及刀具組件的更換方法	Invention	202110196469.7	The Company	PRC	10/01/2023
26	Pressure positioning device and PCB drilling machine 壓定位件裝置及PCB鑽孔機	Invention	202210434661.X	The Company	PRC	11/10/2022
27	Feeding device 送料裝置	Invention	202110242121.7	The Company	PRC	06/02/2024
28	Material container and buffer storage system 料箱及物料緩存系統	Invention	202210910184.X	The Company	PRC	16/08/2024
29	Drilling equipment 鑽孔設備	Invention	202210451919.7	The Company	PRC	09/09/2022
30	Processing method for blind vias in flexible circuit boards 一種柔性線路板盲孔加工的方法	Invention	201510142267.9	The Company	PRC	09/03/2018
31	Processing method for blind vias in circuit boards 一種線路板盲孔的加工方法	Invention	201910194687.X	The Company	PRC	07/12/2021
32	Optimization method for spiral processing trajectory of FPC blind holes 一種FPC盲孔的螺旋加工軌迹的優化方法	Invention	201510142349.3	The Company	PRC	09/01/2018
33	Method for improving back drilling accuracy in PCBs 一種提高PCB板背鑽孔精度的方法	Invention	201410416104.0	The Company	PRC	30/11/2016
34	Drilling equipment and drilling method 鑽孔設備及鑽孔方法	Invention	202210452066.9	The Company	PRC	15/09/2023
35	Laser processing system 一種激光加工系統	Utility model	201720940865.5	The Company	PRC	09/03/2018

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
36	Three-axis galvanometer coaxial adjustment device and focal length confirmation method 一種三軸振鏡共軸調節裝置及焦距確認方法	Invention	201910153060.X	The Company	PRC	10/06/2022
37	Zoom punching device 一種變焦沖孔裝置	Utility model	201920429276.X	The Company	PRC	19/05/2020
38	Beam expander device and laser equipment 一種擴束鏡裝置及激光設備	Utility model	201920691045.6	The Company	PRC	11/02/2020
39	Laser beam expander and laser processing equipment 激光擴束鏡及激光加工設備	Invention	202010151194.0	The Company	PRC	15/02/2022
40	Material extraction device and automated equipment 取料裝置及自動化設備	Utility model	202020436661.X	The Company	PRC	01/01/2021
41	Automatic calibration method for laser processing equipment and computer equipment 激光加工設備自動校正方法及計算機設備	Invention	202110032318.8	The Company	PRC	09/02/2024
42	Laser beam collimation method 激光光束準直方法	Invention	202110441146.X	The Company	PRC	15/09/2023
43	Laser power detection device and laser equipment 激光器功率檢測裝置以及激光設備	Utility model	202121935103.9	The Company	PRC	11/03/2022
44	Window opening method and equipment 開窗方法及開窗設備	Invention	202111347571.9	The Company	PRC	03/05/2022

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
45	Automatic loading/unloading device and laser processing equipment 自動上下料裝置及激光加工設備	Utility model	202323017845.5	The Company	PRC	02/08/2024
46	Method and processing system for slot machining on transparent materials 一種在透光材料上加工槽孔的方法及加工系統	Invention	202410032395.7	The Company	PRC	11/06/2024
47	Method for detecting back drilling depth, signal processing component, system and program product 背鑽深度的檢測方法、信號處理組件、系統和程序產品	Invention	202511101829.5	The Company	PRC	07/08/2025
48	Flexible circuit board processing method, apparatus, device, computer equipment and flexible circuit board 柔性線路板加工方法、裝置、設備、計算機設備及柔性線路板	Invention	202510339868.2	The Company	PRC	21/03/2025
49	Conveying mechanism, conveying method and laser processing equipment 一種輸送機構、輸送方法及激光加工設備	Invention	202310970298.8	The Company	PRC	02/08/2023
50	Dual galvanometer alarm device, system and method 雙振鏡報警裝置、系統及方法	Invention	202310887930.2	The Company	PRC	19/07/2023
51	Anti-stacking system, anti-stacking method and PCB processing system 防疊板系統、防疊板方法及PCB板加工系統	Invention	202211729873.7	The Company	PRC	30/12/2022

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
52	Copper surface marking method, apparatus, storage medium and computer equipment 銅面標記方法、裝置、存儲介質和計算機設備	Invention	202211583102.1	The Company	PRC	09/12/2022
53	Method and apparatus for determining compensation accuracy of camera system, and storage medium 相機系統的補償精度的確定方法、裝置與存儲介質	Invention	202310379009.7	The Company	PRC	31/03/2023
54	Method for disassembling collet and method for installing collet in circuit board processing equipment 一種線路板加工設備拆卸夾頭的方法及安裝夾頭的方法	Invention	202210911014.3	The Company	PRC	29/07/2022
55	Method, apparatus, device and medium for acquiring contact stiffness curve 接觸剛度曲線獲取方法、裝置、設備和介質	Invention	202211144332.8	The Company	PRC	20/09/2022
56	PCB processing method PCB板加工方法	Invention	202211018548.X	The Company	PRC	24/08/2022
57	Fool-proof control method and apparatus 防呆控制方法和裝置	Invention	202210455176.0	The Company	PRC	24/04/2022
58	Automatic tool magazine changing system and processing equipment 自動換刀盤系統及加工設備	Invention	202210102653.5	The Company	PRC	27/01/2022
59	Loading/unloading device 上下料裝置	Invention	202111605784.7	The Company	PRC	25/12/2021

No.	Patent	Patent Type	Patent Number	Patent Owner	Place of Registration	Registration Date (dd/mm/yy)
60	Circuit board fabrication method and circuit board 線路板製作方法及線路板	Invention	202210302943.4	The Company	PRC	25/03/2022
61	Laser drilling method and processing equipment 激光鑽孔方法及加工設備	Invention	202111375310.8	The Company	PRC	19/11/2021
62	Laser ablation method 激光開孔方法	Invention	202111375320.1	The Company	PRC	19/11/2021
63	Coaxial adjustment device, laser processing equipment and coaxial adjustment method 同軸調節裝置、激光加工設備及同軸調節方法	Invention	202111166470.1	The Company	PRC	30/09/2021
64	Laser processing system and its automatic monitoring method, apparatus and computer equipment 激光加工系統及其自動監控方法、裝置和計算機設備	Invention	202111190402.9	The Company	PRC	13/10/2021
65	Method, apparatus, device and storage medium for generating processing path 加工軌跡的生成方法、裝置、設備及存儲介質	Invention	202111269481.2	The Company	PRC	28/10/2021
66	Roll material processing method, apparatus and computer-readable storage medium 一種卷料加工方法、裝置及計算機可讀存儲介質	Invention	202110408311.1	The Company	PRC	15/04/2021
67	Cutting processing method and system 切割加工方法以及系統	Invention	202110301727.3	The Company	PRC	22/03/2021

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No	Copyright	Copyright Type	Registered Owner	Registration Number	Registration Date (dd/mm/yy)
1	GLM550-TGV drilling software (CN) (GLM550-TGV鑽孔軟件(CN))	Software	The Company	2025SR0424576	11/03/2025
2	ABF Trimming software (CN) (ABF Trimming軟件(CN))	Software	The Company	2025SR0426979	11/03/2025
3	New energy battery ultra-long FPC automatic loading/unloading software (CN) (新能源電池超長FPC自動上下料軟件(CN))	Software	The Company	2025SR0131377	20/01/2025
4	Separated bin loading/unloading system (CN) (分離式料倉上下料系統(CN))	Software	The Company	2024SR1913803	27/11/2024
5	HD series PCB laser drilling machine software V1.0 (CN) (HD系列PCB激光鑽孔機軟件V1.0(CN))	Software	The Company	2024SR0635191	11/05/2024
6	Dual-layer roller robot loading/unloading system (CN) (雙層滾筒機器人上下料系統(CN))	Software	The Company	2024SR0495126	12/04/2024
7	Modal method transient analysis finite element tool software (CN) (模態法瞬態分析有限元工具軟件(CN))	Software	The Company	2024SR0087605	12/01/2024
8	HLPrinter software (HLPrinter軟件)	Software	The Company	2023SR0956722	21/08/2023
9	Packaging substrate sorting machine unloading software (封裝基板分揀機下料軟件)	Software	The Company	2023SR0894377	04/08/2023

No	Copyright	Copyright Type	Registered Owner	Registration Number	Registration Date (dd/mm/yy)
10	Packaging substrate sorting machine loading software (封裝基板分揀機上料軟件)	Software	The Company	2023SR0899433	07/08/2023
11	2-axis roll-to-sheet automatic loading/unloading software (2軸卷對片自動上下料軟件)	Software	The Company	2023SR0884707	02/08/2023
12	Automation-specialized software for laser cutting (UVMaker D650A) (用於激光切割(UVMaker D650A)的自動化專用軟件)	Software	The Company	2023SR0401724	27/03/2023
13	Laser debonding machine automatic loading PLC program (激光除膠機自動上料PLC程序)	Software	The Company	2022SR1496073	11/11/2022
14	Excimer laser etching machine software (准分子激光蝕刻機軟件)	Software	The Company	2022SR1157277	18/08/2022
15	Trans multi-galvo automatic zoning (Trans多振鏡自動分區)	Software	The Company	2022SR0813916	22/06/2022
16	Drilling machine HansAuto automation software (鑽機HansAuto自動化軟件)	Software	The Company	2022SR0696156	02/06/2022
17	3D back drilling application software (3D背鑽應用軟件)	Software	The Company	2022SR0522105	25/04/2022
18	CNC drilling machine CCD positioning software (數控鑽機CCD定位軟件)	Software	The Company	2022SR0045537	07/01/2022
19	Panel flipper control software V2.0 (翻板機控制軟件V2.0)	Software	The Company	2016SR172953	08/07/2016
20	Downloading machine control software V1.0 (下載機控制軟件V1.0)	Software	The Company	2021SR1404267	18/09/2021

No	Copyright	Copyright Type	Registered Owner	Registration Number	Registration Date (dd/mm/yy)
21	Uploading machine control software V1.0 (上載機控制軟件V1.0)	Software	The Company	2021SR1404266	18/09/2021
22	Han's drilling machine application software V1.0 (大族鑽孔機應用軟件V1.0)	Software	The Company	2018SR646355	14/08/2018
23	UVMaker single axis universal laser cutting software V2.9.0.1 (UVMaker單軸機型通用激光切割軟件V2.9.0.1)	Software	The Company	2017SR385436	20/07/2017
24	HANS-F2MID full linear motor two axis CNC drilling machine control software V1.0 (HANS-F2MID全線性電機兩軸數控鑽碼機控制軟件V1.0)	Software	The Company	2017SR120612	17/04/2017
25	UVDriller drilling machine control software V2.0 (UVDriller鑽孔機控制軟件V2.0)	Software	The Company	2017SR057911	27/02/2017
26	Laser cutting machine control software V1.0 (激光裁切機控制軟件V1.0)	Software	The Company	2016SR203665	03/08/2016
27	UVMaKer laser cutting software V2.4.0.1 (UVMaKer激光切割軟件V2.4.0.1)	Software	The Company	2015SR228476	20/11/2015
28	DRD650A laser energy control system V1.0 (DRD650A激光能量控制系統V1.0)	Software	The Company	2021SR1592830	29/10/2021
29	Next-generation laser drilling machine software V2.3 (新型激光鑽孔機軟件V2.3)	Software	The Company	2021SR1626572	03/11/2021
30	HANS HD system CO_2 dual beam dual stage PCB laser drilling machine software V1.0 (HANS HD系統CO_2雙光束雙平台PCB激光鑽孔機軟件V1.0)	Software	The Company	2011SR000274	05/01/2011

No	Copyright	Copyright Type	Registered Owner	Registration Number	Registration Date (dd/mm/yy)
31	Han's open laser cutting and drilling integration software V1.0 (大族開放式激光切鑽一體化軟件V1.0)	Software	The Company	2020SR0345742	20/04/2020
32	UVMaker D650A dual laser cutting machine software V1.2.0.1 (UVMaker D650A雙激光器切割機軟件V1.2.0.1)	Software	The Company	2020SR0504267	25/05/2020
33	Next-generation, nanosecond laser control software V1.0 (新型、納秒激光器控制軟件V1.0)	Software	The Company	2020SR0507121	25/05/2020
34	Trimming software v2.0 (Trimming軟件v2.0)	Software	The Company	2010SR050143	21/09/2010
35	CO_2 dual beam dual stage PCB laser drilling machine software (CO_2雙光束雙平台PCB激光鑽孔機軟件)	Software	The Company	2010SR045140	31/08/2010
36	Spindle feedback software V1.0 (主軸反饋軟件V1.0)	Software	The Company	2010SR038690	02/08/2010
37	HD600A PCB laser drilling machine control software (HD600A PCB激光鑽孔機控制軟件)	Software	The Company	2021SR0580465	22/04/2021

(d) Domain name

As of the Latest Practicable Date, we owned the following domain name which we consider to be or may be material to our business:

No.	Domain name	Owner	Expiry Date (dd/mm/yy)
1.	hanscnc.com	the Company	10/09/2034

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Service Contracts and Appointment Letters

We have entered into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

B. Remuneration of Directors and Supervisors

The aggregate remuneration (including fees, salaries, allowances and benefits in kind, performance related bonuses, share-based payment compensation and pension scheme contributions) for the Directors and former supervisors of our Company (the "**Supervisors**") for the years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025 were approximately RMB0.9 million, RMB5.9 million, RMB41.6 million and RMB23.4 million, respectively.

Based on the current arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration for our Directors (including independent non-executive Directors) and Supervisors for the year ending December 31, 2025 will be approximately RMB27.9 million. The actual total remuneration of Directors and Supervisors for the year ending December 31, 2025 may be different from the expected remuneration as the discretionary bonuses will be determined based on the results of our Company for the year ending December 31, 2025.

Save as disclosed above, there was no other payments paid or payable by our Company or any of our subsidiaries to our Directors or Supervisors during the Track Record Period.

C. Disclosure of interests

Save as disclosed below, immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering, none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the

SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the H Shares are listed on the Hong Kong Stock Exchange.

(i) Interest in Shares in our Company

Name	Position	Nature of Interest	Number and Description of Shares	Approximate Percentage of Shareholding in the A Shares shortly after the Global Offering	Approximate % of shareholding in the Total Issued Share Capital of our Company immediately after the Global Offering
Mr. Yang Chaohui (楊朝輝).	Chairperson of the Board, executive Director and General Manager	Beneficial owner[2]	3,972,217 A Shares	0.93%	0.83%
		Beneficial owner[2]	2,814,000 A Shares	0.66%	0.59%
Mr. Zhang Jianqun (張建群).	Non-executive Director	Beneficial owner	284,225 A Shares	0.07%	0.06%
Mr. Zhou Huiqiang (周輝強).	Non-executive Director	Beneficial owner	284,225 A Shares	0.07%	0.06%
Mr. Du Yonggang (杜永剛).	Non-executive Director	Beneficial owner	174,597 A Shares	0.04%	0.04%

Note:

(1) The calculation is based on the assumption that the Over-allotment Option is not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing.

(2) As of the Latest Practicable date, Mr. Yang directly held 3,972,217 A Shares in our Company. As of the Latest Practicable Date, Mr. Yang has been granted 4,200,000 restricted Shares under the 2023 Restricted Share Incentive Scheme, (i) 1,386,000 of which were vested and issued to Mr. Yang in May 2025, (ii) 1,386,000 of which shall vest since the first trading day of 28 months after the grant date and until the last trading day before 40 months after the grant date, and (iii) 1,428,000 of which shall vest since the first trading day of 40 months after the grant date and until the last trading day before 52 months after the grant date. For details, see "— 4. Our Incentive Scheme".

(ii) Interests in the Associated Corporations

Name of Director	Name of Associated Corporation	Nature of interest	Number and Description of Shares	Approximate Percentage of Interest
Mr. Yang Chaohui (楊朝輝) . .	Han's Laser	Beneficial owner	476,712 A shares	0.05%
Mr. Zhang Jianqun (張建群). .	Han's Laser	Beneficial owner	248,718 A shares	0.02%
Mr. Zhou Huiqiang (周輝強) .	Han's Laser	Beneficial owner	196,822 A shares	0.02%
Mr. Du Yonggang (杜永剛) . .	Han's Laser	Beneficial owner	167,702 A shares	0.02%

Save as otherwise disclosed in this Prospectus, our Directors are not aware of any other person who will, immediately following completion of the Global Offering and assuming that the Over-allotment Option is not exercised and no changes are made to our outstanding shares between the Latest Practicable Date and the Listing Date, have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

D. Disclaimer

Save as disclosed in this section and the section headed "Business" in this Prospectus:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;

(b) none of our Directors or any of the experts referred to under the paragraph headed "— 5. Other Information — E. Qualification of Experts" has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. OUR INCENTIVE SCHEME

2023 Restricted Share Incentive Scheme

The following is a summary of the principal terms of the 2023 restricted share incentive scheme (the "**2023 Restricted Share Incentive Scheme**"). The terms of 2023 Restricted Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of Share Awards by our Company after our Listing.

(i) Purpose

The purpose of the 2023 Restricted Share Incentive Scheme is to improve our Group's long-term incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of our Group's key employees, and align the interests of our Shareholders, our Group and our key employees.

(ii) Administration

The 2023 Restricted Share Incentive Scheme is subject to the approval of the Shareholders' general meeting, administration of the Board and the supervision of the board of supervisors and independent directors.

(iii) Participants

The participants of the 2023 Restricted Share Incentive Scheme include Directors, senior management and key technical (business) employees of our Group, excluding independent Directors, supervisors and shareholders or actual controllers who collectively hold more than 5% of the Company's shares and their spouses, parents, children, and foreign employees.

(iv) Maximum number of Shares

The maximum number of Shares underlying the Share Awards that can be granted under the 2023 Restricted Shares Incentive Scheme is 16,800,000 A Shares.

(v) Date of grant and term of the Scheme

The date on which the Share Awards are granted shall be determined by the Board after approval of the 2023 Restricted Share Incentive Scheme by the Shareholders' general meeting. The grant of Share Awards shall be approved by the Board, registered and announced within 60 days after the date of approval of the 2023 Restricted Share Incentive Scheme by the Shareholders' general meeting. The 2023 Restricted Share Incentive Scheme shall be effective from the date of completion of the grant of Share Awards under the scheme up to the date when all of the Share Awards granted under the scheme have been vested or cancelled, provided that the term of the scheme shall not exceed 52 months.

(vi) Lock-up for Directors and the senior management team

If the grantee is a Director or a senior management of our Company, during the period of the term of employment, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. No share held by such Director or senior management can be transferred within six months after termination of his or her employment. If the grantee is a Director or senior management of our Company, income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board. If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

(vii) Conditions to the grant of Share Awards

The Share Awards under the 2023 Restricted Share Incentive Scheme will only be granted to selected participants if the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to our Company's accountants' report for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to the internal control report contained in accountants' report for the most recent fiscal year;

(3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

(4) applicable laws and regulations prohibit the implementation of any share incentive scheme; or

(5) any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;

(3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or

(6) any other circumstances determined by the CSRC.

(viii) Vesting of Share Awards

The vesting period for Share Awards commences from date of grant of Share Awards to the grantee and the interval between the date of completion of the grant and the date of vesting of the Share Awards shall be twelve months. During the vesting period, the Share Awards granted to the grantee shall not be transferred, used as guarantee or for repayment of debt. In addition, the Share Awards will only be vested when both company-level performance assessment and individual-level performance assessment as set out under the scheme are achieved.

The Share Awards will be vested in traches of 33%, 33% and 34% in each of the three vesting periods that occur between the first trading date after the 16-month anniversary from the date of grant and the lasting trading date up to the 52-month anniversary of the date of grant.

(ix) Exercise of Share Awards

The grantees shall pay the exercise price upon fulfilment of all the conditions of the Share Awards to purchase the A Shares from our Company. The exercise price of each Share Award shall be RMB19.38 per each Share. The exercise price of the Share Awards was adjusted by resolutions of the Board and the supervisory committee of the Company from RMB19.38 per A Share to RMB18.98 per A Share in view of the Company's cash dividend scheme for the year ended December 31, 2024.

(x) Outstanding Share Awards

As of the Latest Practicable Date, (i) our Company granted Share Awards under the 2023 Restricted Share Incentive Scheme to subscribe for an aggregate of 16,800,000 A Shares, and the maximum number of Shares that can be granted under the 2023 Restricted Share Incentive Scheme had been granted; and (ii) the total number of A Shares underlying the outstanding Share Awards which had not been vested (excluding any Share Awards which have been forfeited, expired or cancelled) under the 2023 Restricted Share Incentive Scheme amounted to 11,195,298, representing approximately 2.35% of the total issued Shares immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), which will be settled by newly issued A Shares pursuant to the vesting schedule. Among the Share Awards which had not been vested (excluding any Share Awards which have been forfeited, expired or cancelled), Share Awards representing in aggregate 2,814,000 A Shares, 1,587,900 A Shares, 304,180 A Shares and 6,489,218 A Shares were granted to one Director, eight senior management members, three connected persons and 365 key employees of our Company, respectively, accounting for approximately 0.59%, 0.33%, 0.06% and 1.36% of the total issued Shares upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no other changes are made to the issued share capital of our Company between the

Latest Practicable Date and the Listing Date). As of the Latest Practicable Date, none of the grantees of the Share Awards under the 2023 Restricted Share Incentive Scheme were consultants of our Company.

The following table sets forth the details of the Share Awards granted under the 2023 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Position in our Company	Address	Date of grant	Number of Share Awards granted	Exercise Price	Vesting date/ period	Approximate percentage of issued Share Capital immediately after completion of the Global Offering[1]
					(RMB per A Share)		*(%)*
Mr. YANG Chaohui (楊朝輝) . . .	Chairperson of the Board, executive Director and general manager	Block B, Building 17, Shenye New Coastline, No. 203 Baoyuan South Road, Bao'an District, Shenzhen, Guangdong Province, China	December 8, 2023	1,386,000	18.98[2]	*Note (3)*	0.29
				1,386,000	18.98[2]	*Note (4)*	0.29
				1,428,000	18.98[2]	*Note (5)*	0.30
Mr. ZHOU Xiaodong (周小東) . . .	Deputy general manager, financial director and board secretary	Yecheng Pavilion, Xinzhou Road, Futian District, Shenzhen, Guangdong Province, China	December 8, 2023	99,000	18.98[2]	*Note (3)*	0.02
				99,000	18.98[2]	*Note (4)*	0.02
				102,000	18.98[2]	*Note (5)*	0.02
Mr. ZHAI Xuetao (翟學濤) . . .	Deputy general manager	Fifth Industrial Zone, Songpingshan, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	99,000	18.98[2]	*Note (3)*	0.02
				99,000	18.98[2]	*Note (4)*	0.02
				102,000	18.98[2]	*Note (5)*	0.02
Mr. LI Yongjun (黎勇軍) . . .	Deputy general manager	Huijin Pavilion, Huibin Plaza, Dongbin Road, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	108,900	18.98[2]	*Note (3)*	0.02
				108,900	18.98[2]	*Note (4)*	0.02
				112,200	18.98[2]	*Note (5)*	0.02
Ms. KOU Lian (寇煉)	Deputy general manager	No. 12 Chongqing Road, Fuhai Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China	December 8, 2023	99,000	18.98[2]	*Note (3)*	0.02
				99,000	18.98[2]	*Note (4)*	0.02
				102,000	18.98[2]	*Note (5)*	0.02
Ms. SHE Rong (佘蓉)	Deputy general manager	Hancheng, Xiangmihu, Futian District, Shenzhen, Guangdong Province, China	December 8, 2023	99,000	18.98[2]	*Note (3)*	0.02
				99,000	18.98[2]	*Note (4)*	0.02
				102,000	18.98[2]	*Note (5)*	0.02

Name of grantee	Position in our Company	Address	Date of grant	Number of Share Awards granted	Exercise Price	Vesting date/ period	Approximate percentage of issued Share Capital immediately after completion of the Global Offering[1]
					(RMB per A Share)		*(%)*
Mr. SONG Jiangtao (宋江濤) . . .	Deputy general manager	Building 8, Bolin Tianrui, Liuxian Avenue, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	99,000 99,000 102,000	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.02 0.02 0.02
Mr. ZHANG Jianzhong (張建中) . . .	Deputy general manager	Building 8, Shenfang Chuanqi Mountain, Guangming Subdistrict, Guangming District, Shenzhen, Guangdong Province, China	December 8, 2023	89,100 89,100 91,800	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.02 0.02 0.02
Mr. LV Hongjie (呂洪傑) . . .	Deputy general manager	Building 3, Phase 5, Xiangshanli Garden, No. 18 Qiaobei Third Street, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	89,100 89,100 91,800	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.02 0.02 0.02
Other Connected Persons as set out below[6] .			December 8, 2023	149,820 149,820 154,360	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.03 0.03 0.03
Mr. XIAO He (肖河) . . .	General manager and director of Mason Electronics	Building 8, Bolin Tianrui, Liuxian Avenue, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	99,000 99,000 102,000	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.02 0.02 0.02
Ms. SU Xiyu (粟喜雨) . .	Supervisor of Mason Electronics	Building 13, Area 34, Keyuan Garden, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	19,140 19,140 19,720	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.004 0.004 0.004
Ms. ZHANG Ling (張玲) .	Supervisor of Mason Electronics	Huizhong Mingyuan, Dengliang Road, Nanshan Subdistrict, Nanshan District, Shenzhen, Guangdong Province, China	December 8, 2023	31,680 31,680 32,640	18.98[2] 18.98[2] 18.98[2]	*Note (3)* *Note (4)* *Note (5)*	0.007 0.007 0.007

Range of total Shares Underlying the outstanding Share Awards granted under the 2023 Restricted Share Incentive Scheme	Total number of grantees	Date of grant	Number of Share Awards granted	Exercise Price	Vesting date/ period	Approximate percentage of issued Share Capital immediately after completion of the Global Offering(1)
1 to 9,999	164	December 8, 2023	409,497	18.98(2)	*Note (4)*	0.09
		December 8, 2023	421,906	18.98(2)	*Note (5)*	0.09
10,000 to 19,999 . . .	104	December 8, 2023	643,665	18.98(2)	*Note (4)*	0.14
		December 8, 2023	663,170	18.98(2)	*Note (5)*	0.14
20,000 to 29,999	50	December 8, 2023	580,965	18.98(2)	*Note (4)*	0.12
		December 8, 2023	598,570	18.98(2)	*Note (5)*	0.13
30,000 to 49,999 . . .	29	December 8, 2023	528,792	18.98(2)	*Note (4)*	0.11
		December 8, 2023	544,816	18.98(2)	*Note (5)*	0.11
50,000 to 99,999	9	December 8, 2023	294,690	18.98(2)	*Note (4)*	0.06
		December 8, 2023	303,620	18.98(2)	*Note (5)*	0.06
100,000 to 300,000 . .	9	December 8, 2023	738,573	18.98(2)	*Note (4)*	0.16
		December 8, 2023	760,954	18.98(2)	*Note (5)*	0.16
Total	**365 key employees**	**December 8, 2023**	**3,196,182**	**18.98(2)**	***Note (4)***	**0.67**
		December 8, 2023	**3,293,036**	**18.98(2)**	***Note (5)***	**0.69**

Notes:

(1) The calculation is based on the assumption that no new Shares are issued under the Over-allotment Option, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing Date.

(2) The exercise price of the Share Awards was adjusted by resolutions of the Board and the supervisory committee of the Company from RMB19.38 per A Share to RMB18.98 per A Share in view of the Company's cash dividend scheme for the year ended December 31, 2024. No consideration was required from and no consideration was paid by the grantees for the grant of the Share Awards under the 2023 Restricted Share Incentive Scheme.

(3) 33% of the total granted Share Awards were vested on May 21, 2025.

(4) 33% of the total granted Share Awards shall vest since the first trading day of 28 months after the grant date and until the last trading day before 40 months after the grant date.

(5) The remaining 34% of the total granted Share Awards shall vest since the first trading day of 40 months after the grant date and until the last trading day before 52 months after the grant date.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under PRC laws is likely to fall upon any member of our Group.

B. Litigation

Save as disclosed in the sections headed "Business" and "Financial Information" in this Prospectus, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

C. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, the H Shares of our Company.

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US$480,000 to act as the sponsor of our Company in connection with the proposed listing on the Hong Kong Stock Exchange.

D. Compliance Adviser

Our Company has appointed Somerley Capital Limited as our compliance adviser in compliance with Rules 3A.19 of the Listing Rules.

E. Qualification of Experts

The qualification of the experts, as defined under the Listing Rules, who have given opinions in this Prospectus are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
China Commercial Law Firm	Legal adviser to our Company as to PRC law
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
China Insights Industry Consultancy Limited	Independent industry consultant

F. Consents of Experts

Each of the experts as referred to in "— 5. Other Information — E. Qualification of Experts" in this Appendix has given and has not withdrawn its consent to the issue of this Prospectus with the inclusion of its view, report, letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

G. Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

H. No Material Adverse Change

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since October 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this Prospectus, and up to the date of this Prospectus.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

J. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to "Appendix V — Summary of the Articles of Association — Increase, Decrease and Repurchase of Shares" in this Prospectus.

K. Preliminary Expenses

We have not incurred any material preliminary expenses.

L. Promoters

Within two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this Prospectus.

M. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this Prospectus as mentioned in "Appendix I — Accountants' Report — 44. Related Party Transactions" in this Prospectus.

N. Miscellaneous

Save as disclosed in this Prospectus:

(a) within the two years immediately preceding the date of this Prospectus:

   (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

   (ii) no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

   (iii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

   (iv) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Prospectus;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(g) all necessary arrangements have been made to enable the H Shares to be admitted into CCASS for clearing and settlement.

O. Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Appendix VI — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Material Contracts" in this Prospectus; and

(b) the written consents referred to in the section headed "Appendix VI — Statutory and General Information — 5. Other Information — F. Consents of Experts" in this Prospectus.

B. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on our website at **https://www.hanscnc.com/** and on the website of the Stock Exchange at **www.hkexnews.hk** during a period of 14 days from the date of this Prospectus:

(a) the Articles of Association;

(b) the accountants' report from Ernst & Young, the text of which is set forth in Appendix I to this Prospectus;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2022 and 2023 and 2024 and the ten months ended October 31, 2025;

(d) the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set forth in Appendix II to this Prospectus;

(e) the letters in respect of the profit estimate of our Group from Ernst & Young, the reporting accountants, and China International Capital Corporation Hong Kong Securities Limited, the Sole Sponsor, the texts of which are set out in Appendix IIA;

(f) the industry report issued by China Insights Consultancy referred to in the section headed "Industry Overview" in this Prospectus;

(g) the PRC legal opinions issued by China Commercial Law Firm in respect of certain general corporate matters and property interests under PRC laws;

(h) the material contracts referred to in the section headed "Appendix VI — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Material Contracts" in this Prospectus;

(i) the written consents referred to in the section headed "Statutory and General Information — 5. Other Information — F. Consents of Experts" in this Prospectus;

(j) the service contracts and appointment letters referred to in the section headed "Appendix VI — Statutory and General Information — 3. Further Information about Our Directors — A. Particulars of Directors' Service Contracts and Appointment Letters" in this Prospectus;

(k) the terms of the 2023 Restricted Share Incentive Scheme; and

(l) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of a full list of grantees under the 2023 Restricted Share Incentive Scheme, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Clifford Chance at 27/F, Jardine House, One Connaught Place, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Prospectus.

深圳市大族數控科技股份有限公司
SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD.